2019
ANNUAL REPORT

Cornerstone of Logistics

GWC

Delivering Logistics Innovation

بسم الله الرحمن الرحيم

In the Name of Allah,
The Compassionate, The Merciful

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

His Highness
Sheikh Hamad bin Khalifa Al Thani
Father Emir

CORNERSTONE OF SUCCESS

The year 2019 was a year of possibility and wonder for the citizens and residents of Qatar, as many of the country's various landmark projects came together – the roll-out of all metro lines, the unveiling of the Qatar National Museum, and the successful delivery of the first of the FIFA tournaments to be held in the country.

By developing massive world-class logistics infrastructure, GWC has ensured it will be the cornerstone of success for the country's various industries, and helping businesses maximize their profitability. As we move towards the FIFA World Cup 2022, and our eyes ever on the Qatar National Vision 2030, we remain true to our purpose, and look forward to the achievements and milestones to come.

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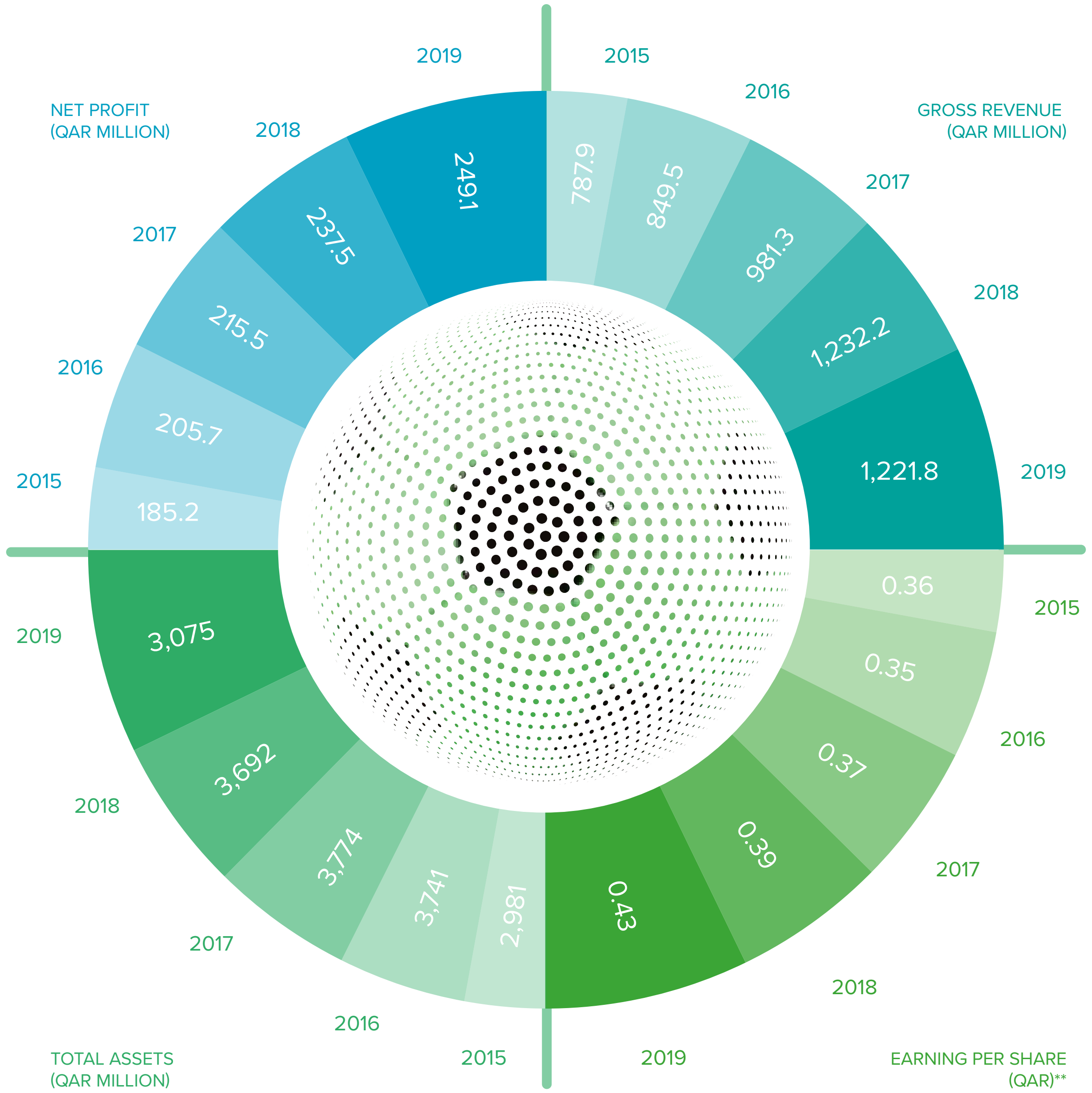
FINANCIAL HIGHLIGHTS 2015 - 2019



***EPS figures restated manually on current outstanding shares based on the nominal value as per the instructions issued by the Qatar Exchange in 2019*

Museum of Islamic Art
Doha, Qatar

OUR **PURPOSE**

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

OUR **PASSION**

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

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present GWC's financial results and business performance for the year ended 31 December 2019. We have delivered significant improvements and solid growth in our financial and operational performance in 2019 despite challenging market climate.

As we approach the FIFA World Cup 2022, we continue to see our nation come together and rise to the occasion, completing transport and sports related infrastructure and events under the wise guidance of His Highness the Emir Sheikh Tamim bin Hamad Al Thani.

At GWC, our support for Qatar has formed the building blocks of our operational excellence. We therefore pursue all opportunities locally and internationally that ensure we are the provider of choice for innovative logistics and supply chain solutions to enable the business community to focus on their core operations and achieve their objectives.

By expanding our market penetration in each of the logistics fields we have entered and adding new business sectors and locations to our market development plan, we are ensuring both our long-term sustainability and our profitability while accelerating our growth. Through the passion of our management and employees, and by staying steadfast in our commitment to Qatar National Vision 2030, we achieve our purpose of attaining logistics excellence while ensuring the best interests of 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 Commerce and Industry, for their continued leadership and support. I also thank the Board of Directors, management and staff of GWC, and our faithful shareholders and clients, for their exceptional contribution and trust in GWC.

Thank you.

Abdulla Fahad J. J. Al-Thani

Chairman

BOARD OF DIRECTORS

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

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

Mr. Jassim Sultan J. Al-Rumaihi
Member

Dr. Hamad Saad M. Al-Saad
Member

Mr. Ahmed Mubarak Al-Ali Al-Maadid
Member

Mr. Sultan Yousif Khater Al-Sulaiti
Member

Mr. Mohammed Hasan Al-Emadi
Member

Ms. Hanadi Anwar Al-Saleh
Member

Mr. Faisal Mohammed A. A. Al Emadi
Member

FIFA Club World Cup Qatar 2019 ™ Football placed in Qatar Museum

GROUP CEO'S MESSAGE

Dear Shareholders,

Our drive to innovate and deliver are not ends in and of themselves, but serve to ensure that we remain pivotal to our client's success stories by remaining their provider of choice. In 2019, this has meant further integration and synchronization among our various business units and subsidiaries, truly becoming a one-stop shop for all logistics services and supply chain solutions. With the addition and development of our shipping agency services and the upcoming development of our newest facilities, we now represent every link in the supply chain.

This vast, cross-connected network of operations shall be invaluable as our concentration shifts to the various sports events leading to the FIFA World Cup 2022. With the successful delivery of the logistics solutions for the FIFA Club World Cup Qatar 2019™ as the official national supporter and logistics provider, the company has demonstrated that it is in a strong position to serve all of the upcoming international events.

Ensuring our sustainable growth, we have put in place various technological and procedural initiatives that increases operational efficiency, at ever lower capital expenditures. Our Corporate IT and Continuous Improvement departments have worked to ensure that implemented automation and processes complement our workforce's efforts, allowing them to focus on the high-end needs of the clients and their operations

Our employee's welfare is our highest priority, and our HR and QHSSE departments have worked diligently to ensure they work in a safe and supportive environment; efforts demonstrated under the umbrella campaign: "One Team, One Goal, Zero Incident – I'm Committed". By removing all obstacles and concerns from the path of our employees, we guarantee a customer experience like no other, all of which are complemented by our various programs offering investment and logistics supports for our SME clients, as well as an asset-rich environment that enable all our customers swift and all-encompassing business support.

Our strong track record of customer approval has created an impressive rate of client retention while attracting new customers from all market segments, as we work together to achieve the nation's strategies, create a sustainable and diverse economy – an environment that will ensure the best returns for our investors.

Thank you.

Ranjeev Menon
Group CEO

MANAGEMENT
TEAM

Mr. Ranjeev Menon
Group CEO, (SEM)

Mr. Rajeswar Govindan
Chief Operating Officer, (SEM)

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

Mr. Segun Abayomi
Chief Audit Executive, (SEM)

Hicham Nedjari
Chief Financial Officer, (SEM)

Mr. Matthew Phelps
General Manager

Mr. Naji Nassar
Senior Director
Commercial Services

Mr. Sunil Kambrath
Senior Director
Contract Logistics & RMS

Mr. Bobby George
Senior Director
Freight Forwarding

Mr. Maged Emil Kamal
Senior Director
Information Technology

Mr. Setrak Khatchikian
Senior Director
Transport

Mr. Abdulaziz M. Al-Sahlawi
Director
Public Relations

Mr. Syed Maaz
Senior Director - UPS &
Business Transformation

Mr. Hamdan Abdulla Merchant
Senior Director
Business Process
Improvement

Mr. Duncan Capp
Director
Fine Art

Ms. Tia Prang
Senior Director
Human Resources

Mr. Wilfried Hugebaert
Executive Director
Strategy & Growth

GWC AT A GLANCE

A LEADING LOGISTICS POWERHOUSE

NO. 1

3PL and 4PL Service Provider in Qatar

LISTED **2004**

EMPLOYEES **2,400+**

CUSTOMERS **1,500+** GLOBALLY

TOTAL ASSETS

3.07 QAR Billion YTD 2018

1,200+ Trucks, Trailers and Specialised Vehicles

WAREHOUSING FOOTPRINT

830,000 sqm Warehouses and Distribution Centers

260,000 sqm Open Yard

32,500 sqm Container Yard

210,000 3PL Pallet Locations

LOCATIONS ACROSS THE GCC

19

AUTHORISED SERVICE CONTRACTOR FOR UPS IN QATAR

AWARDS RECEIVED

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

Arabian Business 'Top30 Qatari Companies' **2014 2015 2016**

2011 SCATA '3PL Service Provider of the Year'

2012 SCATA 'Best Logistics Infrastructure in the Middle East'

Trends/INSEAD 'Top CEO' **2014 2015 2016**

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

2017 Forbes Middle East 'Qatar Success Awards'

2018 Microsoft 'Digital Transformation Award'

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

2019 Forbes Middle East 'Top 50 CEOs in the Middle East'

General Authority of Customs 'Best Customs Brokerage Award'

GLOBAL REACH

600+ OFFICES

EUROPE **160+** Offices

MENA **120+** Offices

ASIA-PACIFIC **220+** Offices

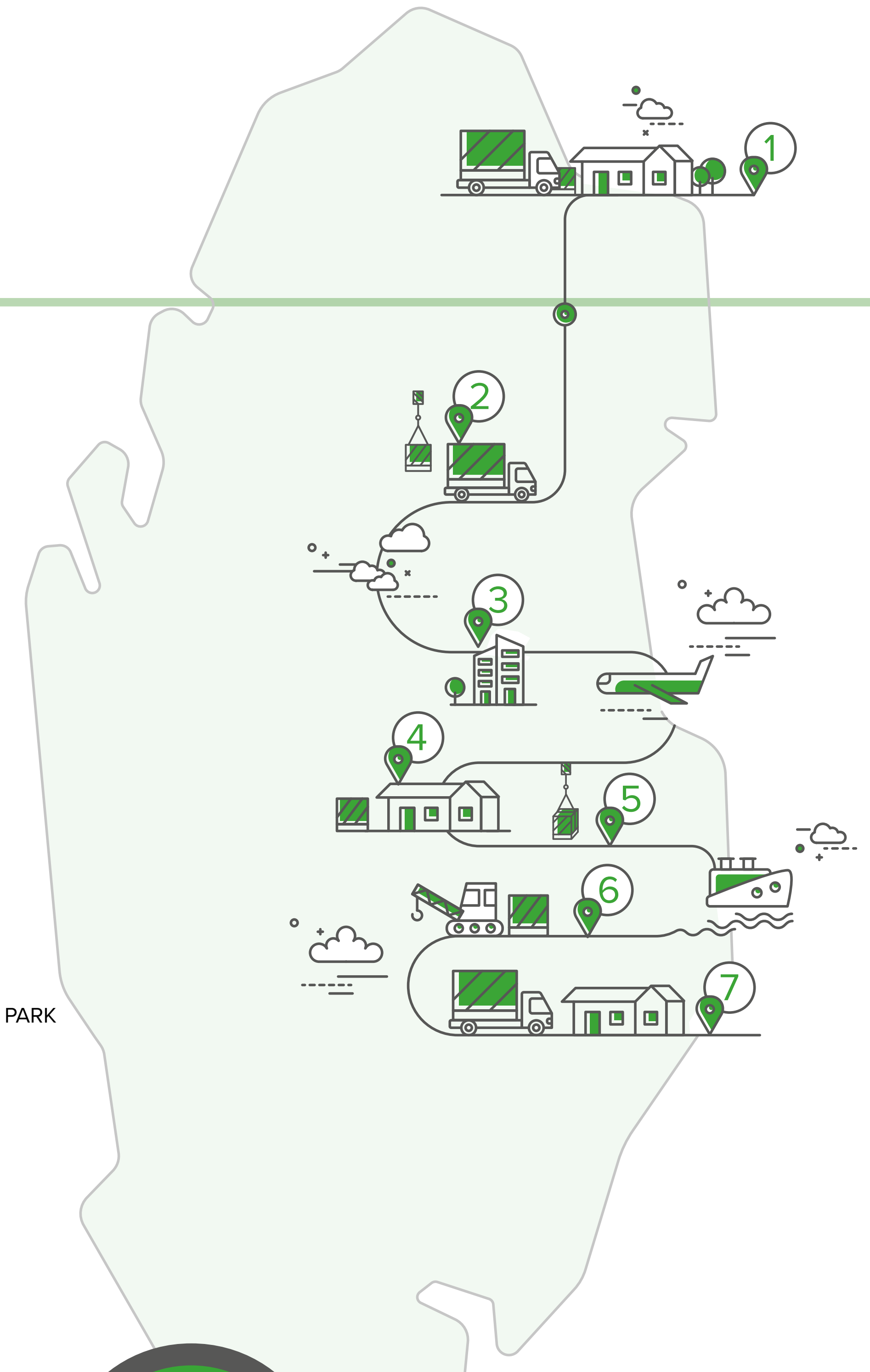
AMERICAS **100+** Offices

END TO END SUPPLY CHAIN SOLUTIONS

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

CERTIFICATIONS

TRACE CERTIFIED · DROPS · FAIM PLUS · FIDI · IAM · NAID & PRISM VENDOR · TÜV ISO 9001 · LR



1 RLIC ESSA LOGISTICS HUB
Ras Laffan Industrial City

RLIC WSSA WAREHOUSE AND DISTRIBUTION CENTER
Ras Laffan Industrial City

SI03 LAYDOWN YARD
Ras Laffan Industrial City

2 BU FESSEELA WAREHOUSING PARK
Umm Salal Mohammed

3 HEAD OFFICE
D Ring Road - Doha

4 STREET 2 - WAREHOUSE & DISTRIBUTION CENTER
Industrial Area

STREET 15 - WAREHOUSE AND DISTRIBUTION CENTER
Industrial Area

STREET 41 - WAREHOUSE AND DISTRIBUTION CENTER
Industrial Area

STREET 43 - WAREHOUSE AND DISTRIBUTION CENTER
Industrial Area

6 GWC BU SULBA WAREHOUSING PARK

7 MESAIEED LOGISTICS HUB
Mesaieed Industrial City

GWC IN QATAR

5 15K WAREHOUSE AND DISTRIBUTION CENTER
LVQ

25K WAREHOUSE AND DISTRIBUTION CENTER
LVQ

33K WAREHOUSE AND DISTRIBUTION CENTER
LVQ

DWH4A WAREHOUSE AND DISTRIBUTION CENTER
LVQ

LOGISTICS VILLAGE QATAR
LVQ

GWC ANNUAL REPORT 2019 BUSINESS UNITS SUMMARY

Contract Logistics:

GWC is widely recognized as the market leader in warehousing and distribution solutions for all manner of items, offering integrated, cost-efficient, and sector-focused solutions for large corporations as well as SMEs. Under Contract Logistics, GWC offers a variety of services, such as Hazmat Logistics, Equestrian Logistics, and Sports and Events Logistics, handling materials as diverse as food and beverage, FMCG, hazardous and dangerous goods, sports and events materials, and live bloodstock, to name a few. The services offered cover the handling from the factory to the end user, but also includes the packaging and repackaging, warehouse and inventory management, all temperature storage options, as well as retail distribution. The company also offers the benefit of its experience through consulting services.

Records Management Services:

GWC is the pioneer in records and asset management solutions in Qatar, accredited with PRISM Membership, ISO and ISMS Certificates for industry best practices. The company currently stores billions of customer documents in advanced storage facilities, equipped with the latest safety settings, and providing end-to-end records lifecycle management. The profit center offers these services to government, healthcare, oil and gas, and banking and finance organizations among others. Whether on the client site or at one of the company's facilities, the records team provides digitization of documents, storage of physical and digital documents, time-bound document retrieval, indexing and cataloguing accessed by document management systems, as well as the secured destruction of physical and digital documents. Additionally, the team provides comprehensive fixed asset tagging and inventorying.

Logistics Hubs:

In 15 years, GWC has developed over 3-million square meters of world class logistics infrastructure according to the highest industry standards to serve the regional market. These hubs were designed based on the understanding of the needs of the market surrounding each of the hubs, as well as the logistics expertise gained through the development of each hub. The hubs support logistics operations for every industry, with the Logistics Village Qatar, the GWC Bu Sulba Warehousing Park, and Doha Industrial Area warehouses serving clients in aviation, healthcare, fine art, records management, and many other industries on a 3PL or rental basis. The company has also entered into management agreements for client hubs, such as the agreement signed with Al Asmakh for the Bu Fesseela Warehousing Park. GWC has also constructed several industry specific warehousing hubs, such as the oil and gas facilities in Ras Laffan and Messaieed Industrial Cities. For specific oil and gas clients, the company has also undertaken the development of logistics hubs tailored for the individual client's needs. More facilities are in the pipeline for development, as the GWC UPS Warehousing Park nears completion in the Ras Bu Fontas area, and GWC and Manateq have signed a new DBFOT agreement for the development of the Al Wukair Logistics Park.

Transport:

The Transport profit center offers a variety of ground transport and related services to clients, making full use of largest fleet of vehicles that are backed by state-of-the-art tracking, analysis, and optimization systems. Transport clients range across various industries including retail, hospitality, manufacturing, and chemical industries as well as many more. Among the services offered within the profit center transport services, container yard management, and shipping container maintenance and repairs.

Freight:

The company's access to a global freight forwarding network of more than 600 offices in 125 countries has been instrumental in capturing the lion's share of the local freight market. The profit center leverages the company's asset base, strong domain knowledge and capabilities when crafting the options and services offered to clients, which include public sector and medical authorities, news networks, educational institutions, real-estate developers and many more. Among the services offered by the profit center are air and sea freight, customs clearance, project logistics, and international moving and relocations.

Fine Art:

GWC Fine Art deploys industry-specific warehousing, trucking, and manpower assembled according to the best international museum standards to provide fine art logistics and adjacent services (such as restoration and fumigation). The profit center serves clients in public museum and art authorities, as well as private collectors and galleries, handling the specialized packing, shipping, tarmac support, installation and de-installation of some of the world's most irreplaceable artworks both in outdoor and indoor venues.

UPS:

Since becoming the Authorized Service Contractor for UPS in the State of Qatar, GWC has grown the courier giant's market share in the country, developing various corporate contracts with clients in the public and private sector. UPS' offerings include express parcel services and supply chain solution.

Marine Services:

GWC offers shipping agency services through various established subsidiaries, allowing shipping liners to benefit from unparalleled technological advancements and bespoke logistical infrastructure, allowing the profit center to handle any project of any size. The subsidiaries support shipping liners performing heavy lifts, project cargoes, LNG and hydrocarbon/tanker vessels, RORO vessels, cruise ships, as well as liners moving containers, bulk, and breakbulk cargoes. Services offered include yard operations, liner representation, port agency services, cruise ship hosting, and husbandry service.

International Operations:

Through a number of international offices and subsidiaries, GWC offers specialized and integrated supply chain and logistics services for clients in a variety of industries, including agriculture and military services. GWC will continuously seek fruitful opportunities in the international markets, strengthening its position and revenue streams.

New Ventures:

GWC actively enters into new fields as part of its business diversification strategy, allowing new, well-studied business opportunities to participate into its revenue streams. Among the most recent of these has been LEDD Technologies, offering technology solutions and services that facilitate client business transformation. The solutions offered are based on 15 years of providing such solutions under the GWC umbrella, making use of industry professionals operating locally to adapt these solutions for the client's needs. The subsidiary has already established a presence for itself in the market, with clients in the logistics, technology, and food and beverage fields, among others. The subsidiary is a Microsoft Gold Partner, SAP Silver Partner, UiPath Silver Partner, a Trend Micro Bronze Partner, as well as partnering with Cisco, Red Hat, Ready, Dell EMC, and Exceeders to provide the best in automation, data security, and cloud management solutions. The company will continue to explore new ventures and fields to enter into, with more announcements expected in the coming year.

DELIVERY FOUNDATIONS

In order to deliver logistics innovation to our clients, our employees need to be supported by strong foundations ensuring their success and safety.

Quality, Health, Safety, Security, and Environment

The Quality, Health, Safety, Security, and Environment (QHSSE) 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.

Human Capital Management

Human Resources acts as a strategic partner to the company by working closely with the line managers to ensure that they have sufficient resources to run their operations, while maintaining a culture of maximizing performance and employee welfare. The key driver of the company culture is represented by the phrase “I STRIVE”, which allows an employee to be the change agent advocating integrity, safety, teamwork, respect, innovation, remaining very customer focused, and excellence.

Corporate IT

Corporate IT works as a partner with every level of management, creating solutions to govern every internal and business process to ensure that GWC is a data- and technology-driven company at the forefront of the fields within which it operates.

Continuous Improvement

Continuous Improvement has worked to develop a collaborative team effort culture in the workplace that cultivates the cycle of continuous improvement by utilizing lean six sigma tools to identify and eliminate non-value adding steps and waste. The aim of this is increasing value to all GWC stakeholders: employees, customers, vendors and shareholders.

Corporate Social Responsibility

GWC understands its responsibility arising from the impact of its activity on people’s lives and society, integrating social, environmental, and ethical concerns, as well as those impacting human rights, into its daily activities. The company’s programs focus on youth, education, financial literacy, entrepreneurship, knowledge, culture, and sports, and are intended to benefit the society at large, as well as its clients, employees, shareholders, and investors.

FIFA Club World Cup Qatar 2019 ™

GWC INTERNAL CONTROL REPORT 2019

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FIFA Club World Cup Qatar 2019 ™

BOARD REPORT ON INTERNAL CONTROL OVER **FINANCIAL REPORTING (ICOFR)**

General

The Board of Directors of Gulf Warehousing Corporation QPSC ("GWC", "the company") and its subsidiaries (the "Group") is responsible for establishing and maintaining adequate internal control over financial reporting (ICOFR). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the firm's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR includes our disclosure controls and procedures designed to prevent misstatements.

We have conducted an evaluation of the design and operating effectiveness of internal controls over financial reporting, as of 31 December 2019, based on the framework and the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Tread-way Commission ("COSO").

Risks in Financial Reporting

The main risks in financial reporting are that either financial statements do not present a true and fair view due to inadvertent or intentional errors (fraud) or the publication of financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement amounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the financial statements.

To confine those risks of financial reporting, the company has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements and conducted an assessment of the effectiveness of the company's internal control over financial reporting based on the framework established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Tread-way Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate adequacy of a control system. As a result, in establishing ICOFR, management has adopted the following financial statement objectives:

- Existence / Occurrence - assets and liabilities exist and transactions have occurred.
- Completeness - all transactions are recorded; account balances are included in the financial statements.
- Valuation / Measurement - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts.
- Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities.
- Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well conceived and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud.

Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Information and Communication

GWC values information as necessary to carry out internal control responsibilities to support the achievement of its objectives. Management obtains or generates and uses relevant and quality information from both internal and external sources to support the functioning of internal control. Communication at GWC is the continual, iterative process of providing, sharing, and obtaining necessary information. Internal communication is the means by which information is disseminated throughout the organization, flowing up, down, and across the entity. It enables personnel to receive a clear message from senior management that control responsibilities must be taken seriously. GWC is using Share-point and Office 365 Email as a source to disperse internal communications through CEO Office, Corporate Communications Office, IT and HR offices. External communication is twofold: it enables inbound communication of relevant external information and provides information to external parties in response to requirements and expectations. GWC has established corporate communications department and also maintains a dynamic public hosted website.

Organization of the Internal Control System

The Business and Function Heads are responsible for aligning operational activities under their control such that they are aligned with GWC strategy and compliant with all internal (at all levels – Group, business, function and country) policies and external regulations and laws that apply to their business and functions.

Controls within the system of ICOFR are performed by all business functions and infrastructure functions with an involvement in reviewing the reliability of the books and records that underlie the financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the financial statements. Such controls are integrated into the operating process and include those which:

- Are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties,
- Operate on a periodic basis such as those which are performed as part of the annual financial statement preparation process,
- Are preventative or detective in nature,
- Have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include entity level controls and IT general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item,
- Feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

Measuring Design and Operating Effectiveness of Internal Control

GWC has a well-established internal audit function headed by Chief Audit Executive. The function has sub functions that are consists of Finance, Compliance, IT and Operations. All audit programs are established and conducted against business processes at different levels of the entity, criteria established by regulators, standard-setting bodies, or management and the board of directors, and deficiencies are communicated to management and the board of directors as appropriate. GWC also has a quality department headed by Director - QHSE & Security and regularly conducts and reports quality audits. All audits are reported through a cloud-based Risk, Audit and Incident Management System. The tool fully automates the process of conducting audit, communicating and tracking deficiencies. GWC has also established a continuous auditing and monitoring tool using analytics tool.

In the First year of ICOFR reporting, the company focused on the adequacy of design effectiveness of the system of ICOFR reporting. This being the Second year of ICOFR reporting, the company has undertaken a formal evaluation of the adequacy of the operating effectiveness of the system of ICOFR as well. This evaluation incorporates an assessment of the design and operating effectiveness of the control environment as well as individual controls which make up the system of ICOFR taking into account:

- The risk of misstatement of the financial statement line items, considering such factors as materiality and the susceptibility of the particular financial statement item to misstatement.
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature and extent of evidence that management requires in order to be able to assess whether or not the design and operation of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings

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Management's assessment included a review of controls related to the following processes:

- Revenue, Receipts and Receivables
- Treasury
- Procure to Pay
- Human Resources and Payroll
- Fixed Assets and Intangibles
- Inventory
- General Ledger and Financial Reporting
- IT Controls
- Entity Level Controls

Conclusion

As a result of the evaluation, the management has assessed and concluded that ICOFR is appropriately designed and operating effectively as of 31 December 2019 in all material respect and no significant weaknesses existed that may affect the financial position of the Group as of 31 December 2019.

REPORT ON ACTIVITIES OF THE NOMINATION COMMITTEE

Introduction

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

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.

Composition of the Nomination Committee

The Nomination Committee consists of three non-executive Board members. The Nomination Committee consists of One (1) Independent and two (2) Non-Independent Board members. Mr. Mohammed Hasan Al-Emadi is an Independent Board Member. The names of the Nomination Committee members include:

Mr. Jassim Sultan J. Al-Rumaihi - Chair

Mr. Mohammed Hasan Al Emadi – Member

Mr. Sultan Yousif Khater Al-Sulaiti – Member

Activities of the Nomination Committee

1. The Nomination Committee reviewed the succession planning program in the company. All critical positions in the company were identified and next-in-line to the office holders were also noted for development.
2. The Nomination committee submitted Board Members performance evaluation for final review of the Board Chairman.

REPORT ON ACTIVITIES OF **THE REMUNERATION COMMITTEE**

Introduction

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

1. Setting the Company's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders.
2. Setting the foundations of granting allowances and incentives in the Company, including issuance of incentive shares for its employees.

Composition of the Remuneration Committee

The Remuneration Committee consists of three non-executive Board members. The Remuneration Committee consists of One (1) Independent and Two (2) Non-Independent Boards Members. Mr. Faisal Al-Emadi is an Independent Board Member. The names of the Committee members include:

Mr. Ahmed Mubarak Al-Ali Al-Maadid – Chair

Mr. Jassim Sultan J. Al-Rumaihi - Member

Mr. Faisal Mohammed A. A. Al-Emadi – Member

Activities of the Remuneration Committee

1. The Remuneration Committee met once during 2019, the remuneration committee deliberated on and set the bonus payment of all Board Members and senior executive management and other employees.
2. The Board Bonus recommendation will be presented to the shareholder for their approval at the next General Assembly Meeting.

REPORT ON ACTIVITIES **OF THE AUDIT COMMITTEE**

Introduction

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

1. The Company's accounting, auditing, and financial reporting processes.
2. The integrity of the Company's financial statements.
3. The Company's system of internal controls and procedures designed to promote compliance with accounting standards and applicable laws and regulations.
4. Risk management processes and.
5. The appointment and evaluation of the qualifications and independence, of the Company's independent auditors (both Internal & External).

Composition of the Audit Committee

The Audit Committee consists of three non-executive directors board members and two Independent board members:

The names of the Directors include:

Dr. Hamad Saad M. Al-Saad - Chair (I)

Mr. Jassim Sultan J. Al-Rumaihi – Member (NI)

Mr. Mohammed Hasan Al Emadi – Member (I)

The Committee's oversight function is partly delegated to the Chief Audit Executive (CAE) whose work and function is directed by the committee.

Achievement of the Audit Committee

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

The Committee ensures critical oversight of the company's financial reporting through the functions of both the Internal & External Auditors. The Committee requires the Chief Audit Executive to present quarterly reports on the accuracy and validity of financial statements, the Internal Auditor is also required to report on compliance with all IFRS standards. The External Auditors are required to issue half yearly and full year Audit reports.

The committee has carried out a review of all the issued reports of both the Internal and External Auditor. The review of the accuracy and validity of the financial statements including the yearly, half-yearly and quarterly reports have been done with particularly focus on:

- Any changes to the accounting policies and practices;
- Matters subject to the discretion of Senior Executive Management;
- The major amendments resulting from the audit;
- Continuation of the Company as a viable going concern;
- Compliance with the accounting standards designated by the Authority;
- Compliance with the applicable listing Rules in the Market; and
- Compliance with disclosure rules and any other requirements relating to the preparation of financial reports.

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

The Audit committee has reviewed the company's policy on receivable impairment accounting and recognition and its accuracy. Using the expect credit loss estimates of impairments on company's Receivables; a provision of QAR 52.33 Million has been provided in impairment loss as at the end of Q3-2019.

3. Development of Analytics Monitoring in Internal Audit

During 2019, the Audit Committee approved the proposal of the Chief Audit Executive-CAE for the Continuous Audit and Monitoring of the company's processes and controls through the use of analytics. The plan involves development of analytics dashboards to monitor scoped processes and its associated controls. The analytics help to identify all control anomalies long before they cause hindrance to achieving set goals. As at the end of 2019 around 30% of the dashboards has been developed across three (3) of twelve (12) operating Departments.

4. Re-Appointment of External Auditors

In fulfillment of its responsibility as dictated in the committee charter and corporate governance law of Qatar, the committee has in early 2019 recommended, to the Board and shareholders, the selection of Ernst & Young Accounting Firm as the company's external auditors for year 2019. Their recommendation was ratified by both the Chairman of the Board and the shareholders meeting of February 2019.

5. Meetings of the Audit Committee

The Audit Committee has met at-least every three months during 2019 and has kept its minutes of the meeting. Specifically; the table below indicates the number of committee meeting and the director's attendance.

No.	Audit Committee Members	Years	
		2018	2019
1	Dr. Hamad Saad Al-Saad– Chair	6/6	6/6
2	Jassim Sultan Al-Rumaihi	6/6	6/6
3	Mohamed Hasan Al-Emadi	6/6	6/6

6. Corporate Governance Reporting

The Audit committee has the responsibility of preparing the company's Corporate Governance Report – CGR which is a regulatory requirement of the Qatar Financial Market Authority – QFMA. The Corporate Governance Report for 2018 has been published in 2019 while the Corporate Governance Report for 2019 will be published in the annual report of early 2020.

7. Risk Management Oversight

The Audit Committee has carried out a review of the effectiveness and adequacy of the company's risk management process. The committee mandates the internal audit to provide a quarterly report on the adequacy and effectiveness of the company risk management& processes. Earlier the committee has ensured the procurement of Symbiant Risk Management suite (software) to help manage the over 425 identified risks in GWC.

8. Adoption of COSO Framework as Basis for Internal Control Assessment:

During Q1-2018, the committee and the Board approved the adoption of COSO framework as the Basis for assessing the company's internal control.

9. Approval of ICOFR Assessment

The Audit committee and Board Chairman has reviewed the Internal Control Over Financial Reporting - ICOFR Assessment for 2019 has undertaken by the Chief Audit Executive-CAE and all appropriate actions and approvals has been given. 221 Key-Controls were reviewed across 197 processes and 167 Risks.

10. Approval of Audit Plan for period 2019/2021

The audit committee and Board Chairman has reviewed and approved an audit plan that guides the depth and scope of audit of the company for period 2019 through 2021. The audit plan is risked based plan that has prioritized and planned audit based on processes with the highest risks to the company. The audit plan also narrates the resources and time being used to implement the audit works.

11. Internal Control and Assessment of Fraud Control in GWC

The Audit Committee has, during 2019, reviewed the company's internal Control including the anti-fraud control. The purpose of this is to assure there is effective control that mitigates all risks including the risk of fraud occurrence. Critical issues were addressed including control over bank payments, receivable integrity, control over procurement etc. Below is the revised fraud tree for GWC. Controls have generally been categorized into Key and Non-Key Controls. GWC has a registered 331 Fraud Risks scenarios. The Committee has reviewed the Fraud Risk assessment that was carried out by the CAE during 2019.

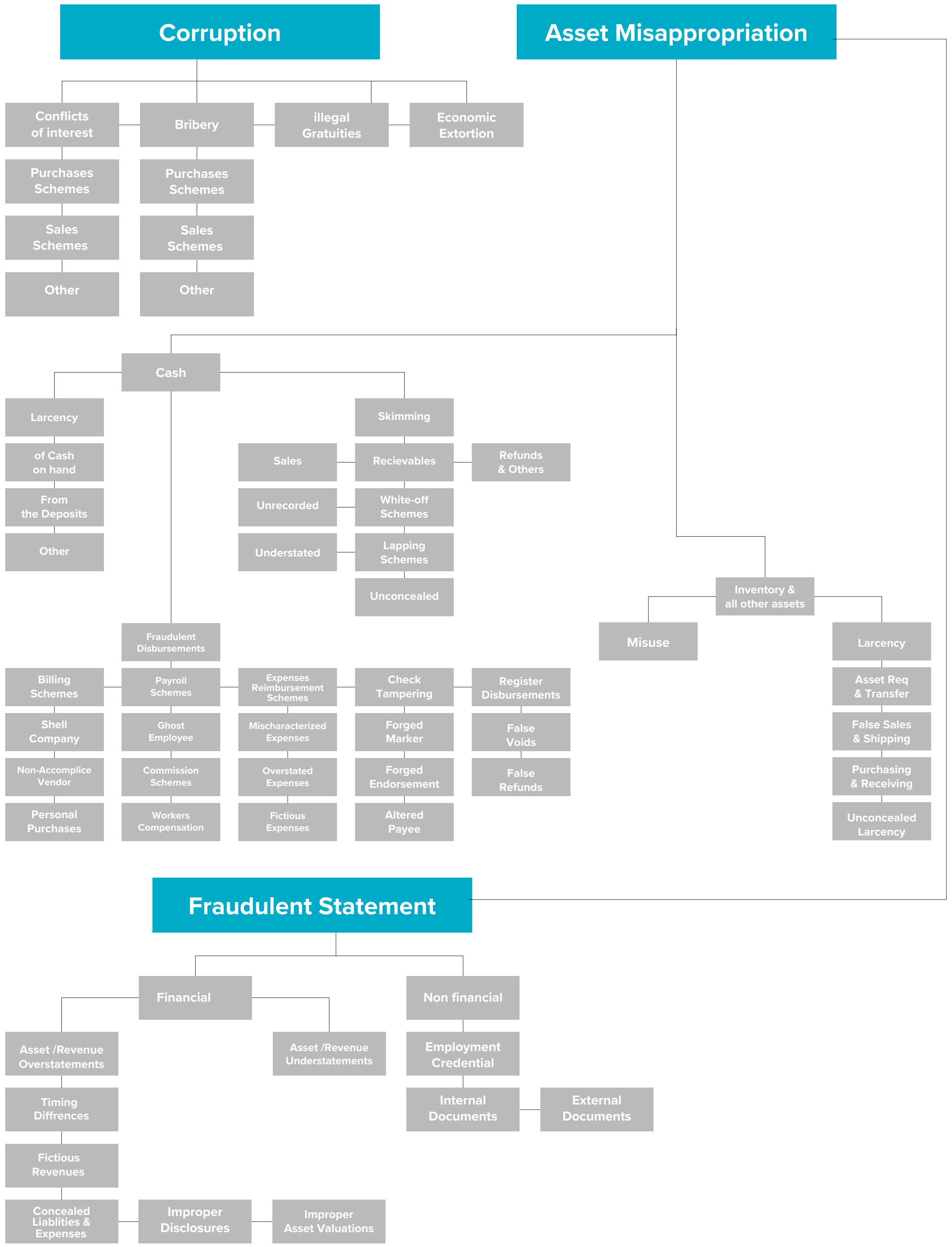

Figure 1.1

12. Assessment of Company's Tax Compliances

The audit committee has reviewed and validated with-holding tax Audit of the company for period until the end of the year 2019. The company's External Auditor E & Y accounting firm handles all tax compliances and filing.

13. Review of Notes to the Audit Committee as Discussed with Management

The Audit committee reviewed the status of audit Findings up to date for each quarter. The Committee also reviewed the age of all outstanding tracked audit finding to understand the underlying factor why it remains unresolved.

SUMMARIZED INFORMATION ON THE COMPANY'S BOARD OF DIRECTORS:

Company Name	Gulf Warehousing Company Q.P.S.C.
Date of election/assignment of the current Board of Directors	5th of February 2018
End date of the current Board of Directors	2020
Number of Board of Directors	Nine (9)
Number of Independent Directors	Three (3)
Number of Non-Independent Directors	Six (6)
Number of Executive Directors	Nil
Number of Non-Executive Directors	Nine (9)
Number of the Board Meetings held during the year of the CGR	Six (6)
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	One (1)
Number of Nomination Committee Non-Independent Directors	Two (2)
Number of Nomination Committee Executive Directors	Nil
Number of Nomination Committee Non-Executive Directors	Three (3)
Number of Nomination Committee Members outside the Board	Nil
Number of Board Membership Shares Guarantee	200,000
Total number of shares for the Board of Directors as of end the last financial	Appendix 1.3
Total number of shares for the Company as of end of the last financial year	58,603,1480 shares
Number of the invitations for General Assembly meeting as of end of the last financial year – 2019)	Once on 4th of Feb 2019

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 Members / representative	Nomination Committee	Remuneration Committee	Audit Committee
1	Sheikh Abdulla Fahad J. J. Al-Thani Chairman – Al-Masar Commercial Co.			
2	Sheikh Fahad Hamad J. J. Al-Thani Vice Chairman – Al-Mirqab capital Co.			
3	Ahmed Mubarak Al-Ali Al-Maadid Member – Al-Bateel Commercial Co.		Committee-Chair	
4	Dr. Hamad Saad M. Al-Saad Member – Al-Shamael limited Co.			Committee-Chair
5	Sultan Yousef Khater Al-Sulaiti Member – Al-Sinam Commercial Co.	Committee-Member		
6	Jassim Sultan J. Al-Rumaihi Member Al-Riwaq Commercial Co.	Committee-Chair	Committee-Member	Committee-Member
7	Mohammed Hasan Al-Emadi Member – Ismael Bin Ali Group	Committee-Member		Committee-Member
8	Hanadi Anwar Al-Saleh Member – Agility			
9	Faisal Mohamed A. A. Al-Emadi Member – Personal		Committee-Member	

Table1.2: Directors attendance of Meetings:

#	Board Membership Representative	AGM	Board Meeting	Nomination Committee	Remuneration Committee	Audit Committee	Classification	Independence Status
1	Sheikh Abdulla Fahad J.J. Al-Thani Chairman	1/1	6/6				Non-Executive	Non-Independent
2	Sheikh Fahad Hamad J. J. Al-Thani Vice Chairman	1/1	6/6				Non-Executive	Non-Independent
3	Ahmed Mubarak Al-Ali Al-Maadid Member	1/1	6/6		1/1		Non-Executive	Non-Independent
4	Dr. Hamad Saad M. Al-Saad Member	1/1	6/6			6/6	Non-Executive	Independent
5	Sultan Yousef Khater Al-Sulaiti Member; (Abdulaziz Mohamed J. A. Al-Sulaiti – previous member representing of Al-Sinam Commercial Co.)	1/1	6/6	1/1	-	-	Non-Executive	Non-Independent
6	Jassim Sultan J. Al-Rumaihi Member	1/1	6/6	1/1	1/1	6/6	Non-Executive	Non-Independent
7	Mohammed Hasan Al-Emadi Member	1/1	6/6	1/1		6/6	Non-Executive	Independent
8	Hanadi Anwar Al-Saleh Member	0/1	6/6				Non-Executive	Non-Independent
9	Faisal Mohamed A. A. Al-Emadi Member	1/1	6/6		1/1		Non-Executive	Independent

Table 1.3 Directors' Shareholding

Name of board Member	Position	Representative of Membership	Owned Share Balance as of December 2018	Changes in Shares within the Year (x10)	Owned Share Balance as of December 2019 (after nominal value Changes x10)
Sheikh Abdulla Fahad J.J. Al-Thani	Chairman	Personal	0	0	0
		Al-Masar Services Co.	376,502	0	3,765,020
Sheikh Fahad Hamad J. J. Al-Thani	Vice-Chairman	Personal	200,000	0	2,000,000
		Al-Mirqab Capital	12,415,907	(39,727)	123,761,800
Ahmed Mubarak Al-Ali Al-Maadid	Director	Personal	0	0	0
		Al-Bateel Commercial Co.	20,000	0	200,000
Dr. Hamad Saad M. Al-Saad	Director	Personal	0	0	0
		Al-Shamael Limited Co.	20,000	0	200,000
Sultan Yousef Khater Al-Sulaiti	Director	Personal	-	0	–
		Al-Sinam Commercial Co.	1,860,000	0	18,600,000
Jassim Sultan J. Al-Rumaihi	Director	Personal	0	0	0
		Al-Riwaq Commercial Co.	1488000	0	14,880,000
Mohammed Hasan Al-Emadi	Director	Personal	0	0	0
		Ismail Bin Ali Group	25,999	0	259,990
Hanadi Anwar Al-Saleh	Director	Personal	0	0	0
		Agility - Kuwait	10,857,840	0	108,578,400
Faisal Mohamed A. A. Al-Emadi	Director	Personal	20,000	0	200,000
		-	0	0	0
Ranjeev Menon	GCEO	Personal	0	0	0
		N/A	0	0	0

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
Article (2) Scope of Implementation	The principles and provisions of this Code shall apply to companies, legal entities listed on the main Market unless there is a special provision on this regard stipulated in any of the Authority's Legislations. The Company shall, in its annual report, disclose its compliance with provisions of this Code. In case of non-compliance with any principle or provision for reasons accepted by the Authority-taking into account the public interest, the Market interest or the protection of investors-the Company shall specify the article or articles that have not been complied with as well as to mention in the Governance Report the justifications of non-compliance- as the case might be.	☑			GWC has comply with provisions of this QFMA CG code. Compliance has been indicated article-wise to provide assurance of full compliance with all the requirements of the QFMA governance codes. The Corporate Governance Report is included in the company's annual report that is circulated to all shareholders.
Article (3) Compliance with Governance Principles	The Board shall commit to implement Governance principles set out in this Code, which are: Justice, Equality among Stakeholders without discrimination among them on basis of race, gender, and religion; and transparency, disclosure and providing Information to the Authority and Stakeholders at the right time and in the manner that enables them to make decisions and undertake their duties properly. The principles also include upholding the values of corporate social responsibility and providing the public interest of the Company and Stakeholders over the personal interest as well as performing duties, tasks and functions in good faith, integrity, honor and sincerity and taking the responsibility arising therefrom to the Stakeholders and society. The Board shall constantly and regularly review and update Governance applications and apply the highest principles of Governance when listing or trading any securities in the Foreign Market and uphold fair-trading principle among shareholders. The Board shall also update professional conduct rules setting forth the Company's values and shall constantly and regularly review its policies charters, and internal procedures of which shall be binding upon the Company's Board members, Senior Executive Management, advisors, and employees. These professional conduct rules may include the Board Charters and committees, the policy of its dealings with related parties, and the Insiders' the trading rules.	☑			GWC have adopted and implemented the COSO internal Control framework. COSO has established a common internal control model against which companies and organizations may assess their control systems. The company's board of directors has confirmed the company's commitment to this Code. GWC have implemented the principles of governance contained in the governance code, which are justice, equality among stakeholders, non-discrimination, transparency and disclosure of all essential information in a timely manner. The Board and Executive Management believes that partnership governance is an essential component to enhance the confidence of shareholders, especially minority shareholders and stakeholders, by increasing the level of transparency in ownership and control, and implementing an effective monitoring system for strategic business management to create awareness of the importance of corporate governance within the company. The Board of Directors are regularly reviewing and updating Governance applications and applying the highest principles of Governance when listing or trading any securities in the Foreign Market. GWC also provides corporate social responsibility and assure public interest of the Company and Stakeholders over the personal interests in its decision making. The GWC Board has issued a written commitment to complying with all QFMA issued governance principles and guidelines. The Board through the Board Audit Committee also requires the Company's Chief Audit Executive- CAE to review and update the Board and Committee charters on annual basis to assure they are up to date with relevant regulatory laws. This review has been done for 2019. The company as a standard routine; reviewed and updated professional conduct rules setting forth the Company's values; This includes the reviews of Do's and Don'ts in the company as well as the various board related charters. This review has been done by the Chief Audit Executive (CAE) in liaison with Management during 2019.

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
Article (4) Governance Report	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:				The GWC annual Governance Report for 2019 has been signed-off by the Company's Chairman and is included in the published Annual Report that is being distributed to all Shareholders in the ordinary general assembly meeting, and it was also published on the company's website well in advance. This report is included: 1. Disclosure of any violations committed during the year, including the violations and penalties that were imposed on them (if any) 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; in which it was not observed that there was any violations were committed during the year 2019 by the company. 2. Disclosure of all information related to the Board Members and Executive Management responsibilities, Committees and their works, as well as their remunerations; 3. The Board Members Remunerations during 2018 was 9,658,800, while the Executive Management remuneration excluding the salary package was 8,175,000. Also, it was recommended by the boards to submit the below remunerations to the General Assembly for ratification and approval for 2019 as below; • Board members remuneration: 6,305,000 • Executive managements remunerations: 8,750,000 4. Disclosure of all procedures of risk management and Internal Control of the Company including the supervision of the financial affairs, investments and full implementation of the COSO framework for internal control assurances; 5. Disclosure of the committees' works, including number of meetings and their recommendations. 6. 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; 7. The Chairman also has carried out a performance assessment of Board Committees and because of their active role and due to their attendance of committee's meetings, the committees were evaluated as follows:
	1. The procedures followed by the Company in implementing the provisions of this Code.	☑			
	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.	☑			
	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;	☑			
	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;	☑			
	5. The committees' works, including number of meetings and their recommendations.	☑			
	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;	☑			
	7. Disclosure of the performance assessment of the Board, compliance of its members in achieving the Company's interest, doing the committee's works, and their attending of the Board and Committees. Disclosure of the performance assessment of the Senior Executive Management in implementing the Internal Controls system and risk management including identification of number of appeals, complaints, proposals, notifications and the way used by the Board to handle the regulatory issues;	☑			
	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);	☑			
	9. Disclosure of the Company's compliance with applicable market listing and disclosure rules and requirements;	☑			

Committee	Good	Excellent
Audit Committee		√
Nomination Committee		√
RemunerationCommittee		√

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
	10. Disclosure of any conflict or dispute in which the Company is a party including arbitration and lawsuits.	☑			8. Risk management process The objective of the company's risk management process is to assess, treat, monitor and communicate the material risks that could impact the achievement of GWC's strategic objectives. An overview of the risk management process for GWC is provided below: • **Establish the Context** The assessment is carried out in the context of the environment in which GWC operates, the company's strategic objectives and business plans. **Risk Identification** New and emerging risks that are material to the company are identified through structured interviews and workshops with key GWC stakeholders. A risk is characterized by an event or condition and its potential impact, with consideration given to what, where, when, why and how risks could impact the achievement of GWC's strategic business objectives. • **Risk Analysis** Risk analysis is performed by determining the likelihood and impact of each risk according to GWC's risk assessment criteria after considering the effectiveness of existing controls. The risk rating is determined by the product of the impact and likelihood using GWC's corporate risk matrix. • **Risk Evaluation** Risk evaluation is performed by comparing the results of the risk analysis with GWC's risk appetite to determine whether or not the risk is acceptable or further treatment is required • **Risk Treatment** Where the risk evaluation determines that further treatment is required, a decision must be made whether to: (i) reduce the risk by instigating a risk action plan; (ii) share the risk with another party or parties (e.g. through contracts, insurance or risk financing); (iii) avoid the risk altogether by discontinuing the activity that gives rise to the risk. • **Action Plan** Action plans includes specific actions to be completed, accountability for their completion and timeframes for completion. Executive Management have ownership for GWC's top risks and are ultimately responsible for updating risk assessments and implementing action plans • **Risk Monitoring & Review** Internal Audit are responsible for monitoring progress against these action plans and for appropriate escalation through to the management and the BAC where necessary. The Internal Audit also perform detailed reviews of GWC's top risks in accordance with the Internal Audit plan and report the outcomes to the Board Audit Committee. They carry out and monitor the implementation of action plans and their effectiveness in mitigating the identified risks and consider how risk management activities have affected the achievement of GWC's strategic objectives. 9. GWC is complying with all applicable market listing and disclosure rules and requirements;
	11. Disclosure of operations and transactions entered into by the Company with any "Related Party".	☑			

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
					10. As at the end of 2019, GWC has a number of pending legal cases most of which relates to Debtors' payment default while some relates to contractual dispute. An evaluation of these cases has been carried out and provisions has been made where reasonable doubts exists.

2019	No of Cases	Total (QR)
Cases raised by GWC	10	988,009.95
Cases against GWC	2	5,037,493.54

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
Article (5) Requirements for the Board Member	The Board member must be qualified with sufficient knowledge of administrative matters and relevant experience to perform its duties effectively and must devote enough time to do its job with integrity and transparency to achieve the Company's interest, goals and objectives. The Board member must:				All GWC Board Members have fulfilled the membership conditions and requirements according to all relevant regulatory authorities; they have also 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. All our Board members are above 21 years old and are with full capacity to perform their duties. 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 200,000 shares. The existing Board Members have provided written acknowledgment stating of not undertaking any legally prohibited job position that should not be combined with the Board Membership. The current Board is constituted with experienced and qualified members with sufficient knowledge of administrative matters and relevant experience to perform its duties effectively. Below are the profiles of the board members and the Board Committees to which they belong: **Sheikh Abdulla bin Fahad bin Jassem bin Jabor Al-Thani** Sheikh Abdulla has been a member of GWC's board of directors since 2009, holding seats on the Board's Tender and Nominations Committee, prior to his election to Chairman of the Board in 2014. He brings about 10 years of experience to the position, having previously worked with QAFCO and currently holding a position at Muntajat. Sheikh Abdulla is a non-independent, non-executive member of the board. **Sheikh Fahad bin Hamad bin Jassem bin Jabor Al-Thani** Sheikh Fahad has a wide variety of experience in various fields spanning over 8 years. He is currently Deputy General Manager for business development at the International Bank of Qatar. Sheikh Fahad has earned a bachelor's in business administration from the European University in Geneva, Switzerland, and a banking and financial science training from the Arab Academy in Amman, Jordan. Sheikh Fahad is currently GWC's Board Vice Chairman. SheikhFahad is a non-independent, non-executive member of the board.
	1. Not be under twenty-one years old with full capacity.	☑			
	2. Not have been sentenced to criminal penalty, or a crime against honor or integrity, or any of the crimes stipulated in Article (40) of Law No. (8) Of 2012 concerning the Qatar Financial Markets Authority, and articles (334) and (335) of law No. (11) Of 2015 Promulgating Commercial Companies Law, or be prevented from practicing any work in the entities subject to the Authority's jurisdiction under Article (35 paragraph 12) of law No. (8) Of 2012 referred to, or have been bankrupted, unless been rehabilitated	☑			
	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. .	☑			

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
	4. The candidate for Board membership shall provide written acknowledgment stating not undertaking any legally prohibited job position to combine it with the Board membership.	☑			**Mr. Ahmed Mubarak Al-Ali Al-Maadid** Mr. Ahmed is a highly successful figure in the Qatari retail arena and has over 25 years of experience developing various retail outlets and companies. He is currently a Partner and Managing Director of the Al-Bateel Group and was also one of the founders of Gulf Warehousing Company. He has earned various military and management training certificates in business and management science from the State of Qatar, Jordan, UK, and the US. Mr. Ahmed is serving as the Chairman of the Board Remuneration Committee. Mr. Ahmed is non independent, non-executive member of the board. **Dr. Hamad Saad M. Al-Saad** Dr. Hamad is a highly respected figure in the Qatari environmental field and has more than 34 years of experience in environmental affairs with various companies and ministries. He has extensive experience in agricultural investment companies and in the field of internal auditing. He was the head consultant at Hassad Food Company, as well as serving on a number of committees and boards. He earned his doctorate in Botany from Nottingham University in the UK. Dr. Hamad is serving on as Chairman for the Board Audit Committee. Dr. Hamad is an independent, non-executive member of the board. **Mr. Sultan Yousif Khater Al-Sulaiti** Mr. Sultan has held a variety of positions in different fields including finance and security, for a career that has spanned over 27 years, and is currently in service to the former prime minister. He earned a bachelor's in arts with a concentration in history from the University of Beirut in Lebanon. Mr. Sultan is a non-executive, non-independent member of the board. Mr. sultan is serving as member of Nomination Committee. **Mr. Jassim Sultan J. Al-Rumaihi** Mr. Jassim is a well-recognized figure in the Qatar sports field, and has over 40 years of experience in sports and Logistics for various sports clubs and in the Qatari Armed Forces. He is currently the general secretary of the Al-Sadd Sports Club and has earned a bachelor's degree in marketing from Metro State College in Denver, Colorado and an MBA from Grambling State University, from Rustin, Louisiana, in the United States. Mr. Jassim is serving as member of the Board Audit, Remuneration also as chair of the Nomination Committees. Mr. Jassim is non-independent, non-executive member of the board.
	5. In all cases, the Company shall commit to send a list of names and data of Board membership candidates attached with each candidate's curriculum vitae and original copies of candidacy requirements to the Authority at least two weeks before the date specified for Board election.	☑			

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
					Mr. Mohammed Hasan Al-Emadi Mr. Mohammed is a rising figure in the financial sector, with over 7 years of experience in the banking and Financial fields. Currently, he is an executive manager with Masraf Al Rayan deputy head of private banking with Masraf Al Rayan UK. He earned a bachelor's in business administration with a concentration on marketing from the Arab Academy of Science, Technology and Maritime Transport in Egypt, as well as becoming a certified professional manager through the Institute of Professional Managers at the College of Business in James Madison University in the United States of America. Mr. Mohammed is an independent, non-executive member of the board, Mr. Mohammed is serving on both the Board Audit Committee and Board Nomination Committee. **Ms. Hanadi Al-Saleh** Ms. Hanadi is the Chairperson of Agility, a major international logistics company, with experience in leadership positions providing financial planning and investor relation services. Ms. Hanadi has a bachelor's degree from Tufts University in the US. Ms. Hanadi is a non-independent, non-executive member of the board. **Mr. Faisal Mohamed A. A. Al-Emadi** Mr. Faisal is a member of the board since 2018. He is the executive director of programs at Silatech HQ. He earned his bachelor's in business administration at Al-Isra University in Jordan, and his Master's in business administration at Arab Academy for Science, Technology & Maritime Transport in Egypt. He has nearly 20 years of experience. Mr. Faisal is an independent, non-executive member of the board, serving as member of the remuneration committee.
Article (6) The Board Composition	The Board shall be composed pursuant to the Law and the Company's Articles of Association. At least one-third of the Board Members shall be Independent Board Members, the majority of the Board members shall be Non-Executive Board Members; and a seat or more of seats may be allocated to represent the Minority and another to represent the Company employees. In all cases, the Board composition shall ensure that one member or more do not dominate issuing the Board decisions.	☑			**Structure and composition** The Board Structure is described in the Articles of association of GWC especially Article 25. As currently defined, it provides for a Nine (9) elected Board membership all of whom were elected by the General Assembly by ballots. Three (3) Boards are independent by the definition of the Corporate Governance Codes. All Board members are non-executive members

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

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
	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				• Assuring that Developing a written policy that regulates the relationship among the Stakeholders in order to protect them and their respective rights; in particular, GWC has adopted a Policy Framework for Stakeholder Indemnification which identify the mechanism of indemnification as following: i. Indemnifying mechanisms of the Stakeholders in case of contravening their rights pursuant to the Law and their respective contracts, ii. Mechanisms of complaints or disputes that might arise between the Company and the Stakeholders, iii. Suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of Information related to them, iv. Put a code of conduct for the Company's executives and employees compatible with the proper professional and ethical standards, and regulate their relationship with the Stakeholders and mechanisms for supervising this Code and ensuring compliance there with, v. The Company's social contributions, • Establish a clear policy of contracting with relevant parties and submitting them to the General Assembly for approval. • Setting the rules and procedures for Internal Control and supervising them, that includes: i. Developing a written policy that would regulate conflict of interest and remedy any possible cases of conflict by Board members, Senior Executive Management and shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties. ii. Developing full disclosure system as to achieve justice and transparency and to prevent conflicts of interest and exploiting the insider Information. Such system shall include procedures followed when dealing in securities by Insiders, and identify prohibited periods of their trading in securities of the Company or any company of its group, as well as preparing and updating a list of Insiders to provide a copy to the Board and the Market upon adoption or update. iii. Ensuring the integrity of the financial and accounting rules, including rules related to the preparation of financial reports. 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.
	2. Setting the rules and procedures for Internal Control and supervising them, that includes: 2.1. Developing a written policy that would regulate conflict of interest and remedy any possible cases of conflict by Board members, Senior Executive Management and shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties. 2.2. Developing full disclosure system as to achieve justice and transparency and to prevent conflicts of interest and exploiting the insider Information. Such system shall include procedures followed when dealing in securities by Insiders, and identify prohibited periods of their trading in securities of the Company or any company of its group, as well as preparing and updating a list of Insiders to provide a copy to the Board and the Market upon adoption or update. 2.3. Ensuring the integrity of the financial and accounting rules, including rules related to the preparation of financial reports. 2.4. Ensuring the implementation of control systems appropriate for risk management by generally forecasting the risks that the Company may encounter and disclosing them transparently. 2.5. Reviewing annually the effectiveness of the Company's Internal Control procedures.	☑			
	3. Drafting a Governance code for the Company that does not contradict the provisions of this Code, supervising and monitoring in general the effectiveness of this Code and amending it whenever necessary.	☑			
	4. Setting forth specific and explicit policies, standards and procedures for the Board membership and implementing them after approval by the General Assembly.	☑			
	5. Developing a written policy that regulates the relationship among the Stakeholders in order to protect them and their respective rights; in particular, such policy must cover the following: 5.1 Indemnifying mechanisms of the Stakeholders in case of contravening their rights pursuant to the Law and their respective contracts. 5.2 Mechanisms of complaints or disputes that might arise between the Company and the Stakeholders	☑			

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

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
Article (9) Board Responsibilities	The Board represents all shareholders; therefore, the Board must exert more due diligence and care in managing the Company in an effective and productive manner to achieve the interest of the Company, partners, shareholders and Stakeholders, and to achieve the public interest and investment development in the State as well as community development. The Board shall also bear the responsibility to protect shareholders from illegal or abusive practices and business, or any acts or decisions that may be harmful to them, discriminate among them, or let a group dominate another. The responsibilities of the Board must be clearly stated in the Company's Articles of Associations and in "the Board Charter" referred to in the previous article. Without violating the provisions of the Law, the Board must carry out its functions and duties, and bear responsibility according to the following:				1. The Chairman has approved a Power of attorney delegating specific responsibility to the Group Chief Executive Officer. 2. The responsibilities of the Board are clearly stated in the Company's Articles of Associations. 3. All loans taken by the company are in compliance with laid down requirement of the company's AOA. 4. The chairman has approved a "Job delegation matrix" specifying responsibilities of critical Job Positions in the Company. The responsibilities of directors include but are not limited to: • Review and approve the company's strategies, plans and objectives; • Oversee the selection of senior management of the company in the appropriate and fair manner; • Review the effectiveness of the company's internal control framework; • Maintain updated information received from the Board Committees and the Senior Management; • Ensure that the company complies with the rules and regulations issued by the Qatar Financial Markets Authority; • And, in general, to ensure compliance in accordance with the rules and legislations in force in Qatar, whether directly or through the delegated authorities; • Convening of the Annual General Assembly; • Develop procedural rules related to governance practices in order to ensure their implementation continuously; • Keep Board members informed of recent developments in governance and best practices; • There are instances whereby the management has disposed of the company assets after approval from Tenders committee which is headed by a Board Member. The Company's Articles of Association includes provisions to enter into loans that spans more than three years, or sell or mortgage real estate of the Company, or drop the Company's debts and as such the Board are allowed to do as such.
	1. The Board must carry out its duties in a responsible manner, in good faith and with due diligence. Its decisions should be based on sufficient Information from the executive management, or from any other reliable source.	☑			
	2. A Board member represents all shareholders; shall undertake to carry out whatever might be in the interest of the Company, but not in the interests of the group it represents or that which voted in favor of its appointment to the Board.	☑			
	3. The Board shall determine the powers to be delegated to the executive management and the procedures for taking any action and the validity of such delegation. It shall also determine matters reserved for decision by the Board. The executive management shall submit to the Board periodic reports on the exercise of the delegated powers.	☑			
	4. The Board shall ensure that procedures are laid down for orienting the new Board members of the Company's business and, in particular the financial and legal aspects, in addition to their training, where necessary.	☑			
	5. The Board shall ensure that sufficient Information about the Company is made available to all Board members, generally, and, in particular, to the Non-Executive Members, to enable them to discharge their duties and responsibilities in an effective manner.	☑			
	6. The Board shall not enter into loans that spans more than three years and shall not sell or mortgage real estate of the Company, or drop the Company's debts, unless it is authorized to do so by the Company's Articles of Association. In the case where the Company's Articles of Association includes no provisions to this respect, the Board should not act without the approval of the General Assembly, unless such acts fall within the normal scope of the Company's business.	☑			

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Article (10) Tasks Delegation	Without prejudice to the competences of the General Assembly, the Board shall assume all the necessary competencies and powers for the Company's management. The Board may delegate to its committees to exercise some of such powers and may form a special committee or more to carry out specific tasks to be stipulated in the decision of formation the nature of those tasks. The ultimate responsibility for the Company rests with the Board even if it sets up committees or delegates some of its powers to a third party. The Board shall avoid issuing a general or an open-ended delegation.	☑			The GWC's Board has adopted and approved a charter. The GWC board consists of several committees which includes: 1. Board Nomination Committee; 2. Board Remuneration Committee; and 3. Board Audit Committee. The Board and each of the committees have an approved charter that specifies each committee roles, responsibilities and functions. All board committee charter has been distributed to all shareholders and is also published on the company's website and are constantly updated as required. The GWC's Board of Directors' role is regulated by a well-defined Board Charter that specifies the duties of directors as well as their fiduciary responsibilities. The charter also lists out the details of the Board's mission and responsibilities. The responsibilities of the Board as narrated in the board charter and the article of association broadly meets the requirement of the QFMA governance code Especially Article 32. The role and responsibilities of the GWC Board broadly covers reviewing and approving corporate mission and broad strategies; overseeing and evaluating the conduct of the group's businesses; identifying principal risks and ensuring the implementation of appropriate measures and control systems to manage these risks; and reviewing and approving important matters such as financial results, investments and divestments and other material transactions. The Board has delegated the day-to-day management and operation of the group's businesses to the management of the Company headed by the Group Chief Executive Officer (GCEO).
Article (11) Duties of the Board Chairman	The Chairman: is the president of the Company, represents it before the others and before the judiciary and is primarily responsible for ensuring the proper management of the Company in an effective and productive manner and working to achieve the interest of the Company, partners, shareholders and Stakeholders. The Board Charter must include tasks and responsibilities at least the following:				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. The Chairman may not be a member of any of the Board committees prescribed in this Code. The duties and responsibilities of the Chairman of the Board of Directors shall, in addition to the provisions of the Board Charter, include but not be limited to the following: i. To ensure that the Board discusses all the main issues in an efficient and timely manner; ii. 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; iii. 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;
	1. Ensuring that the Board discusses all the main issues in an efficient and timely manner;	☑			
	2. Approving the agenda of the Board meeting taking into consideration any matter proposed by any other Board member;	☑			
	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;	☑			
	4. Making available for the Board Members all data, Information, documents and records of the Company, and of the Board and its committees.	☑			
	5. Creating effective communication channels with shareholders and making their opinions heard to the Board;	☑			

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
	6. Allowing effective participation of the Non-Executive Board Members in particular and promoting constructive relations between Executive and Non- Executive Board Members; and 7. Keeping the members constantly informed about the implementation of the provisions of this Code, the Chairman may authorize Audit Committee or other committee in this mission. The vice-chairman shall replace the Chairman during his absence, and the Chairman may authorize another of the Board members in some of his/her powers.	☑ ☑			iv. To ensure effective communication with Shareholders and communication of their opinions to the Board of Directors; v. To allow effective participation of the Non-Executive Board Members in particular and to promote constructive relations between Executive and Nonexecutive Board Members; vi. To ensure the conducting of an annual evaluation to the board's performance. The vice chairman of GWC is representing the chairman in his absence.
Article (12) Board Members Obligations	The Board members shall comply with the following: 1. Attending meetings of the Board and committees regularly, and not withdrawing from the Board except for the need at the right time. 2. Giving priority to the interest of the Company, shareholders and all Stakeholders over their own interest; 3. Providing opinion on the Company's strategic matters, policy of projects implementation, staff accountability systems, resources, key appointments and operation standards; 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; 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. 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. 7. Effective participation in the Company's general assemblies, and achieving its members' demands in a balanced and fair manner. 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. 9. Disclosure of financial and trade relations, and litigants, including the judicial, which may affect negatively on carrying out the tasks and functions assigned to them. The Board members, at the Company's expense, may request an opinion of an independent external consultant in issues relating to any of the Company's affairs.	☑ ☑ ☑ ☑ ☑ ☑ ☑ ☑ ☑			1. The Company's article of association clearly defines the roles of the Board. In interpreting these functions Board members generally follow a clear direction in the way the Board carries out its major functions, and delegates detail or other functions to management. 2. Board members have generally complied and met with board and committee meeting attendant requirements. 3. Management have reported back to the board on a quarterly basis on the status of the achievement of goals and targets for the year during 2019. 4. The Board members have used their diversified and specialized skills to administer the company; providing opinions and guidance that have made differences in critical decisions and bottom-lines during the year. 5. The Board Members have had effective participation in the Company's 2019 general assemblies. 6. All Board members are required by standard practice to clear with the Chairman before making any public statement about the company. 7. During the year 2019, GWC have met all the timely disclosure of financial and trade relations, and litigants, including the judicial, which may have financial impacts on GWC shares. 8. The Company after the Board approval has designated the chief executive officer GCEO, Chief Operating Officer, and the public relations director, are authorized spokespersons for the GWC. 9. All Board Members have made written declaration to disclose all financial and trade relations, and litigants, including the judicial, which may affect negatively on carrying out the tasks and functions assigned to them.

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
Article (13) Invitation for Meeting	The Board shall meet upon an invitation by the Chairman, and pursuant to what is stipulated in the Company's Articles of Associations. The Chairman may call the Board for the meeting upon a request by at least two of its members. The invitation, accompanied with the agenda, shall be sent to each member at least one week prior to the meeting date; the member may request to add an item or more to the agenda.	☑			All Board meetings have been called and chaired by chairman and invitations, accompanied with the agenda have been sent to each member at least one week prior to the meeting date.
Article (14) Board Meetings	The Board shall convene at least six meetings during the year and three months must not elapse without convening a meeting. The Board meeting shall be deemed valid if attended by the majority of the members provided that either the Chairman or the vice-Chairman attends the meeting. The absent member may, by written request, delegate any other Board member to represent it in attendance and voting. A Board member cannot represent more than one member. If the Board member is absent from attending three consecutive meetings or four non-consecutive meetings without an excuse acceptable to the Board, the Board member shall be deemed as resigned. Participation in the Board meeting may be done by any secure and known of new technologies that enable the participant to hear and actively participate in the Board agenda discussions and make decisions.	☑			The Board have convened six meetings during the year and three months have not elapsed between meetings as the table below: **BOD Meetings Dates** 16 January 2019 3 March 2019 21 April 2019 21 July 2019 15 October 2019 10 December 2019 Meetings have been attended by majority of members. No Board member have been absent from three consecutive meetings without an excuse acceptable by the Board.
Article (15) Board Decisions	Without violating the provisions of the Law in this regard, the Board shall pass its decisions by majority votes of attendants and representatives. In case of a tie votes, the Chairman shall cast the deciding vote. A minute shall be prepared for each meeting, including names of the attending and absent members, as well as the meeting discussions. The Chairman and Secretary shall sign on the minute and if there is any member, who does not agree on any decision taken by the Board, may prove his objection in the meeting minute. The Board, if necessary or urgent, may issue some decisions by passing subject to written approval of all its members to those decisions, and to be presented at the next Board meeting to include them in its minutes.	☑			All Board decisions have been passed by majority of votes of attendants and representatives. A minute of meetings have been prepared for each Board meeting, including names of the attending and absent members. The Chairman and Secretary have sign on the minutes.
Article (16) Secretary	The Board shall issue a decision naming the Board Secretary. A priority shall be for a person who holds a university degree in law or accounting from a recognized university or equivalent, and for who has at least three years' experience in handling the affairs of a listed company. The Secretary may, upon the Chairman approval, requires the assistance of any employee of the Company to perform its duties.	☑			The Company have a Board approved Secretary. The Secretary has more than eight years' experience in handling the affairs of the company.

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
Article (17) Tasks and Duties of the Secretary	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. The Secretary shall provide assistance for the Chairman and all members in conducting their duties and shall comply to conduct all Board functioning, including:				The Function of the Secretary includes:
	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.	☑			1. 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;
	2. Recording the Board decisions in the register prepared for this regard as per issuance date.	☑			2. Recording the Board decisions in the register prepared for the purpose according to 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.	☑			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.	☑			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.	☑			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.	☑			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.	☑			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.	☑			8. Safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Law and the provisions of this Code.

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Article (18) Board Committees	The Board, immediately after election and at its first meeting, shall constitute at least three committees as follows: **First: Nomination Committee**, chaired by one of the Board members and a membership of at least two. When selecting the Committee members, the Board shall take into account the experience necessary for exercising the committee's functions, which are – at least - the following:				The Board, immediately after election and at its first meeting constituted three (3) committees; namely: i. Board Nomination Committee; ii. Board Remuneration Committee; and iii. Board Audit Committee. **Board Nomination Committee** The Board constituted a Nomination Committee consisting of three (3) Board Membership and chaired by a Board Member. The Nomination members are; • Jassim Sultan J. Al-Rumaihi – Al-Riwaq Commercial Co – Chair • Sultan Yousef Khater Al-Sulaiti – Al-Sinam commercial Co – Member • Mohammed Hasan Al-Emadi – Ismael Bin Ali Group - 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: 1. Development of guideline and criteria used by the General Assembly to elect the fittest candidates for the Board membership; 2. Nominating whom it deems fit for the Board membership when any seat is vacant; 3. 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; 4. 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; 5. The Nomination Committee's role also includes Submitting the list of Board membership candidates to the Board and the QFMA; 6. 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.
	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.	☑			
	Second: Remuneration Committee, chaired by one of the Board members and a membership of at least two. When selecting the Committee members, the Board shall take into account the experience necessary for exercising the Committee's duties, which are – at least - the following:	☑			**Board Remuneration Committee** The Board Remuneration Committee is comprised of three (3) Board Membership and chaired by one of the three members. The Remuneration members are; • Ahmed Mubarak Al-Ali Al-Maadid - Al-Bateel Commercial Co – Chair • Jassim Sultan J. Al-Rumaihi – Al-Riwaq Commercial Co – Member • Faisal Mohamed A. A. Al-Emadi – Member
	1. Setting the Company's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders.				
	2. Setting the foundations of granting allowances and incentives in the Company, including issuance of incentive shares for its employees.				

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
	Third: Audit Committee, chaired by an Independent Board Member and a membership of at least two. When selecting the Committee members, the Board shall take into account that: the majority of them shall be Independent Board Members; any person who has previously conducted audit for the Company within the previous two Years shall not be a candidate, directly or indirectly, for the Committee membership; and they shall have the experience necessary for exercising the committee's duties, which are – at least - the following:				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 net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders in the current Financial year. Remuneration has taken into account the responsibilities and scope of the functions of the Board Members and members of Senior Executive Management as well as the performance of the Company. Compensation includes fixed and performance-related components, noting that such performance related components are being based on the long-term performance of the Company. **Board Audit Committee** The Board of Directors established an Audit Committee that is chaired by an Independent Board Member and comprised of three Board membership the majority of whom are Independent. The Audit Members are; • Dr. Hamad Saad M. Al-Saad – Al-Shamael limited Co – Chair. • Jassim Sultan J. Al-Rumaihi – Al-Riwaq Commercial Co – Member. • Mohammed Hasan Al-Emadi – Ismael Bin Ali Group – Member. No member of the Audit Committee has been an employee of the Company's external auditors within the previous 2 years. The Audit Committee members have the experience necessary for exercising the committee's duties, which are – at least - the following: i. Preparing and presenting to the Board a proposed Internal Control system for the Company upon constitution, and conducting periodic audits whenever necessary; ii. The Audit Committee has the power to consult at the Company's expense any independent expert or consultant; iii. The Audit Committee as met as needed and regularly at least once every three months and has kept minutes of its meetings; iv. There has not been any event of any disagreement between the Audit Committee's recommendations and the Board 's decision including where the Board refuses to follow the Committee's recommendations concerning the external auditor;
	1. Preparing and presenting to the Board a proposed Internal Control system for the Company upon constitution and conducting periodic audits whenever necessary.	☑			
	2. Setting the procedures of contracting with and nominating External Auditors and ensuring their independence while performing their work.	☑			
	3. Overseeing the Company's Internal Controls, following the External Auditor's work, making coordination between them, ensuring their compliance with the implementation of the best International Standards on Auditing and preparing the financial reports in accordance with International Financial Reporting Standards (IFRS / IAS) and (ISA) and their requirements; verifying that the External Auditor's report include an explicit mention if it had obtained all the necessary Information and the Company's compliance with international standards (IFRS / IAS), or whether the audit was conducted based on International Standards on Auditing (ISA) or not.	☑			
	4. Overseeing and reviewing the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports.	☑			
	5. Considering, reviewing and following up the External Auditor's reports and notes on the Company financial statements.	☑			
	6. Ensuring the accuracy about and reviewing the disclosed numbers, data and financial statements and whatever submitted to the General Assembly.	☑			
	7. Making coordination among the Board, Senior Executive Management, and the Internal Controls of the Company.	☑			
	8. Reviewing the systems of financial and Internal Control and risk management;	☑			
	9. Conducting investigations in financial control matters requested by the Board.	☑			
	10. Making coordination between the Internal Audit Unit in the Company and the External Auditor.	☑			

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
	11. Reviewing the financial and accounting policies and procedures of the Company and expressing an opinion and recommendation to the Board on this regard.	☑			v. Upon its establishment, the Audit Committee adopted and made public its terms of reference explaining its main role and responsibilities in the form of an Audit Committee Charter; vi. Audit committee provides an oversight for the GWC external auditor's work, Set the procedures of contracting with and nominating External Auditors, and ensuring their independence while performing their work; vii. Oversee the Company's Internal Controls and following the External Auditor's work to ensure their compliance with the implementation of the International Standards on Auditing -ISA and preparing the financial reports in accordance with International Financial Reporting Standards –IFRS; viii. Ensure the accuracy about and review the disclosed numbers, data and financial statements and whatever submitted to the General Assembly; ix. Make coordination among the Board, Senior Executive Management, and the Internal Controls of the Company; x. Review the systems of financial and Internal Control and risk management; xi. Conduct investigations in financial control matters as may be requested by the Board; xii. Make coordination between the Internal Audit Unit in the Company and the External Auditor; xiii. Review the financial and accounting policies and procedures of the Company and expressing an opinion and recommendation to the Board on this regard; xiv. Review the Company's dealings with the Related Parties to assure whether such dealings are subject to and comply with the relevant controls; xv. Prepare and submit periodic reports about risks and their management in the Company to the Board - at a time determined by the Board - including its recommendations, and prepare reports of certain risks at the behest of the Board or the Chairman; xvi. Develop and review regularly the Company's policies on risk management, taking into account the Company's business, market changes, investment trends and expansion plans of the Company; xvii. Conduct discussion with the External Auditor and Senior Executive Management about risk audits especially the appropriateness of the accounting decisions and estimates and submitting them to the Board to be included in the annual report.
	12. Reviewing the Company's dealings with the Related Parties and making sure whether such dealings are subject to and comply with the relevant controls.	☑			
	13. Developing and reviewing regularly the Company's policies on risk management, taking into account the Company's business, market changes, investment trends and expansion plans of the Company.	☑			
	14. Supervising the training programs on risk management prepared by the Company, and their nominations.	☑			
	15. Preparing and submitting periodic reports about risks and their management in the Company to the Board - at a time determined by the Board - including its recommendations and preparing reports of certain risks at the behest of the Board or the Chairman.	☑			
	16. Implementing the assignments of the Board regarding the Company's Internal Controls.	☑			
	17. Conducting a discussion with the External Auditor and Senior Executive Management about risk audits especially the appropriateness of the accounting decisions and estimates and submitting them to the Board to be included in the annual report.	☑			
Article (19) Committees' Work	The Board shall issue a decision to nominate the chairman and members of each committee, identifying its responsibilities, duties and work provisions and procedures. Audit Committee shall meet at least six meetings a year.	☑			The Current Board, upon its election in 2018, at its first meeting issued a decision nominating the Chairman of the Board and nominating Board Members into the three (3) existing Committees as well.

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
	It is prohibited to chair more than one committee composed by the Board, and it is not permissible to combine the chair of the Audit Committee and the membership of any committee. The Nomination Committee and Remuneration Committee may be combined together in one committee called "Nomination and Remuneration Committee". The committee's meeting shall be deemed valid if attended by its chairman and the majority of the members. A minute shall be prepared for each meeting including the meeting discussions signed by the committee's chairman. Each committee shall submit an annual report to the Board including its work and recommendations. The Board shall review and evaluate the committees' achievements and include it in the Governance Report.				The Three (3) committees includes: Board Audit Committee, Board Nomination Committee, and Board Remuneration Committee. Each committee; upon inauguration have issued its charter identifying its responsibilities, duties as well as procedures. Audit Committee have held Six (6) meetings during 2019 as below table; and we have ensured the Chair of Audit Committee is not a member of any other Committee. **Audit Committee Meetings Dates** 14 January 2019 28 February 2019 18 April 2019 18 July 2019 13 October 2019 8 December 2019 None of the Board Member has chaired more than one committee at the same time. All Committee meetings have been attended by the relevant committee Chair and the majority of the committee members and a minute of meeting have been kept for each of the committee meeting. Each committee has also prepared an annual report of its work during the year. The Board of Directors has evaluated all committees of the Board and accordingly the remuneration of each member has been determined.
Article (20) Internal Control	The Board shall adopt a proposal submitted by the Audit Committee on the Company's Internal Control. The proposal shall include control mechanism, duties and functions of the Company's departments and sections, its provisions and procedures of responsibility, and awareness and education programs for employees about the importance of self-control and Internal Controls. The above-mentioned proposal shall include the Company's plan in risk management that at least includes identifying major risks that may impact the Company especially those related to new technology, the Company's ability to take risks, put in risks identification mechanisms to ensure its qualification and implement awareness programs and ways to mitigate them.	☑			As a result of changes to the QFMA law on Financial disclosure requirements for publicly listed companies on Qatar Stock Exchange. The GWC Internal Audit sought and got the approval of the Audit Committee in 2019 to adopt and implement COSO as the basis for managing the company's Internal Controls. The COSO-Committee of Sponsoring Organizations of the Tread-way Commission developed a model for evaluating internal controls. This model has been adopted as the generally accepted framework for internal control and is widely recognized as the definitive standard against which organizations measure the effectiveness of their systems of internal control. The COSO model defines internal control as "a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance of the achievement of objectives in the following categories: • Effectiveness and efficiency of operations; • Reliability of financial reporting; • Compliance with applicable laws and regulations **Scope of Assurance** This assessment of adequacy and effectiveness of Internal Control in GWC is only limited to those controls over Financial Reporting for 2019. **Basis of Assurance** Assurance on the Design and operating effectiveness of internal Control over Financial Reporting has been carried out using the following steps: **1. Process Flow Design Establishment** The Internal Audit has worked with the Finance and QA Team to establish a very detailed process flow of how the operations runs. The Key control points in process flow has been indicated on all process flow document. The Process flow design is concluded as detailed, extensive and adequate. **2. Risk and Control Matrix (RCM)** The Internal Audit have documented Risks and control Matrixes that links identified risks to existing controls across board. There are 739 risks aligned to 470 business processes that are being managed by 487 Controls. Of all this, 197 business processes and 221 controls have been considered as does that impacting financial reporting and are included in RCM assessment. The RCM also contains data narrating if the Controls are preventive or Detective and the periodic implementation of the controls. The RCM also assess the effectiveness of the controls using the C.V.A.R criteria. C=Complete, V=validity, A=Accuracy. R=Restricted Access. The RCM is considered appropriate and adequate. **3. Design Testing and Test of Operating Effectiveness** The Internal Audit have completed the walkthrough of all the company's controls as is running as well as the operating effectiveness of the applicable controls. The CAE assessed that the internal control over financial reporting as on 31 December 2019 was effective. **4. Monitoring and Evaluation of Deficiencies** The Internal Audit has carried out extensive monitoring issuing Audit reports under the current Audit Plan 2019 – 2021 bringing raised tracked issues to 2012 with all recommendation having been accepted. 78% of these recommendations have been implemented, 5% are under-going implementation, superseded or not applicable, while the remaining 17% are outstanding. **5. Entity Level Controls** Entity Level Controls are defined as those controls that operate throughout the entire company (both at the departmental and cost center/management unit level). This includes the "tone at the top," the organization's culture, values and ethics, governance and accountability. These controls also consider risk assessment and management, controls to monitor the results of operations, the internal audit function, and self-assessment programs. Accordingly, Entity Level Controls affect all areas of an organization's internal control framework: from the control environment to the monitoring of controls, financial management and financial reporting controls. GWC Internal Audit has reviewed all entity level Control activities across the company. **6. Risk Assessment and Scoping of Assessment Coverage** The Internal Audit assessment of materiality is based on 2019 Board approved budget. The materiality threshold for Revenue is QAR 8.76M while it is QAR 8.06M for Expense.

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					Risk Management Process GWC has a developed Risk profile that is approved. The objective of the entity's risk assessment process is to establish and maintain an effective process to identify, analyze, and manage risks relevant to the preparation of reliable financial statements. The guiding principles of risk assessment include: • Specifying relevant objectives; • Identifying and analyzing risk; • Identifying and analyzing significant change; and • Assessing fraud risk
Article (21) Internal Control Unit	Internal Control system of the Company shall include establishing one or more effective and independent unit (s) for assessment and management of risk, financial audit and overseeing the Company's compliance with the controls of financial Transactions, especially those done with any Related Party. This unit shall be managed by one or more internal auditor (s) who has qualification and experience in financial audit, performance assessment and risk management, and has 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.	☑			The Board has established an Internal Audit Department Headed by the Chief Audit Executive –CAE. The CAE is being supervised by the Board Audit Committee. The Audit Committee is responsible for determining and assessment of CAE remuneration. The Internal Audit is sub-divided into the following independent units: i. Financial Control Unit; ii. Compliance Control Unit; iii. Operations and Information Tech. Control Unit; iv. Risk Management Control Unit. These Units are being managed Auditors with relevant specialized skills. In All Cases, Company's Internal Auditors have unfettered access to all departments in the company.
Article (22) Internal Control Reports	Every three months, the internal auditor shall submit to the Audit Committee a report on the Internal Control achievements in the Company. Based on the Audit Committee recommendation, the Board shall determine the data that the report should include, which are at least the following:				The Chief Audit Executive –CAE has submitted a report of Internal Control achievement to the Audit Committee every three (3) months. At the minimum, the reports contain the following: i. Financial Analysis and report on the accuracy of the financial reports being published; ii. Internal Control assessments report; iii. Statements on the state of the company's risk management by functions and activity and remedy to identified lapses; iv. Extract report from review of company's compliance with both statutory and non-statutory guidance.
	1. Procedures of control and supervision in respect of financial affairs, investments, and risk management.	☑			
	2. Review of the development of risk factors in the Company and the appropriateness and effectiveness of the systems in the Company to face the drastic or unexpected changes in the Market.	☑			
	3. Comprehensive assessment of the Company's performance regarding its implementation of the Internal Control system in compliance with provisions of this Code.	☑			
	4. The Company's compliance with applicable market listing and disclosure rules and requirements.	☑			
	5. The Company's compliance with Internal Control systems when determining and managing risks.	☑			
	6. The risks faced the Company, their types, causes and the actions taken in this regard.	☑			
	7. The suggestions for addressing the violations and mitigating the risks.	☑			

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
Article (23) External Control	The Audit Committee shall review and consider offers of External Auditors registered in the external auditors list of the Authority, and then submit to the Board a recommendation with reasons to choose one offer or more for appointment of the Company's external auditor. Immediately, after the Board's approval of the recommendation, it shall be included in the Company's General Assembly agenda. The General Assembly shall appoint an External Auditor or more for one Year, renewable for a similar period or other similar periods up to a maximum of five consecutive Years, provided that the re-appointment shall not be before passing two consecutive Years. The External Auditor and its employees are prohibited neither to reveal the Company secrets, nor to combine between its assigned business, functions and duties and any other business in the Company, nor to work at the Company before at least one Year from the date of relations end with such Company.	☑			For the period in consideration; after a successful bidding process, the Audit committee recommended the E&Y to the Board. The Board; upon approval of Audit Committee recommendation, have presented E&Y to the General Assembly of the Shareholders for Appointment. The General Assembly appointed the E&Y as the company's External Auditor for the year 2019. The company has not employed any employee of the external Audit firm during 2019.
Article (24) Functions and Responsibilities of the External Auditor	The External Auditor shall inform the Board - in writing – about any risk to which the Company exposed or expected to be exposed, and about all of the violations immediately upon identification, as well as send a copy of that notice to the Authority. In this case, the External Auditor shall have the right to invite the General Assembly to convene pursuant to the Law provisions in this regard, provided that informing the Authority thereof. The External Auditor – even if they are more - shall submit one report to the General Assembly and read it, as well as shall send a copy to the Authority with responsibility for the validity of data contained therein. Each shareholder of the General Assembly has the right to discuss with the External Auditor and seek clarification in any matter of the report. The External Auditor's report must include whatever informs shareholders with the control works and performance assessment in the Company, especially relating to the following:				The 2019 Financial Report which is signed-off by the External Auditors together with both the Chairman and the Vice Chairman of the Board have been included in the Company's annual Report and made available to the shareholders and the Authority. A copy of this annual report is also available on the company's website. GWC has also carried out a test of design and operating effectiveness of its internal control. The assessment also contains varieties of risk assessments and the appropriateness of controls to manage them. The external Auditor normally issues a management report on a yearly basis that contains lapses in internal control (if any). No Control Failure has been reported in 2019. The External Auditor has provided disclosure notes in the financial report. These notes include statements of compliance or otherwise to the International accounting and Auditing Standards –ISA/IFRS as well as the company's ability to continuous engage in its business activities.
	1. Appropriateness and effectiveness of Internal Control systems implemented in the Company.	☑			
	2. The Company's ability in continuous of engaging activities and implementation of its obligations; that is evaluated independently of what shown by the Board.	☑			
	3. The Company's compliance to develop all types of internal policies and procedures, and the appropriateness of them with the Company 'status, as well as its compliance with their implementation.	☑			
	4. The Company's compliance with its Articles of Associations and its compliance with the provisions of the Law and the Authority 's relevant legislations, including the provisions of this Code.	☑			
	5. The Company's compliance with the implementation of the best international standards in auditing and the preparation of financial reports as well as its compliance with international audit and accounting standards (IFRS / IAS) and (ISA) and their requirements.	☑			
	6. The Company's cooperation with the External Auditor in providing access to the necessary Information to complete its duties.	☑			

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
Article (25) Disclosure	The Company must comply with disclosure requirements, including the financial reports, the number of shares owned by each of the Chairman and the Board members, Senior Executive Management, and major shareholders or controlling shareholders. The Company must also comply with disclosure about information related to the Chairman, members, and committees of the Board as well as their scientific and practical experiences as in the Curriculum Vitae, and whether one of them is a Board member, Senior Executive Management of another Company or a member of any of their Board committees. The Company must determine its policy on dealing with rumors by denying or proving, and on how to disclose clearly in writing without inconsistence with the Authority's relevant legislations. The Board must ensure the accuracy and truth of the Company's disclosure and its compliance with all disclosure rules.	☑			The company has complied with disclosure requirements including the financial reporting disclosures, the number of shares owned by each of the Chairman and the Board members, Senior Executive Management, and major shareholders or controlling shareholders etc. The company have also disclosed information related to the Chairman, members, and committees of the Board as well as their scientific and practical experiences as in the Curriculum Vitae, and whether one of them is a Board member, Senior Executive Management of another Company or a member of any of their Board committees. The Company's Chairman has designated both the Group Chief Executive Officer – GCEO, the Chief Operating Officer and the Public Relations Manager as the Company's Spokesperson that may clarify issues with the public media and the GCEO with all other Authorities.
Article (26) Conflicts of Interest	Without prejudice to the provisions of the Law in this regard, the Board shall comply with the principles of this Code and with the disclosure for dealings and transactions, which the Company enters into with any "Related Party" and in which such Related Party has an interest that may conflict with the Company's interest. Prior at least a week from the date of holding the General Assembly called for considering the Company's budget and the Board's report, the Board must disclose in detail for the shareholders about the abovementioned dealings and transactions and must disclose them in the Company's annual report. In all cases, the Company must not carry out any dealing or enter into any transaction with any "Related Party" only after the approval of the General Assembly of the Company, and must be included in the agenda of the next General Assembly to complete the procedures.	☑			During 2019, GWC carried out Related Parties Transactions totaling QAR 43,351,306/-. The Related Parties Transactions are broken into two components: (i) Trade Components (QAR 34.105m) and (ii) Non-Trade-Components (QAR 9.246m). The trade components are mostly Freight Services related transactions with Agility PWC, Kuwait (network). All Non-Trade Related Parties transactions have been processed through a previous year bided Tenders.
Article (27) Transparency and Upholding the Company's Interest	Any Related Party, which is a party, has a relation with a business dealing, or has a relation with or a transaction entered into by the Company, shall not attend the Board meeting while discussing that dealing, relationship or transaction. Such Related Party shall not be entitled to vote on what issued by the Board regarding these relationships or transactions. In all cases, all relationships held by the Company with others must serve the Company's interest, as well as all transactions shall be made according to market prices and on arm's length basis and shall not involve terms that are contrary to the Company's interest.	☑			The Gulf Warehousing Company's control systems are setup with a focus in knowing the details of sponsors of companies it transacts business with. There are control guidelines in place to assure any Related Party, in a transaction consideration, shall not attend the Board or tender committee meeting while discussing that dealing, relationship or transaction. During the fiscal year 2019; there is no evidence of violation of the company's guidelines on the company's securities trading policy by the board members and executive management staff. Management and board have complied with all QFMA instructions on quiet time as well as the guidelines on securities trading.
Article (28) Disclosure of Securities Trading	The Board members, Senior Executive Management, all Insiders, their spouses and minor children must disclose any trading and transaction they carry out involving the Company's shares and any other securities, and the Board shall adopt clear rules and procedures regulating trading of the Insiders in securities issued by the Company.	☑			The Company has issued out a clear policy that requires Board members, Senior Executive Management, all Insiders, their spouses and minor children to disclose any trading and transaction they carry out involving the Company's shares and any other securities within the fiscal year. All Insiders have filed information on the number of GWC securities traded where applicable.

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
Article (29) Shareholders Equality in Rights	Shareholders are equal and have all the rights arising from share ownership in accordance with the provisions of the Law, regulations and relevant decisions. The Company's Articles of Associations and by-laws shall include procedures and guarantees needed for all shareholders to exercise their rights. The rights, in particular, rights to dispose of shares, obtain the determined dividends, attend the General Assembly and participate in its deliberations and voting on decisions, as well as the right to access to Information and request it with no harm to the Company's interests.	☑			GWC has included in its Article of Association procedures and guarantees needed for all shareholders to exercise their rights. GWC's article of Association article 44,52 & 57 cover issues that includes the rights, in particular, rights to dispose of shares, obtain the determined dividends, attend the General Assembly and participate in its deliberations and voting on decisions, as well as the right to access to Information and request it with no harm to the Company's interests.
Article (30) Access to Ownership Register	The Company shall submit, monthly, an application to the Depositary to get an updated copy of shareholders register and keep it.	☑			The Company is getting monthly an updated copy of shareholders register from QCSD and kept it.
Article (31) Shareholder's Right to Access to Information	The Company's Articles of Associations and by-laws shall include procedures of access to Information that enable the shareholder to exercise full rights without prejudice to other shareholders' rights or harm the Company's interest. The Company shall comply to check and update the Information regularly, and to provide the shareholders with all Information they deemed important and enable them to exercise their rights fully, using new and modern technologies.	☑			The Company's shareholders have equal access to information on request if that information is not already available on the company's website. The secretary of the Board and the GCEO can be reached on the following email addresses: 1- info@gwclogistics.com 2- ranjeev.menon@gwclogistics.com Reply to enquiries are handled within Five (5) working days as a policy.
Article (32) Shareholders' Rights Related to General Assembly	The Company's Articles of Associations shall include regulating the shareholders' rights related to the General Assembly Meeting, including:				Various Articles in the company's article of association including Article 55, 52 & 49 ensures the following:
	1. The shareholder(s) who owns at least (10%) of the Company's capital shall, for serious grounds, be entitled to request an invitation to convene General Assembly. The shareholders representing at least (25%) of the Company's capital shall be entitled to invite Extraordinary General Assembly to convene pursuant to the procedures prescribed by the Law and the regulations in this regard.	☑			i. That shareholders who owns at-least 10% of the company's capital can, on serious grounds, request an invitation to convene a general assembly while shareholders representing at least 25% of the company's capital can request to invite Extraordinary General Assembly;
	2. The right to request including certain issues in the General Assembly's agenda to be discussed in the meeting if the Board do not include such issues and the Assembly decided that.	☑			ii. That shareholders have the right to include certain issues in the General Assembly's agenda if the Board have not included such items in the agenda of the meeting;
	3. The right to attend meetings of the General Assembly, and to allow the opportunity to effectively participate in them and in its deliberations as well as discuss matters listed in the agenda, and to facilitate knowing date and place of the Assembly and the issues listed in the agenda as well as the rules governing the discussions and asking questions.	☑			iii. That Shareholders have the right to attend meetings of General Assembly and participate in its deliberations as well as discuss matters listed in the agenda as well as be notified of the date and place the assembly will be holding and the agenda of the meeting together with the rules governing the discussions and asking questions;
	4. A shareholder shall – in writing and upon a power of attorney- be entitled to appoint another shareholder who is not a Board member to attend the General Assembly on his behalf; provided that shareholder by proxy shall not own more than (5%) of the Company's capital shares.	☑			iv. That shareholders can – in writing and upon a power of attorney- be entitled to appoint another shareholder who is not a Board member to attend the General Assembly on his behalf; provided that shareholder by proxy shall not own more than (5%) of the Company's capital shares;
	5. The right of minors and shareholders restricted to attend the General Assembly meeting, to be represented by their legal attorneys.	☑			
	6. The shareholder shall be entitled to ask questions to the Board members and shall be answered in a manner that does not prejudice the Company's interests and shall be entitled to appeal to the General Assembly if the answer considered as not sufficient.	☑			

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
	7. The right to vote on General Assembly decisions, and to facilitate all information about the rules and procedures governing the voting process. 8. The shareholder shall be entitled to object to any decision deemed for the interest or harm of a certain group of shareholders; or brings a special benefit for Board members or others without regard to the Company's interests, and be entitled to demonstrate this in the meeting minutes and to invalidate the objection according to the provisions of the Law in this regard.	☑ ☑			v. That Shareholders who are minors and others restricted to attend the General Assembly meeting can be represented by their legal attorneys; vi. That Shareholders have the right to vote on General Assembly decisions, and to facilitate all information about the rules and procedures governing the voting process; vii. That the shareholders are entitled to object to any decision deemed for the interest or harm of a certain group of shareholders; or brings a special benefit for Board members or others without regard to the Company's interests and such objection shall be noted in the minutes of the meeting.
Article (33) Facilitating Effective Participation in General Assembly	The Company shall choose the most appropriate place and time of the General Assembly and shall use new and modern technologies in communicating with shareholders in order to facilitate the effective participation of the greatest number of them in the General Assembly. The Company shall enable shareholders to know the matters listed on the agenda and any new matters accompanied by sufficient Information that enable them to make their decisions and shall also enable them to purse the General Assembly minutes. The Company shall disclose the results of the General Assembly immediately upon finishing and send a copy of such minutes to the Authority immediately upon approval.	☑			To hold its annual General Assembly, the Company always choose the most appropriate place and time for the General Assembly, and we also use new and modern technologies in communicating with shareholders in order to facilitate the effective participation of the greatest number of them in the General Assembly. The Company have published agendas, where necessary, in newspapers and have announced General Assembly meeting times in the newspapers close to the day of the meetings. The Company have also disclosed the results of the General Assembly on the Company's Website as well as to Qatar Exchange and QCSD with a copy of such minutes sent to the Authority immediately upon approval.
Article (34) Shareholders' Rights Related to Voting	Voting is a shareholder's right - can be exercised in person or by a legal representative – which shall not be waived or denied. The Company is prohibited to put any limitations or take any action might hamper the use of the shareholder's voting right. The shareholders shall be afforded all possible assistance as may facilitate to exercise of the right to vote, using the new and modern technologies.	☑			Shareholders' voting right is not in any way restricted, waived or denied by the Company procedure of convening General Assembly. The Company employs the use of technology and other tools to enable all shareholder freedom of voting.
Article (35) Shareholders' Rights Related to Board Members Election	The Company shall comply with disclosure requirements relating to Board members' candidates and shall inform in sufficient time the shareholders all the information of all candidates and their knowledge and practical experiences as in their Curriculum Vitae before the date determined for convening the General Assembly. The General Assembly shall elect the Board members by secret ballot in accordance with the Cumulative Voting method.	☑			The company will publish details of Board Members' candidates including all information of their knowledge and practical experiences as in their Curriculum Vitae before the date determined for convening the General Assembly for electing Board Members. Election of Board Members is by secret ballot in accordance with the Cumulative Voting method.

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
Article (36) Shareholders' Rights Regarding Dividends Distribution	The Company's Articles of Associations shall determine - without prejudice to the Company's ability to fulfill its obligations to third parties - the minimum percentage of net dividends that should be distributed to shareholders. The Board shall lay down a clear policy for the distribution of such dividends, in a manner that may realize the interests of the Company and shareholders; shareholders shall be informed of that policy during the General Assembly and reference thereto shall be made in the Board report. The dividends approved by the General Assembly for distribution, whether they be in cash or bonus shares shall be given, as of right, to shares owners who are listed in the register kept at the Depository at the end of trading session on the day on which the General Assembly is convened.	☑			The Company's Article of Association provides guidance on dividend distribution. According to the Company's AOA Article 40 the dividend shall be distributed as follows: The general assembly shall fix the bonus for the directors and this bonus should not be more than (5%) of the net profit, after deducting the reserves and legal deductions. The dividends not less than (5%) of the company's paid capital shall be distributed to the shareholders. The dividend to the Shareholders for each year is approved by the General Assembly meeting.
Article (37) Shareholders' Rights Regarding to Major Transactions	The Company's Articles of Associations shall include a specific mechanism for the protection of shareholders' rights in general and Minorities in particular in the event that the Company conducted Major Transactions that might harm their interests or prejudice the ownership of the Company's capital. In all cases, the Company must disclose its capital structure, any agreement concluded thereto, and the shareholders who own, directly or indirectly, (5%) or more of the shares.	☑			The Company's Articles of Associations has included a specific mechanism for the protection of shareholders' rights in general and Minorities in particular in the event that the Company conducted Major Transactions that might harm their interests or prejudice the ownership of the Company's capital. The Company has also disclosed its capital structure in the financial Reports as published in the Annual Report. The list of Shareholders owning more than 5% is listed below:

Company Code	NIN	Name	Nationality	%
GWCS	60187	Al Mirqab (and subsidiaries)	Qatar	32%
GWCS	256551	Agility	Kuwait	18%

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
Article (38) The Stakeholders' Rights (non-shareholders)	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.	☑			Stakeholders rights are always respected by the company. 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. the company has developed a whistleblowing policy that allows confidential disclosure of any complaints or unethical acts.

Article Number	Provision Number	Compliance	Non compliance	Not applicable	Governance Implementation
Article (39) The Community's Right	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.				GWC identifies and organizes annual activities aimed at promoting responsibility of the company's social organization, organized by targeting four main pillars: 1. Community Development, 2. Promote education, 3. Raise awareness of healthy life and preserve the environment. Also, The Company has committed to contributing 2.5% of its annual profit to Corporate social responsibility fund as required by Qatar Government law. During the year, GWC has made a payment QAR 5,937,865.00 being 2.5% of GWC profit for 2018. Also, GWC has supported several activities that aimed to increase awareness of best business practices, governance, and cultural exchange during the year ended 31 December 2019.
Article (40) Final Provisions	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
Article (41)	The Market shall include its issued rules (QSE Rulebook) with principles and provisions relating to trading, disclosure, and their relevant Information set forth in this Code, and shall notify the Authority of any violations of those principles and provisions. The Market shall publish this Code on its website.			☑	Not Applicable
Article (42)	In the case of any violation of the principles and provisions of this Code, the Authority may take any of the actions mentioned in Article (35) of Law No. (8) Of 2012 concerning the Qatar Financial Markets Authority.	☑			The company strives to comply with all the principles and provisions of the principles of corporate governance in particular and all the legislations and laws of the Authority in general.

INDEPENDENT ASSURANCE REPORT
TO THE SHAREHOLDERS OF GULF WAREHOUSING COMPANY Q.P.S.C.

Report on the Compliance with the Qatar Financial Markets Authority's Law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market

Introduction
In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors' assessment of compliance of the Company with the QFMA's law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market as at 31 December 2019.

Responsibilities of the Board of Directors and Those Charged with Governance
The Board of Directors of the Company is responsible for preparing the accompanying Corporate Governance Report that covers at the minimum the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 (the 'Code').

In the Annual Report, the Board of Directors provide its 'Report on compliance with the QFMA's law and relevant legislations including the Code (the "Corporate Governance Report").

In addition, the Board of Directors of the Company is responsible for the design, implementation and maintenance of adequate internal controls that would ensure the orderly and efficient conduct of its business, including:

- adherence to Company's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016.

Our Responsibility
Our responsibility is to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Corporate Governance Report do not present fairly, in all material respects, the Company's compliance with the Code, based on our limited assurance procedures.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Corporate Governance Report, taken as a whole, is not prepared in all material respects in accordance with the Code.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform any additional procedures that would have been required if this were to be a reasonable assurance engagement.

Our limited assurance procedures comprise mainly of inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations including the Code (the 'Requirements'); the procedures adopted by management to comply with these Requirements; and the methodology adopted by management to assess compliance with these Requirements. When deemed necessary, we observed evidences gathered by management to assess compliance with the Requirements.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations including the Code.

INDEPENDENT ASSURANCE REPORT
TO THE SHAREHOLDERS OF GULF WAREHOUSING COMPANY Q.P.S.C. (CONTINUED)

Report on the Qatar Financial Markets Authority's Law and relevant legislations including the Compliance with the Governance Code for Companies & Legal Entities Listed on the Main Market (continued)

Inherent Limitations
Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Our Independence and Quality Control
In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("IESBA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Information
The Board of Directors are responsible for the other information. The other information comprises the Annual Report but does not include the Corporate Governance Report and our report thereon, which we obtained prior to the date of this auditor's report.

Our conclusion on the Corporate Governance Report does not cover the other information and we do not, and will not express any form of assurance conclusion thereon. We have been engaged by the Company to provide a separate reasonable assurance report on the Directors' Report on Internal Control over Financial Reporting, included within the other information.

In connection with our engagement of the Corporate Governance Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Corporate Governance Report or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

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

When we read the complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Conclusion
Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the Corporate Governance Report on compliance with QFMA's law and relevant legislations including the Code do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations including the Code.

Ziad Nader
of Ernst and Young
Auditor's Registration No. 258

Date: 23 January 2020
Doha

Report on the Description of the Processes and Internal Controls and Suitability of the Design, Implementation and Operating Effectiveness of Internal Controls over Financial Reporting

Introduction

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Board of Directors' description of the processes and internal controls and assessment of suitability of the design, implementation and operating effectiveness of Gulf Warehousing Company Q.P.S.C. (the "Company's") and its subsidiaries (together referred as the "Group's") internal controls over financial reporting as at 31 December 2019.

Responsibilities of the Board of Directors and Those Charged with Governance

The Board of Directors of the Company is responsible for preparing the accompanying Directors' Report on Internal Control over Financial Reporting that covers at the minimum the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 (the 'Code').

The Board of Directors present the Directors' Report on Internal Control over Financial Reporting, which includes:

- the Board of Directors' assessment of the suitability of design, implementation and operating effectiveness of internal control framework over financial reporting;
- the description of the process and internal controls over financial reporting for the processes of revenue, receipts and receivables, procurement to payment, inventory management, Fixed assets and intangible assets management, treasury, human resources, IT controls, Entity level controls and General Ledger and Financial Reporting;
- the control objectives; identifying the risks that threaten the achievement of the control objectives;
- designing and implementing controls that are operating effectively to achieve the stated control objectives; and
- identification of control gaps and failures; how they are remediated; and procedures set to prevent such failures or to close control gaps.

The Board of Directors is responsible for establishing and maintaining internal financial controls based on the criteria of framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO framework").

These responsibilities include the design, implementation, operation and maintenance of adequate internal financial controls that if operating effectively would ensure the orderly and efficient conduct of its business, including:

- adherence to Company's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016.

Our Responsibilities

Our responsibilities are to express a reasonable assurance opinion on the fairness of the presentation of the "Board of Directors' description and on the suitability of the design, implementation and operating effectiveness of the Company's internal controls over financial reporting of Significant Processes" presented in the Directors present the Directors' Report on Internal Control over Financial Reporting to achieve the related control objectives stated in that description based on our assurance procedures.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Board of Directors' description of the processes and internal controls over financial reporting is fairly presented and the internal controls were suitably designed, implemented and operating effectively, in all material respects, to achieve the related control objectives stated in the description.

An assurance engagement to issue a reasonable assurance opinion on the description of the processes and internal controls and the design, implementation and operating effectiveness of internal controls over financial reporting at an organization involves performing procedures to obtain evidence about the fairness of the presentation of the description of the processes and internal

Report on the Description of the Processes and Internal Controls and Suitability of the Design, Implementation and Operating Effectiveness of Internal Controls over Financial Reporting

Our Responsibilities (continued)

controls and the suitability of design, implementation and operating effectiveness of the controls. Our procedures on internal controls over financial reporting included, for all significant processes:

- obtaining an understanding of internal controls over financial reporting for all significant processes;
- assessing the risk that a material weakness exists; and
- testing and evaluating the design, implementation and operating effectiveness of internal control based on the assessed risk.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to affect the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: revenue, receipts and receivables, procurement to payment, inventory management, Fixed assets and intangible assets management, treasury, human resources, IT controls, Entity level controls and General Ledger and Financial Reporting.

In carrying out our engagement, we obtained understanding of the following components of the control system:

1. Control Environment
o Integrity and Ethical Values
o Commitment to Competence
o Board of Directors and Audit Committee
o Management's Philosophy and Operating Style
o Organizational Structure
o Assignment of Authority and Responsibility
o Human Resource Policies and Procedures

2. Risk Assessment
o Company-wide Objectives
o Process-level Objectives
o Risk Identification and Analysis
o Managing Change

3. Control Activities
o Policies and Procedures
o Security (Application and Network)
o Application Change Management
o Business Continuity/Backups
o Outsourcing

4. Information and Communication
o Quality of Information
o Effectiveness of Communication

5. Monitoring
o Ongoing Monitoring
o Separate Evaluations
o Reporting Deficiencies

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design, implementation and operating effectiveness, whether due to fraud or error. Our procedures also included assessing the risks that the Board of Directors' description of the processes and internal controls is not fairly presented and that the controls were not suitably designed, implemented and operating effectively to achieve the related control objectives stated in the Directors present the Directors' Report on Internal Control over Financial Reporting.

An assurance engagement of this type also includes evaluating Board of Directors' assessment of the suitability of the control objectives stated therein. It further includes performing such other procedures as considered necessary in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the Company's internal control system over financial reporting.

Meaning of Internal Controls over Financial Reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. An entity's internal control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;

INDEPENDENT ASSURANCE REPORT
TO THE SHAREHOLDERS OF GULF WAREHOUSING COMPANY Q.P.S.C.

Report on the Description of the Processes and Internal Controls and Suitability of the Design, Implementation and Operating Effectiveness of Internal Controls over Financial Reporting

Meaning of Internal Controls over Financial Reporting (continued)

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements, which would reasonably be expected to impact the decisions of the users of financial statements.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Because of the inherent limitations of internal controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

In addition, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the controls activities designed, implemented and operated during the period covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over financial reporting prior to the date those controls were placed in operation.

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("IESBA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Board of Directors are responsible for the other information. The other information comprises the Annual Report but does not include the Directors' Report on Internal Control over Financial Reporting, and our report thereon, which we obtained prior to the date of this auditor's report.

Our conclusion on the Directors' Report on Internal Control over Financial Reporting does not cover the other information and we do not and will not express any form of assurance conclusion thereon. We have been engaged by the Company to provide a separate limited assurance report on the Directors' Report on compliance with the Qatar Financial Markets Authority's Law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, included within the other information.

INDEPENDENT ASSURANCE REPORT
TO THE SHAREHOLDERS OF GULF WAREHOUSING COMPANY Q.P.S.C.

Report on the Description of the Processes and Internal Controls and Suitability of the Design, Implementation and Operating Effectiveness of Internal Controls over Financial Reporting

Other information (continued)

In connection with our engagement on the Directors' Report on Internal Control over Financial Reporting, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Directors' Report on Internal Control over Financial Reporting or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

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

When we read the complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Conclusions

In our opinion, based on the results of our reasonable assurance procedures:

a) the Directors' Report on Internal Control over Financial Reporting fairly presents the Company's system that had been designed as at 31 December 2019; and

b) the controls related to the control objectives were suitably designed, implemented and operating effectively as at 31 December 2019,

in all material respects, based on the COSO framework.

Ziad Nader
of Ernst and Young
Auditor's Registration No. 258

Date: 23 January 2020
Doha

CONSOLIDATED **FINANCIAL STATEMENTS**

Contents

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GULF WAREHOUSING COMPANY Q.P.S.C.

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 referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addresses the key audit matters
Adoption of IFRS 16 effective from 1 January 2019	
The Group adopted IFRS 16 effective 1 January 2019. IFRS 16 replaced the previous standard IAS 17 and specifies how an IFRS adopter will recognize, measure, present and disclose leases. The Group decided to apply the full retrospective approach for the transition accounting and restated the comparatives. The application of the new standard gave rise to a right of use asset of QR 361 million, a decrease in property, plant and equipment and prepayments of QR 115 million, a corresponding increase in lease liabilities of QR 304 million and a decrease in retained earnings QR 58 million as of 1 January 2018, which represents the beginning of the earliest prior period presented.	Our audit procedures in this area included the following; • Obtained an understanding and evaluated the Group's implementation process, including the review of the updated accounting policy and policy elections in accordance with IFRS 16. • We evaluated management assumptions, specifically the assumptions used to determine the discount rates, lease terms and measurement principals with the assistance of our internal expert.

Key Audit Matters (continued)

Key audit matters	How our audit addresses the key audit matters
Adoption of IFRS 16 effective from 1 January 2019 (continued)	
The assessment of the impact of the new standard is significant to our audit, as the balances recorded are material, the update of the accounting policy requires policy elections and the implementation process to identify and process all relevant data associated with the leases is complex. The measurement of the right-of-use asset and lease liability is based on assumptions such as discount rates and the lease terms, including termination and renewal options. Hence, this is considered a key audit matter. The lease related disclosures included in the Notes to the consolidated financial statements are as follows; • The transitional impact of IFRS 16 has been disclosed in Note 2.4 • The lease related information, the Group as lessee and lessor, has been disclosed in Note 6	• Tested the factual inputs and calculation of the right-of-use asset and lease liability calculated by the management for each material lease contract. • Obtained an understanding and evaluated the key controls associated with the relevant process for leases and performed substantive procedures on the consolidated statement of profit or loss and consolidated statement of financial position balances that were subject to the effect of IFRS 16. • Assessed the retrospective application and adequacy of the Group's disclosures of the impact of the new standard in the consolidated financial statements
Impairment of Goodwill	
The Group had goodwill of QR 115 million on its consolidated financial statements as at 31 December 2019, contained within three cash generating units ('CGUs'). Logistic services QR 53 million (2018: QR 53 million), Freight forwarding services QR 45 million (2018: QR 45 million) and Qontrac Logistics Freight QR 17 million (2018: QR 17 million). As required by the International accounting standard ("IAS") 36 "Impairment of assets", an impairment review is performed on goodwill at least annually and when there is an indicator of impairment. In carrying out the impairment assessment of goodwill, management determined the recoverable amount of goodwill through the "value in use" guidance in IAS 36. The management adopted the income approach and prepared a discounted cash flow forecast to determine the recoverable amount of CGUs We focused on this area because of the significance of the balance and the significant judgments and assumptions involved in determining the recoverable amount of the CGU to which the goodwill is associated. Hence, this is considered a key audit matter. Information regarding the goodwill is included in Note 8 to the consolidated financial statements.	Our audit procedures in this area included the following: • Obtained an understanding and evaluated the Group's impairment assessment process and evaluated the appropriateness of management's identification of the Group's CGUs. • Assessed the competence and capabilities of the management team who performed the impairment evaluation of the goodwill. • Evaluated the key assumptions used in the impairment model for goodwill, including the operating cash flow projections, discount rates, and long-term growth rates and compared them to external industry outlook reports and economic growth forecasts with the assistance of our internal experts. We assessed the reliability of cash flow forecasts through a review of actual past performance, comparison to previous forecasts and checked the mathematical accuracy. • We assessed the appropriateness and completeness of the related disclosures in the consolidated financial statements.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2018 were audited, by another auditor, whose audit report dated 16 January 2019 expressed an unmodified audit opinion thereon.

Other Information Included in the Group's 2019 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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 do 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management of the Parent Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Group's financial reporting process.

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 management.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair 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 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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 Legal and Other Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Group's financial position or performance.

Ziad Nader
of Ernst and Young
Auditor's Registration No. 258

Date: 14 January 2020
Doha

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	31 December 2019 QR	31 December 2018 QR (Restated)	1 January 2018 QR (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	4	**2,451,035,402**	2,483,994,863	1,849,289,422
Capital work-in-progress	5	**126,668,784**	57,453,637	769,326,117
Right-of-use of assets	6	**315,273,403**	339,175,722	361,027,257
Investment properties	7	**40,634,854**	37,522,065	37,397,470
Intangible assets and goodwill	8	**123,852,556**	131,191,476	118,906,733
Refundable deposits		**18,251,000**	18,251,000	-
		3,075,715,999	3,067,588,763	3,135,946,999
Current Assets				
Inventories		**11,068,193**	11,001,248	10,829,337
Trade and other receivables	9	**470,050,687**	414,920,455	520,395,090
Bank balances and cash	10	**301,780,843**	426,840,672	351,816,004
		782,899,723	852,762,375	883,040,431
TOTAL ASSETS		**3,858,615,722**	3,920,351,138	4,018,987,430
EQUITY AND LIABILITIES				
Equity				
Share capital	11	**586,031,480**	586,031,480	586,031,480
Legal reserve	12	**552,506,803**	552,506,803	552,506,803
Retained earnings		**656,844,078**	524,916,679	438,211,740
Foreign currency translation reserve		**(401,116)**	-	-
Equity attributable to shareholders of the Company		**1,794,981,245**	1,663,454,962	1,576,750,023
Non-controlling interests		**(2,926,021)**	(2,926,021)	(3,681,223)
Total Equity		**1,792,055,224**	1,660,528,941	1,573,068,800
Liabilities				
Non-current liabilities				
Interest bearing loans	14	**1,225,259,193**	1,462,338,906	1,525,481,830
Lease liabilities	6	**269,144,386**	280,818,797	290,196,585
Employees' end of service benefits	15	**45,593,697**	36,986,130	30,895,993
		1,539,997,276	1,780,143,833	1,846,574,408
Current Liabilities				
Interest bearing loans	14	**282,728,490**	221,587,069	261,436,825
Trade and other payables	16	**221,350,256**	242,274,640	323,831,056
Lease liabilities	6	**22,484,476**	15,816,655	14,076,341
		526,563,222	479,678,364	599,344,222
Total Liabilities		**2,066,560,498**	2,259,822,197	2,445,918,630
TOTAL EQUITY AND LIABILITIES		**3,858,615,722**	3,920,351,138	4,018,987,430

These consolidated financial statements for the year ended 31 December 2019 were approved by Parent Company's Board of Directors on 14 January 2020 and were signed on its behalf by:

Abdulla Fahad J J Al Thani
Chairman

Fahad Hamad J J Al Thani
Vice Chairman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For year ended 31 December 2019

	Notes	31 December 2019 QR	*31 December 2018 QR (Restated)*
Revenue	18	**1,221,836,497**	1,232,203,810
Direct costs	20	**(797,919,697)**	(811,184,598)
Gross profit		**423,916,800**	421,019,212
Other income	19	**18,191,771**	2,904,603
General and administrative expenses	20	**(109,197,848)**	(107,079,219)
Operating profit		**332,910,723**	316,844,596
Finance cost (net)	21	**(83,399,564)**	(89,160,714)
Profit before tax		**249,511,159**	227,683,882
Income tax expense	22	**-**	(110,460)
Profit for the year		**249,511,159**	227,573,422
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(401,116)**	-
Total profit and other comprehensive income		**249,110,043**	227,573,422
Profit attributable to:			
Equity holders of the parent		**249,511,159**	226,818,220
Non-controlling interest		**-**	755,202
		249,511,159	227,573,422
Total comprehensive income attributable to:			
Equity holders of the parent		**249,110,043**	226,818,220
Non-controlling interest		**-**	755,202
		249,110,043	227,573,422
Earnings per share:			
Basic and diluted earnings per share	23	**0.43**	0.39

**The attached notes 1 to 27 form an integral part of these consolidated financial statements.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Attributable to the owners of the Company						
	Share capital QR	*Legal reserve QR*	*Retained earnings QR*	*Foreign currency translation reserve QR*	*Total QR*	*Non-controlling interests QR*	*Total equity QR*
Balance at 1 January 2018 (Audited)	586,031,480	552,506,803	497,017,101	-	1,635,555,384	(3,681,223)	1,631,874,161
Adjustment on initial application of IFRS 16 (Note 2.4)	-	-	(58,805,361)	-	(58,805,361)	-	(58,805,361)
Restated balances as at 1 January 2018 (Note ii)	586,031,480	552,506,803	438,211,740	-	1,576,750,023	(3,681,223)	1,573,068,800
Adjustment on initial application of IFRS 9 and 15 (Note i)	-	-	(34,550,064)	-	(34,550,064)	-	(34,550,064)
Restated balances as at 1 January 2018 (Note i and ii)	586,031,480	552,506,803	403,661,676	-	1,542,199,959	(3,681,223)	1,538,518,736
Profit for the year as reported in the 31 December 2018 consolidated financial statements	-	-	236,759,384	-	236,759,384	755,202	237,514,586
Adjustment on initial application of IFRS 16 (Note 2.4)	-	-	(9,941,164)	-	(9,941,164)	-	(9,941,164)
Other comprehensive income for the year	-	-	-	-	-	-	-
Restated total comprehensive income for the year	-	-	226,818,220	-	226,818,220	755,202	227,573,422
Dividends (Note 13)	-	-	(99,625,352)	-	(99,625,352)	-	(99,625,352)
Transfer to social and sports development fund (Note 16)	-	-	(5,937,865)	-	(5,937,865)	-	(5,937,865)
Restated balance at 31 December 2018	586,031,480	552,506,803	524,916,679	-	1,663,454,962	(2,926,021)	1,660,528,941
Profit for the year	-	-	249,511,159	-	249,511,159	-	249,511,159
Other comprehensive income for the year	-	-	-	(401,116)	(401,116)	-	(401,116)
Total comprehensive income for the year	-	-	249,511,159	(401,116)	249,110,043	-	249,110,043
Dividends (Note 13)	-	-	(111,345,981)	-	(111,345,981)	-	(111,345,981)
Transfer to social and sports development fund (Note 16)	-	-	(6,237,779)	-	(6,237,779)	-	(6,237,779)
Balance at 31 December 2019	**586,031,480**	**552,506,803**	**656,844,078**	**(401,116)**	**1,794,981,245**	**(2,926,021)**	**1,792,055,224**

i) The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018 and adjusted the retained earnings. Under the transition method, comparative information has not been restated for the adoption of IFRS 9 and 15.

ii) The Group has initially applied IFRS 16 at 1 January 2019. Under the transition method, comparative information has been restated for the adoption of IFRS 16.

*The attached notes 1 to 27 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	***31 December 2019 QR***	*31 December 2018 QR (Restated)*
OPERATING ACTIVITIES			
Profit before tax for the year		**249,511,159**	227,683,882
Adjustments for:			
Depreciation of property, plant and equipment	4	**138,903,840**	153,064,831
Fair value gain on investment properties	7	**(3,112,789)**	(124,595)
Depreciation of right-of-use of assets	6	**24,721,133**	21,851,535
Amortisation of intangible assets	8	**7,338,920**	7,672,516
Reversal for expected credit losses	9	**(8,400,000)**	(5,900,000)
Profit on sale of property, plant and equipment	19	**(544,642)**	(440,884)
Provision for employees' end of service benefits	15	**10,119,175**	9,056,023
Interest expense	21	**77,640,163**	84,199,374
Interest on lease liabilities	21	**12,563,325**	12,995,512
Interest income	21	**(6,803,924)**	(8,034,172)
Operating profit before working capital changes		**501,936,360**	502,024,022
Working capital adjustments:			
Inventories		**(66,945)**	(171,911)
Trade and other receivables		**(47,378,266)**	63,302,291
Trade and other payables		**(22,972,959)**	(103,527,921)
Cash flow from operating activities		**431,518,190**	461,626,481
Income tax paid		**-**	(110,460)
Employees' end of service benefits paid	15	**(1,511,608)**	(2,965,886)
Net cash flows from operating activities		**430,006,582**	458,550,135
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	**(95,230,660)**	(43,930,166)
Acquisition of a subsidiary, net of cash acquired		**-**	(10,132,832)
Proceeds from disposal of property, plant and equipment		**554,000**	466,000
Payment towards capital work in progress	5	**(79,362,970)**	(31,764,392)
Interest received		**7,259,464**	10,377,604
Net movement in term deposits with original maturity over 90 days		**-**	100,000,000
Net cash flows (used in)/from investing activities		**(166,780,166)**	25,016,214
FINANCING ACTIVITIES			
Proceeds from interest bearing loans	14	**46,074,541**	60,949,282
Repayments of interest-bearing loans	14	**(222,012,833)**	(163,941,962)
Payment of lease liabilities		**(5,825,404)**	(7,637,474)
Interest paid		**(94,967,946)**	(98,286,175)
Dividends paid	13	**(111,345,981)**	(99,625,352)
cash flows used in financing activities		**(388,077,623)**	(308,541,681)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(124,851,207)**	175,024,668
Net foreign exchange difference		**(208,622)**	-
Cash and cash equivalents at the beginning of year		**326,840,672**	151,816,004
CASH AND CASH EQUIVALENTS AT END OF YEAR	10	**201,780,843**	326,840,672

*The attached notes 1 to 27 form an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION

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 Qatari Public Shareholding Company and was registered at the Ministry Commerce and Industry of the State of Qatar with the Commercial Registration number 27386 dated 21 March 2004. The Company's shares are listed on Qatar Stock Exchange since 22 March 2004. The Company's name was 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 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 comprise the Company and its subsidiaries (collectively referred 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

Details of Company's operational subsidiaries are as follows:

Name of the Company	*Country of incorporation*	*Principal activities*	*Ultimate ownership interest*	
			2019	2018
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 Logistics S.P.C	Kingdom of Bahrain	Operations and management of general warehouse	**100%**	100%
GWC Logistics Holding L.L.C	State of Qatar	Logistics and freight forwarding	**100%**	100%
Qontrac Global Logistics B.V.	Netherlands	Logistics and freight forwarding	**100%**	100%
GWC Marine Services W.L.L.	State of Qatar	Shipping agent	**100%**	100%
LEDD Technologies W.L.L.	State of Qatar	Information technology services	**100%**	100%
Prime Shipping Services W.L.L.	State of Qatar	Shipping agent	**100%**	100%
Qontrac Shipping Services W.L.L.	State of Qatar	Shipping agent	**100%**	100%
GWC Shipping Services W.L.L.	State of Qatar	Shipping agent	**100%**	-

Details of Company's non-operational subsidiaries are as follows:

Name of the Company	*Country of incorporation*	*Principal activities*	*Ultimate ownership interest*	
			2019	2018
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%
Imad Sourcing & Logistics 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%
Gulf Warehousing Express UPS W.L.L.	State of Qatar	Courier services	**100%**	100%
GWC Sea Freight W.L.L.	State of Qatar	Freight forwarding	**100%**	-
Prime Container Services W.L.L.	State of Qatar	Shipping services	**100%**	-
LEDD Technologies India Pvt. Ltd.	India	Information technology services	**100%**	-

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of Gulf Warehousing Company Q.P.S.C and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and applicable requirements of Qatar Commercial Companies' Law No.11 of 2015.

The consolidated financial statements are prepared under the historical cost convention except for investment properties that have been measured at fair value. The consolidated financial statements are presented in Qatari Riyals ("QR"), which is the Group's presentation currency.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at 1 January 2018 is presented in these consolidated financial statements due to the retrospective application of accounting policies as a result of the adoption of IFRS 16 Leases. See Note 2.4.

These consolidated financial statements were authorised for issue by the Parent Company's Board of Directors on 14 January 2020.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Gulf Warehousing Company Q.P.S.C. and its subsidiaries (together referred to as the "Group") as at 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Property, plant and equipment

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

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

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

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

b) Property, plant and equipment (continued)

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

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	25 to 30 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.

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) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease

Land and Buildings	2 to 25 years

term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

d) Leases (continued)

Group as a lessee (continued)

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term lease of machinery and equipment (i.e., those lease that have lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to lease of office equipment that are considered of low value (i.e., below QR 20,000 (€ 5000)). Lease payment on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

e) Investment properties

An investment property is recognised 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 statement of profit or loss.

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

An item of investment property is derecognised upon disposal or when no future economic benefits are expected from its use. Profits or 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 statement of profit or loss. Investment property represents buildings that are occupied substantially for use by third parties and are held by the Group to earn rentals.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

with the policy stated under property, plant and equipment up to the date of change in use.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite life are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de- recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss when the asset is derecognized.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

The estimated useful lives of the intangible assets with the definite useful lives as follows:

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 amortisation 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 amortisation and impairment losses.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

h) Inventories

Inventories are stated at the lower of cost or net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition. Inventory is valued at purchase cost on a weighted average basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

i) Financial instruments

Financial assets

Recognition and initial measurement

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

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

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified at:

i) Amortised cost – if it meets both of the following conditions and is not designated as at FVTPL

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

ii) Fair Value through Other Comprehensive Income (FVOCI) – if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective achieved by both collecting collect contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

iii) Fair Value Through Profit or Loss (FVTPL) – All financial assets not classified as measured at amortised cost or FVOCI as described above.

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

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

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

Financial assets- Business model assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual cash flows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

i) Financial instruments (continued)

Financial assets (continued)

Financial assets- Business model assessment (continued)

- How managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

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

Financial assets- Subsequent measurement and gains and losses

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

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

i) Financial instruments (continued)

Financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

Non-derivative financial assets

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

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

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

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

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

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

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

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

Measurement of ECLs

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

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

i) Financial instruments (continued)

Financial assets (continued)

Impairment (continued)

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data

- Significant financial difficulty of the customer or issuer;
- A breach of contract such as a default or being more than 360 days past due; or
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the customer will enter bankruptcy or other financial reorganization.
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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

Write-off

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

The Group does not hold any financial liabilities at fair value through profit or loss

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

i) Financial instruments (continued)

Financial liabilities (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired (Property, plant and equipment, Capital work-in-progress and investment property, but not inventories). If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had not impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss unless the asset is carried at re-valued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

k) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise of cash at bank and cash in hand and short-term deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2019

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m) Employees' end of service benefits

In accordance with Qatar Labour Law No. 14 of 2004 or any other countries whereby the Group redundant, it provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to the Qatari nationals, the Group makes contributions to Qatar Retirement and Pension Authority as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions. The Group's share of contributions to these schemes are charged to profit or loss in the year to which they relate.

n) Revenue recognition

The Group is in the business of providing 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. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. A performance obligation can be satisfied over time or at a point in time.

Revenue from Logistics services

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

Revenue from freight forwarding services

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

Rental income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term.

Interest income

Interest income is recognised using the effective interest rate method

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

o) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of profit or loss.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Qatari Riyals at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in consolidated statement of profit or loss.

p) Earnings per share

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

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.

r) Current versus non-current classification

The Group presents assets and liabilities based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied, for the first time, IFRS 16 Leases that requires restatement of previous financial statements. The nature and effect of these changes are discussed below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 14 Determining whether an Arrangement contains a Lease, SIC-15 Operating Lease-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted using IFRS 16 using the full retrospective method of adoption with the date of initial preparation of 1 January 2019. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term lease'), and lease contracts for which the underlying asset is low value ('low-value assets').

a) Nature of the effect of adoption of IFRS 16

Impact on the statement of financial position (increase/(decrease))

	31 December 2019 QR	31 December 2018 QR	1 January 2018 QR
Assets			
Right-of-use of assets	**315,273,403**	339,175,722	361,027,257
Property, plant and equipment	**(105,989,966)**	(105,989,966)	(110,807,692)
Prepayments	**(133,594)**	(5,296,829)	(4,752,000)
Total Assets	**209,149,843**	227,888,927	245,467,565
Liabilities			
Lease liabilities	**291,628,862**	296,635,452	304,272,926
Total liabilities	**291,628,862**	296,635,452	304,272,926
Total adjustment on equity			
Retained earnings	**(82,479,019)**	(68,746,525)	(58,805,361)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Changes in accounting policies and disclosures (continued)

IFRS 16 Leases (continued)

a) Nature of the effect of adoption of IFRS 16 (continued)

Impact on the statement of profit or loss and other comprehensive income (increase/(decrease)) for the year ended 31 December:

	***2019* QR**	*2018* QR
Depreciation expense (included in Cost of sales)	**(24,721,133)**	(17,022,724)
Rent expense (included in Cost of sales)	**23,551,964**	20,077,072
Operating profit	**(1,169,169)**	3,054,348
Finance costs	**(12,563,325)**	(12,995,512)
Profit for the year	**(13,732,494)**	(9,941,164)
Attributable to		
Equity holders of the parent	**(13,732,494)**	(9,941,164)

Impact on the statement of cash-flows (increase/(decrease)) for the year ended 31 December:

	31 December 2019 QR	31 December 2018 QR (Restated)
Net cash flows from operating activities	**18,388,729**	20,632,594
Net cash flows used in financing activities	**(18,388,729)**	(20,632,594)

There is no impact on other comprehensive income and no material impact on the basic and diluted EPS.

The Group has lease contracts for various items of vehicles and properties. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either as finance lease or operating lease. A lease was classified as finance lease if it transferred substantially all of the risk and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as operating lease. Finance lease were capitalised at the commencement of the lease at the inception date fair value of the lease property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under prepayments and trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach all leases, except for short-term leases and lease of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group. The Group recognized lease liabilities to make lease payments and right-to-use assets representing the right to use the underlying assets. In accordance with the full retrospective method adoption, the Group applied IFRS 16 at the date of initial application as if it has already been effective at the commencement date of existing contracts. Accordingly, the comparative information in this consolidated financial statement has been restated.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Changes in accounting policies and disclosures (continued)

IFRS 16 Leases (continued)

a) Nature of the effect of adoption of IFRS 16 (continued)

As at 1 January 2018:

- Right-of-use assets of QR 361,027,257 were recognised and presented separately in the statement of financial position. Lease assets recognised previously under finance leases of QR 110,807,692 and included under Property, plant and equipment were adjusted.
- Additional lease liabilities of QR 304,272,926 were recognised and presented separately in the statement of financial position.
- Prepayments of QR 4,752,000 related to previous operating leases were derecognised.
- The net effect of these adjustments amounting to QR 58,805,361 had been adjusted to Retained earnings.

As at 31 December 2018:

- Right-of-use assets of QR 339,175,722 were recognised and presented separately in the statement of financial position. Lease assets recognised previously under finance leases of QR 105,989,966 and included under Property, plant and equipment were adjusted.
- Additional lease liabilities of QR 296,635,452 were recognised and presented separately in the statement of financial position.
- Prepayments of QR 5,296,829 related to previous operating leases were derecognised.
- The net effect of these adjustments amounting to QR 68,746,525 had been adjusted to Retained earnings.

For the year ended 31 December 2018:

- Depreciation expense increased by QR 17,022,724 relating to the depreciation of additional assets recognised (i.e., increase in right-of-use assets, net of decrease in Property, plant and equipment).
- Rent expense decreased by QR 20,077,072 relating to previous operating leases.
- Finance costs increased by QR 12,995,512 relating to the interest expense on additional lease liabilities recognised.
- Cash outflows from operating activities decreased by QR 20,632,594 and cash outflows used in financing activities increased by the same amount, representing the payments for the principal portion of recognised lease liabilities.

For the year ended 31 December 2019:

- Depreciation expense increased by QR 24,721,133 relating to the depreciation of additional assets recognised (i.e., increase in right-of-use assets, net of decrease in Property, plant and equipment).
- Rent expense decreased by QR 23,551,964 relating to previous operating leases.
- Finance costs increased by QR 12,563,325 relating to the interest expense on additional lease liabilities recognised.
- Cash outflows from operating activities decreased by QR 18,388,729 and cash outflows used in financing activities increased by the same amount, representing the payments for the principal portion of recognised lease liabilities.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standards and Interpretations	Effective date
IFRS 17: Insurance contracts	1 January 2021
Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associates or joint Venture	Deferred indefinitely

The Group did not early adopt any standards, interpretations or amendments that have been issued but are not yet effective

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Significant judgements in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgements in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create and economic incentive for it to exercise the renewal. After commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and effects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates and assumptions

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Fair valuation of investment property

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

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Impairment 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 is 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.

Impairment of non-financial assets (other than inventories and Goodwill)

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

Impairment of receivables

The Group uses a provision matrix to calculate ECLs for trade receivables (Non-Government) and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates and assumptions (continued)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (refer to the accounting policy "Financial instruments" in Note 2). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

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.

During the year, the Group has reviewed the residual values and the useful lives of property, plant and equipment. Accordingly, the residual value of Motor vehicles and warehouse equipment pertaining to the Qatar operations was increased to 15% -20% as a percentage of the cost. Further, useful lives of buildings were revised from 25 years to a range of 25 to 30 years.

The effect of changes relating to the useful lives and the residual values has been recognised prospectively. If the Group had continued with the useful lives and the residual values as estimated during the previous years, the depreciation charged to the statement of profit or loss would have been increased by QR 15,551,561 for the year ended 31 December 2019, and the carrying value of such fixed assets would have been decreased by the same amount. It is not practicable to quantify the effects on future period.

4. PROPERTY, PLANT AND EQUIPMENT

	Buildings (Note ii) QR	*Leasehold land rights QR*	*Office equipment QR*	*Furniture and fixtures QR*	*Warehouse equipment QR*	*Motor vehicles QR*	*Tools and equipment QR*	*Total QR*
Cost								
At 1 January 2018	2,010,358,956	120,443,144	57,339,642	57,948,552	126,324,209	137,510,713	2,811,580	2,512,736,796
Reclassified to Right-of-use of assets (Note i)	-	(120,443,144)	-	-	-	-	-	(120,443,144)
As at 1 January 2018 (as restated)	2,010,358,956	-	57,339,642	57,948,552	126,324,209	137,510,713	2,811,580	2,392,293,652
Acquisition through business combinations	-	-	66,958	-	-	161,392	-	228,350
Additions	7,995,907	-	4,600,018	3,874,698	10,666,008	16,589,324	204,211	43,930,166
Disposals	-	-	(3,500)	-	-	(6,446,485)	-	(6,449,985)
Transfer from capital work-in-progress (Note 5)	743,636,872	-	-	-	-	-	-	743,636,872
At 31 December 2018 (as restated)	2,761,991,735	-	62,003,118	61,823,250	136,990,217	147,814,944	3,015,791	3,173,639,055
Additions	52,445,345	-	11,146,590	5,305,253	13,484,306	10,927,716	1,921,450	95,230,660
Disposals	-	-	-	-	-	(8,195,206)	-	(8,195,206)
Transfer from capital work-in-progress (Note 5)	-	-	8,090,400	2,632,677	-	-	-	10,723,077
At 31 December 2019	2,814,437,080	-	81,240,108	69,761,180	150,474,523	150,547,454	4,937,241	3,271,397,586

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings (Note ii) QR	*Leasehold land rights QR*	*Office equipment*	*Furniture and fixtures*	*Warehouse equipment*	*Motor vehicles QR*	*Tools and equipment QR*	*Total QR*
Accumulated depreciation								
At 1 January 2018	298,871,836	9,635,452	43,113,796	41,978,443	58,267,832	98,931,484	1,840,839	552,639,682
Reclassified to Right-of-use of assets (Note i)	-	(9,635,452)	-	-	-	-	-	(9,635,452)
As at 1 January 2018 (as restated)	298,871,836	-	43,113,796	41,978,443	58,267,832	98,931,484	1,840,839	543,004,230
Depreciation (Note 20)	114,175,052	-	6,375,802	11,172,962	11,513,892	9,572,309	254,814	153,064,831
Disposals	-	-	(3,500)	-	-	(6,421,369)	-	(6,424,869)
At 31 December 2018 (as restated)	413,046,888	-	49,486,098	53,151,405	69,781,724	102,082,424	2,095,653	689,644,192
Depreciation (Note 20)	106,301,233	-	10,658,555	6,574,733	9,043,368	6,019,236	306,715	138,903,840
Disposals	-	-	-	-	-	(8,185,848)	-	(8,185,848)
At 31 December 2019	519,348,121	-	60,144,653	59,726,138	78,825,092	99,915,812	2,402,368	820,362,184
Net carrying amounts At 31 December 2019	**2,295,088,959**	**-**	**21,095,455**	**10,035,042**	**71,649,431**	**50,631,642**	**2,534,873**	**2,451,035,402**
At 31 December 2018 (as restated)	2,348,944,847	-	12,517,020	8,671,845	67,208,493	45,732,520	920,138	2,483,994,863

Notes:

(i) The Group has initially applied IFRS 16 at 1 January 2019, and accordingly, net leasehold land rights amounting to QR 110,807,692 were reclassified to Right-of-use of assets (Note 2.4).

(ii) Buildings are constructed on land leased from the State of Qatar. As at 31 December 2019, buildings with a carrying amount of QR 1,972,175,939 (2018: QR 1,954,023,604) were mortgaged against Ras Laffan Industrial City, Logistics Village Qatar (LVQ) and Bu Sulba term loans (Note 14 (i), (ii) and (iv)).

5. CAPITAL WORK- IN- PROGRESS

Capital work-in-progress represents the cost of assets under construction that are not available for use as at the reporting date. Capital work-in-progress comprises mainly the construction work in relation to Bufontas Project.

	***2019* QR**	*2018 QR*
At 1 January	**57,453,637**	769,326,117
Additions	**79,938,224**	31,764,392
Transfer to property, plant and equipment (Note 4)	**(10,723,077)**	(743,636,872)
At 31 December	**126,668,784**	57,453,637

The amount of borrowing costs capitalised during the year ended 31 December 2019 was QR 575,254, (2018: 1,416,181). The weighted average rate used to determine the amount of borrowing cost eligible for capitalisation was 4.5% per annum (2018: 4.7% per annum), which is the effective interest rate of the specific borrowings.

6. LEASES

a) Group as a lessee

The Group has lease contracts for lands and buildings used in its operations. Leases of lands generally have lease terms between 25 and 22 years, while buildings generally have lease terms between 2 and 5 years.

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

Right-of-use assets	***Land* QR**	***Building* QR**	***Total* QR**
As at 1 January 2018	330,480,971	30,546,286	361,027,257
Depreciation expense	(14,327,756)	(7,523,779)	(21,851,535)
As at 31 December 2018	316,153,215	23,022,507	339,175,722
Additions	-	818,814	818,814
Depreciation expense	(14,316,672)	(10,404,461)	(24,721,133)
As at 31 December 2019	**301,836,543**	**13,436,860**	**315,273,403**

Lease Liabilities	***2019* QR**	*2018 QR*
As at 1 January	**296,635,452**	304,272,926
Additions	**818,814**	-
Interest expense	**12,563,325**	12,995,512
Payments	**(18,388,729)**	(20,632,986)
As at 31 December	**291,628,862**	296,635,452
Current portion	**22,484,476**	15,816,655
Non-current portion	**269,144,386**	280,818,797

The Group recognised rent expense from short-term leases of QR 676,829 for the year ended 31 December 2019 (2018: QR 3,200,880).

6. LEASES (CONTINUED)

b) Group as a lessor

The Group has entered into operating leases on its investment properties. These leases have remaining terms of 2 years.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	***2019* QR**	*2018* QR
Less than one year	**7,087,776**	2,400,000
Between one and five years	**6,887,776**	4,600,000
	13,975,552	7,000,000

7. INVESTMENT PROPERTIES

a) Reconciliation of carrying value

The Group's investment properties consist of commercial buildings which are constructed on the lands obtained under operating lease from the State of Qatar.

	***2019* QR**	*2018* QR
At 1 January	**37,522,065**	37,397,470
Fair value gain	**3,112,789**	124,595
At 31 December	**40,634,854**	37,522,065

b) Measurement of fair values

Fair value hierarchy

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

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

Valuation technique and significant unobservable inputs

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

Valuation Technique	*Significant unobservable inputs*
Market comparable approach Under the market comparable approach, a property's fair value is estimated based on the 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 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 values of these properties will decline as these lease agreements approach their expiry dates. The unit of comparison applied by the valuer is depreciated value for the building per square meter and the market price per square foot for the land.	The comparable method of valuation comprises; • The identification of the transacted evidence for the same or similar type of property within the nearby vicinity: • Comparative analysis of the listed properties in the market; • Discussions with the active real estate agents within the locality.

7. INVESTMENT PROPERTIES (CONTINUED)

Valuation technique and significant unobservable inputs (Continued)

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

	***2019* QR**	*2018* QR
Rental income (Note 18)	**8,377,776**	11,289,786
Direct operating expenses that did not generate rental income	**262,580**	255,600

8. INTANGIBLE ASSETS AND GOODWILL

	Goodwill (I) QR	*Customer contracts and related customer relationships (II)* QR	*Brand name (II)* QR	*Computer software* QR	*Total* QR
Cost					
At 1 January 2018	98,315,463	10,231,500	52,780,500	3,826,370	165,153,833
Acquisition through business combination	17,347,069	2,610,190	-	-	19,957,259
At 1 January 2019/31 December 2019	115,662,532	12,841,690	52,780,500	3,826,370	185,111,092
Accumulated amortisation/ Impairment					
At 1 January 2018	-	7,853,280	36,946,350	1,447,470	46,247,100
Charge for the year	-	1,119,014	5,278,050	1,275,452	7,672,516
At 1 January 2019	-	8,972,294	42,224,400	2,722,922	53,919,616
Charge for the year		1,104,279	5,278,052	956,589	7,338,920
At 31 December 2019	-	10,076,573	47,502,452	3,679,511	61,258,536
Net carrying amounts					
At 31 December 2019	**115,662,532**	**2,765,117**	**5,278,048**	**146,859**	**123,852,556**
At 31 December 2018	115,662,532	3,869,396	10,556,100	1,103,448	131,191,476

I Goodwill

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

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

	Carrying amount of goodwill	
	***2019* QR**	*2018* QR
Logistics	**53,090,350**	53,090,350
Freight forwarding services	**45,225,113**	45,225,113
Qontrac Logistics Freight	**17,347,069**	17,347,069
Total	**115,662,532**	115,662,532

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.

8. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

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

	Logistics		*Freight forwarding services*		*Qontrac logistics freight*	
	2019	*2018*	***2019***	*2018*	***2019***	*2018*
Compound annual volume growth (i)	**2.45%**	7.56%	**2.5%**	11%	**11.51%**	9.6%
Terminal growth rate (ii)	**3%**	3%	**3%**	3%	**3%**	2%
Discount rate (iii)	**8.5%**	8.7%	**11.4%**	11.4%	**8%**	8%

i. Management determined the compound annual volume growth rate for each CGU over five-year forecast to be a key assumption. The volume growth in each period is the main driver for revenue and costs. The compound annual volume growth rate is based on the 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 forecast included in the industry reports.

iii. Discount rate represents the current market assessment of the risk specific to each CGU. The discount rate calculation is based on the specific circumstances of the Group and its operating segments. Raise in the discount rate to 14.8% in the logistics, 17.65% in the freight forwarding and 12.3% in the Qontrac Logistics Freight will result impairment.

Based on the above impairment test management concluded that there is no impairment of goodwill (2018: no impairment was identified).

II Customer contracts and related customer relationship and brand name

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

Management concluded that as at 31 December 2019 there was no impairment of these assets (2018: No impairment was identified)

9. TRADE AND OTHER RECEIVABLES

	2019 QR	*2018 QR (Restated)*
Trade receivables	**301,308,466**	278,511,715
Contract assets	**92,668,236**	87,368,354
Less: Provision for expected credit losses	**(43,219,615)**	(51,619,615)
Trade receivables, net	**350,757,087**	314,260,454
Advances to suppliers	**17,810,462**	12,462,913
Prepayments	**76,565,688**	67,269,571
Other receivables	**24,917,450**	20,927,517
	470,050,687	414,920,455

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

Set out below is the movement in the provision for expected credit losses of trade receivables:

	2019 QR	*2018 QR*
At 1 January	**51,619,615**	24,493,445
Adjustment on initial application of IFRS 9	-	34,550,064
At 1 January under IFRS 9	**51,619,615**	59,043,509
Amount collected against allowance	-	(1,523,894)
Provision for expected credit losses reversed for the year (Note 20)	**(8,400,000)**	(5,900,000)
At 31 December	**43,219,615**	51,619,615

10. BANK BALANCES AND CASH

	2019 QR	*2018 QR*
Cash in hand	**1,638,208**	1,984,460
Cash at bank – current accounts (i)	**126,443,032**	127,860,204
Cash at bank – short-term deposit accounts (ii)	**155,000,000**	280,000,000
Cash at bank – restricted short-term deposit accounts (iii)	**18,699,603**	16,996,008
Bank balance and cash	**301,780,843**	426,840,672
Less: Term deposits with original maturity over 90 days (iv)	**(100,000,000)**	(100,000,000)
Cash and cash equivalents	**201,780,843**	326,840,672

Notes:

i. Current account earns no interest.

ii. Short-term deposits are made for varying terms depending on the immediate cash requirements of the Group and earn interest at market rates.

iii. The restricted short-term deposit accounts include dividends declared but not yet claimed by the Company's shareholders.

iv. Terms deposits made by the Group with original maturity over 90 days and earn interest at market rates

11. SHARE CAPITAL

	2019 QR	*2018 QR*
Authorised, issued and fully paid: 586,031,480 Ordinary shares of QR 1 each (2018:58,603,148 Ordinary shares of QR 10 each)	**586,031,480**	586,031,480

(i) Stock split

On 4 February 2019, the Extraordinary General Meeting of the Group approved the reduction of the par value of the ordinary share from QR 10 to QR 1, as per the instruction of Qatar Financial Markets Authority. On 4 July 2019, the Qatar Stock Exchange announced that the share split of the Company has been executed and the listing of the new shares in Stock Exchange was effective from 7 July 2019. Accordingly, the total number of shares of the Company has increased from 58,603,148 to 586,031,480.

12. LEGAL RESERVE

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

13. DIVIDENDS

At the Board Meeting on 14 January 2020, a dividend in respect of the profit for the year ended 31 December 2019 of QR 0.20 per share amounting to a total dividend of QR 117,206,296 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 2020.

At the Board Meeting on 16 January 2019, A dividend of QR 111,345,981 (QR 1.9 per share) was proposed by the Board of Directors in respect of the Group profit for the year ended 31 December 2018, which was approved by the Company's shareholders at the Company's Annual General Meeting held on 4 February 2019.The dividend was paid in 2019. The dividend declared in respect of the profit for the year ended 31 December 2017 were QR 99,625,352 (QR 1.7 per share) and paid in 2018.

14. INTEREST BEARING LOANS

The movement of bank loans were as follows:

	2019 QR	*2018 QR*
At 1 January	**1,683,925,975**	1,786,918,655
Additions	**46,074,541**	60,949,282
Repayments	**(222,012,833)**	(163,941,962)
At 31 December	**1,507,987,683**	1,683,925,975

	Years of maturity	***2019 QR***	*2018 QR*
LVQ project term loans (i)	**2022-2027**	**697,789,052**	851,681,049
Bu-Sulba project term loans (ii)	**2027**	**714,693,922**	777,659,639
Ras Bufontas project term loan (iii)	**2028**	**23,250,000**	-
Ras Laffan project loans (iv)	**2026-2028**	**72,254,709**	54,585,287
		1,507,987,683	1,683,925,975

The loans are secured against the buildings and other tangible assets capitalised under property, plant and equipment.

The interest-bearing loans are presented in the consolidated statement of financial position as follows:

	2019 QR	*2018 QR*
Current portion	**282,728,490**	221,587,069
Non-current portion	**1,225,259,193**	1,462,338,906
	1,507,987,683	1,683,925,975

14. INTEREST BEARING LOANS (CONTINUED)

Notes:

(i) The Company has entered in to loan facilities with four local banks to finance the construction and development of Logistics Village Qatar ("LVQ") located in street # 52 in Doha Industrial Area. Interest is charged at a rate of 3.5%, 4.5% and 4.75% per annum. The loan is payable in 22-38 quarterly installments.

(ii) The Company has entered in to loan facilities with two local banks to finance the construction and development of Bu-Sulba project. Interest is charged at a rate of 4.5% and 4.75% per annum. The loan is payable in 22-25 quarterly installments.

(iii) A loan facility of QR 23 million was obtained from local banks to finance the construction and development in Ras Bufontas located on Wosail street. The loan facility bears interest at 4.5% per annum. The loan is payable in 35 quarterly instalments over the period of 9 years commencing from May 2019.

(iv) A loan facility of QR 73 million was obtained from a local bank to finance Ras Laffan warehousing facilities extension. The loan is payable in 30 instalments over the period of 7.5 years commenced from August 2017. Interest is charged at a rate of 4.5% per annum.

During the year, the Company obtained a new facility from a local bank amounting to 23 million for the construction office and infrastructure at Ras Laffan and repayment will commence in 2020 and that is repayable in 28 quarterly instalments. The loan facility is secured against the Group's building under construction at Ras Laffan. Interest is charged at a rate of 4.5% per annum.

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

15. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

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

	2019 QR	*2018 QR*
At 1 January	**36,986,130**	30,895,993
Provision made during the year	**10,119,175**	9,056,023
Paid during the year	**(1,511,608)**	(2,965,886)
At 31 December	**45,593,697**	36,986,130

The provision made for the year is included within staff cost in profit or loss (Note 20)

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

16. TRADE AND OTHER PAYABLES

	2019 QR	*2018 QR*
Trade payables	**38,179,769**	37,026,053
Accrued expenses	**101,097,828**	113,052,960
Other payables	**65,966,553**	75,627,038
Retention payable to contractors of projects	**9,868,327**	10,630,724
Provision for contribution for social and sports fund	**6,237,779**	5,937,865
	221,350,256	242,274,640

The Group made an appropriation of QR 6,237,779 (2018: QR 5,937,865) to the Social and Sports Development Fund of the State of Qatar pursuant to the Qatar Law No.13 of 2008

17. RELATED PARTY DISCLOSURES

Related parties represent shareholders, directors and key management personnel, affiliates of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

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

		31 December 2019		*31 December 2018*	
	Nature of relationship	***Revenue QR***	***Purchase of services QR***	*Revenue QR*	*Purchase of services QR*
Agility network	Affiliate	**8,726,463**	**27,251,017**	11,828,495	37,158,351
Others	Affiliate	**-**	**7,373,826**	-	10,083,479

Balances with related parties included in the consolidated statement financial position under trade receivable and trade payable are as follows:

		31 December 2019		31 December 2018	
	Nature of relationship	***Receivables QR***	***Payables QR***	*Receivable QR*	*Payables QR*
Agility network	Affiliate	**1,269,507**	**6,047,953**	2,104,614	7,911,523
Others	Affiliate	**-**	**312,196**	-	324,510

Compensation of key management personal

The remuneration of Board of Directors and members of key management during year is as follows:

	2019 QR	*2018 QR*
Short-term benefits		
Key management remuneration	**7,163,468**	6,910,894
Board of Directors' remuneration	**6,305,000**	9,660,000
Employees' end of service benefits	**150,000**	105,000

18. REVENUE

The Group derives its revenue from the transfer of goods and services in the following major revenue streams. This is consistent with the revenue information that is disclosed for each reportable segment (See Note 25).

	2019 QR	*2018 QR*
Logistics operations	**776,457,407**	767,314,688
Freight forwarding	**437,001,314**	453,599,336
Rental income from investment properties (Note 7)	**8,377,776**	11,289,786
	1,221,836,497	1,232,203,810

18. REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers

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

	2019 QR	*2018 QR*
Revenue from contracts with customers		
Logistics operations	**776,457,407**	767,314,688
Freight forwarding	**437,001,314**	453,599,336
	1,213,458,721	1,220,914,024

	2019 QR	*2018 QR*
Primary geographical markets		
Local operations	**1,136,185,880**	1,150,305,111
Foreign operations	**77,272,841**	70,608,913
	1,213,458,721	1,220,914,024

	2019 QR	*2018 QR*
Major products and service lines		
Warehouse management services	**638,523,573**	648,017,771
Records management systems	**62,453,782**	58,264,589
Transport services	**36,374,703**	33,560,646
Freight forwarding services	**404,359,782**	425,751,464
International move and relocation services	**39,105,349**	27,471,682
Courier services	**32,641,532**	27,847,872
	1,213,458,721	1,220,914,024

	2019 QR	*2018 QR*
Timing of revenue recognition		
Products and services transferred over time	**776,457,407**	767,314,688
Products transferred at a point in time	**437,001,314**	453,599,336
	1,213,458,721	1,220,914,024

18. REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers (continued)

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	31 December 2019		31 December 2018	
Revenue	Logistics operations QR	Freight forwarding QR	Logistics operations QR	Freight Forwarding QR
External customer	**776,457,407**	**437,001,314**	767,314,688	453,599,336
Inter-segment	**58,850,892**	**22,904,135**	41,104,644	15,229,591
	835,308,299	**459,905,449**	808,419,332	468,828,927
Adjustments and eliminations	**(58,850,892)**	**(22,904,135)**	(41,104,644)	(15,229,591)
	776,457,407	**437,001,314**	767,314,688	453,599,336

19. OTHER INCOME

	2019 QR	2018 QR
Non-operating Income*	**13,161,281**	-
Fair value gains on investment property (Note 7)	**3,112,789**	124,595
Gain on sale of property, plant and equipment	**544,642**	440,884
Miscellaneous income	**1,373,059**	2,339,124
	18,191,771	2,904,603

* Non-operating income represents the amount received relating to the Logistic line of business

20. EXPENSE BY NATURE

	2019 QR	2018 QR (Restated)
Freight forwarding charges (ii)	**295,408,519**	338,269,003
Staff cost (i)	**255,464,876**	227,232,143
Depreciation of property, plant and equipment (Note 4)	**138,903,840**	153,064,831
Logistic costs (ii)	**49,199,070**	32,805,386
Repairs and maintenance	**40,652,440**	37,773,655
Water and electricity	**34,154,982**	34,273,657
Depreciation of right-of-use-assets (Note 6)	**24,721,133**	21,851,535
Fuel cost	**16,699,456**	15,717,035
Board of Directors' remuneration	**6,305,000**	9,660,000
Insurance cost	**9,182,098**	6,777,803
Amortization of intangible assets (Note 8)	**7,338,920**	7,672,516
Legal and professional fees	**7,246,653**	7,804,277
Communication and postage	**2,872,467**	2,434,915
Manpower subcontract charges	**3,527,331**	3,825,341
Travelling expenses	**1,330,511**	2,089,523
Advertisement expenses	**668,527**	766,201
Rent expense	**676,829**	3,200,880
Reversal of provision for impairment of trade receivables (Note 9)	**(8,400,000)**	(5,900,000)
Miscellaneous expenses	**21,164,893**	18,945,116
	907,117,545	918,263,817

(i) Staff cost includes a provision for employees' end of service benefits of QR 10,119,175 (2018: QR 9,056,023)

(ii) Logistics costs and Freight forwarding charges include cost of inventories amounting to QR 4,433,577 (2018: QR 3,829,703).

The above expenses are presented in the consolidated statement of profit or loss as follows:

	2019 QR	2018 QR (Restated)
Directs costs	**797,919,697**	811,184,598
General and administrative expenses	**109,197,848**	107,079,219
	907,117,545	918,263,817

21. FINANCE COST, NET

	2019 QR	2018 QR
Interest income bank deposits	**(6,803,924)**	(8,034,172)
Interest expense on bank loans	**77,640,163**	84,199,374
Interest expense on lease liabilities	**12,563,325**	12,995,512
	83,399,564	89,160,714

22. Tax Expenses

	2019 QR	2018 QR
Tax expense	-	110,460
Tax rate	**20%**	20%

Income taxes represent the tax expenses related to Qontrac Global Logistics B.V., a subsidiary of the Company. The tax liability for the year ended 31 December 2018 was fully paid during 2019.

23. EARNINGS PER SHARE

The calculation of basic earnings per share (EPS) is arrived by dividing the profit attributable to shareholders of the Parent Company for the year by the weighted average number of ordinary shares outstanding at the year end.

	2019 QR	2018 QR
Profit attributable to equity holders of the Company	**249,511,159**	226,818,220
Weighted average number of shares outstanding during the year	**586,031,480**	586,031,480
Basic and diluted earnings per share	**0.43**	0.39

(i) For purpose of calculating earnings per share, weighted average number of shares outstanding have been adjusted consequent to the share split disclosed in Note 11.

Diluted earnings per share

As the parent has no potential dilutive shares, the diluted EPS equals to basic EPS.

24. COMMITMENTS AND CONTINGENCIES

	2019 QR	2018 QR
(a) Commitments		
Capital commitments	**68,833,677**	72,814,244
(b) Contingent liabilities		
Bank guarantees, corporate guarantees and documentary credits	**166,280,586**	135,317,518

25. Segmental Information

The Group has the following four strategic divisions, which are its reportable segments. These divisions offer different services and are managed by the Group separately for the purpose of making decisions about allocation and performance management. The table below sets out the operations of each reporting segments.

Reportable segments	*Operations*
Logistics operations	Storage, handling, packaging and transportation
Freight forwarding	Freight services through land, air and sea
Rentals	Rental income
Others	Fixed deposit income and other

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

There is varying level of integration between Logistics and Freight forwarding segments.

25. SEGMENTAL INFORMATION (CONTINUED)

The following table represents the revenue and profit information regarding the Group's operating segments for the year

31 December 2019	***Logistics QR***	***Freight Forwarding QR***	***Rental QR***	***Other QR***	***Total QR***
External revenue	**776,457,407**	**437,001,314**	**8,377,776**	**-**	**1,221,836,497**
Inter-segment revenue	**58,850,892**	**22,904,135**	**-**	**-**	**81,755,027**
Segment revenue	**835,308,299**	**459,905,449**	**8,377,776**	**-**	**1,303,591,524**
Segment profit for the year	**190,923,906**	**25,476,362**	**8,115,196**	**24,995,695**	**249,511,159**
Interest income	**-**	**-**	**-**	**6,803,924**	**6,803,924**
Interest expense on borrowings	**(77,640,163)**	**-**	**-**	**-**	**(77,640,163)**
Interest expense on lease liabilities	**(10,948,536)**	**(1,614,789)**	**-**	**-**	**(12,563,325)**
Depreciation and amortization	**(133,330,758)**	**(12,912,002)**	**-**	**-**	**(146,242,760)**
Depreciation of right-of-use-assets	**(22,441,419)**	**(2,279,714)**	**-**	**-**	**(24,721,133)**
Reversal of impairment losses	**5,040,000**	**3,360,000**	**-**	**-**	**8,400,000**

31 December 2018	*Logistics QR*	*Freight Forwarding QR*	*Rental QR*	*Other QR*	*Total QR*
External revenue	767,314,688	453,599,336	11,289,786	-	1,232,203,810
Inter-segment revenue	41,104,644	15,229,591	-	-	56,334,235
Segment revenue	808,419,332	468,828,927	11,289,786	-	1,288,538,045
Segment profit for the year (Restated)	178,773,767	26,826,694	11,034,186	10,938,775	227,573,422
Interest income	-	-	-	8,034,172	8,034,172
Interest expense on borrowings	(84,199,374)	-	-	-	(84,199,374)
Interest expense on lease liabilities	(11,325,234)	(1,670,278)	-	-	(12,995,512)
Depreciation and amortization	(149,762,224)	(10,975,123)	-	-	(160,737,347)
Depreciation of right-of-use-assets	(19,826,385)	(2,025,150)	-	-	(21,851,535)
Reversal of impairment losses	3,540,000	2,360,000	-	-	5,900,000

25. SEGMENTAL INFORMATION (CONTINUED)

The following table represents the assets and liabilities information regarding the Group's operating segments for the year:

Assets and liabilities	*31 December 2019*		*31 December2018 Restated*	
	Segment Assets QR	***Segment liabilities QR***	*Segment assets QR*	*Segment liabilities QR*
Logistics operations	**3,450,349,215**	**1,888,924,119**	3,410,570,600	2,101,197,984
Freight forwarding	**196,481,473**	**91,445,959**	177,081,533	75,725,282
Rentals	**40,634,854**	**-**	37,522,065	-
Others	**171,150,180**	**86,190,420**	295,176,940	82,898,931
	3,858,615,722	**2,066,560,498**	3,920,351,138	2,259,822,197

26. FINANCIAL RISK MANAGEMENT

Objectives and policies

The Group's principal financial liabilities comprise of interest-bearing loans and trade and other payables. The main purpose of these financial liabilities is to manage Group's working capital requirements. The Group has various financial assets such as contract assets, trade receivables, refundable deposits, cash at bank and other receivables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are 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:

	2019 QR	*2018 QR*
Trade receivables	**259,073,852**	227,820,767
Contract assets	**91,683,235**	86,439,687
Other receivables	**24,917,450**	20,927,517
Refundable deposits	**18,251,000**	18,251,000
Cash at bank	**300,142,635**	424,856,212
	694,068,172	778,295,183

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Trade receivables

The Group renders services to around two thousand customers with its largest 5 customers accounting for 26% (2018: 17%) of its trade receivables. This significant concentration risk has been managed through enhanced monitoring and periodic tracking. The Group has a rigorous policy of credit screening prior to providing services on credit. Management evaluates the creditworthiness of each client prior to entering into contracts. Management also periodically reviews the collectability of its trade receivables and has a policy to provide any amounts whose collection is no longer probable and to write-off as bad debts any amounts whose recovery is unlikely. As a result, management believes that there is no significant credit risk on its trade receivables as presented on the consolidated statement of financial position.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

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

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

96% (2018: 96%) of the trade receivables are due from customers based locally. At 31 December 2019, the carrying amount of the Group's twenty most significant customers amounted to QR 160,320,112 (2018: QR 145,779,819).

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

	2019 QR	*2018 QR*
Government entities	**205,931,545**	141,690,466
Non-government entities	**95,376,921**	136,821,249
	301,308,466	278,511,715
Contract assets	**92,668,236**	87,368,354

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

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

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Loss rates are calculated separately for non- government receivables using a 'net flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Trade receivables (continued)

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

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

Past due are those amounts for which either the contractual or the "normal" payment date has passed. The Group measure the expected credit losses on government customers (Trade receivables and contract assets) considering the Government credit rating.

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

On that basis, the expected credit loss allowance as at 31 December was determined as follows for the trade receivables and contract assets:

31 December 2019	***Weighted average loss rate***	***Gross carrying amount QR***	***Loss allowance QR***
Non-government customers			
0-90 days	**1.53%**	**123,406,636**	**1,883,859**
90-180 days past due	**6.21%**	**31,354,411**	**1,947,983**
180- 270 days past due	**16.13%**	**6,657,124**	**1,073,920**
271- 360 days past due	**26.01%**	**3,850,087**	**1,001,552**
Above 360	**89.18%**	**40,663,287**	**36,263,119**
Government customers *	**0.07%**	**95,376,921**	**64,181**
Contract assets	**1.06%**	**92,668,236**	**985,001**
At 31 December		**393,976,702**	**43,219,615**

31 December 2018	*Weighted average loss rate*	*Gross carrying amount QR*	*Loss allowance QR*
Non-government customers			
0-90 days	0.81%	63,252,065	510,793
90-180 days past due	6.44%	21,943,568	1,413,807
180- 270 days past due	26.73%	5,239,213	1,400,696
271- 360 days past due	54.99%	8,642,351	4,752,383
Above 360	100%	42,613,269	42,613,269
Government customers*	-	136,821,249	-
Contract assets	1.06%	87,368,354	928,667
At 31 December		365,880,069	51,619,615

*As at 31 December 2019, The Group recognized provision for expected credit losses on its government customers amounting to QR 64,181 (2018: The expected credit loss on the government customers were immaterial)

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Trade receivables (continued)

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Further, 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:

Credit ratings (by Moody's)	***2019 QR***	*2018 QR*
A1	**113,572,851**	128,590,013
A2	**186,361,021**	296,100,939
A3	**208,763**	165,260
At 31 December	**300,142,635**	424,856,212

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

Liquidity risk

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

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

31 December 2019		***Contractual cash flows***			
Non-derivative financial liabilities	***Carrying amount***	***Total***	***1-12 months***	***1-5 years***	***More than 5 years***
Trade and other payables (i)	**114,014,649**	**(114,014,649)**	**(114,014,649)**	**-**	**-**
Bank loans (ii)	**1,507,987,683**	**(1,710,265,884)**	**(346,462,210)**	**(1,297,494,459)**	**(66,309,215)**
	1,622,002,332	**(1,824,280,533)**	**(460,476,859)**	**(1,297,494,459)**	**(66,309,215)**

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

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)
Trade receivables (continued)

(i) Excluding accruals and provisions

(ii) 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. Further, net balances in EURO are not considered to represent a significant currency risk. Management believes that the Group's exposure to currency risk is minimal.

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 2019, if interest rates on Qatari Riyal-denominated interest-bearing assets and borrowings had been 1% (2018: 1%) higher/lower with all other variables held constant, post-tax profit for the year would have been QR 15,744,300 (2018: QR 16,839,260) 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.

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

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

	2019 QR	*2018 QR*
Bank loans (Note 14)	**1,507,987,683**	1,683,925,975
Less: Cash and cash equivalents (Note 10)	**(201,780,843)**	(326,840,672)
Net debt	**1,306,206,840**	1,357,085,303
Total equity	**1,792,055,224**	1,660,528,941
Total capital	**3,098,262,064**	3,017,614,244
Gearing ratio	**42.16%**	44.97%

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.

27. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets consist of contracts assets, trade receivables, refundable deposits, cash at bank and other receivables. Financial liabilities consist of interest-bearing and trade and other payables.

The Group has not disclosed the fair values as the fair values of financial instruments are not materially different from their carrying values.

Delivering Logistics Innovation

D Ring Road - Doha, Qatar
P. O. Box 24434
Tel: +974 4449 3000
Fax: +974 4449 3100
E-mail: info@gwclogistics.com
Website: www.gwclogistics.com