

FOCUS AND DISCIPLINE TO MOVE FORWARD

ANNUAL
REPORT
2018



ANNUAL
REPORT
2018





His Highness

Sheikh Tamim bin Hamad Al Thani

Emir of the State of Qatar



His Highness

Sheikh Hamad bin Khalifa Al Thani

Father Emir



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CHAIRMAN'S INTRODUCTION



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

As Chairman of SIIIL, I release this message to you our valued Shareholders, with equal measures of confidence and optimism: Confidence because I have been a first hand witness to how SIIIL stood firm in the face of being pummeled by the harsh market conditions in 2018. And optimism because I have been engaged in the highest level of efforts made to make the much-needed leap into 2019 and steer the company into calmer, profitable and productive waters.

It is with great pleasure that I can inform you that the senior management of the company along with the best and brightest minds at SIIIL who watch over your assets, have tirelessly worked to drive SIIIL to its next level of success. Led by SIIIL's CEO, SIIIL has set itself several key targets in order to serve your best interests and I would like to share some of these directions with you in the most brief and concise manner.

We have used the year to evaluate the breadth of SIIIL's business potential and to understand the challenges facing Salam's business. We have tapped into that insight to create a roadmap for the future and taken the difficult decisions we needed to take to streamline and buoy performance. Our primary goal is to continue creating and delivering sustainable value to you, our shareholders. In the coming years, I firmly believe that the concept of "scale management" will rise in its importance. And, it will be applicable to us whether we are managing the scale of risk taking, managing the scale of investment appetite or managing the scale of new opportunities.

Looking to the future, here are some of the steps SIIIL will take, which clearly articulates our immediate intentions.

We intend to work hard to maximize the Salam asset utilization. We also intend to explore the talent within, emphasizing on the second and third levels of management, to lead and drive Salam. Further, we will work productively and efficiently, making timely decisions as we intend to invest wisely in existing operations.

In the pages that follow, you will see SIIIL's performance data, which confirms how we held our ship steady, in the face of an unpredictable market. I strongly believe that as a conglomerate, we have weathered the worst and come through. As SIIIL as a company and Qatar as a nation emerge and embrace the new realities around us, I have no doubt that the future will teem with opportunities that we can capture and convert into our next wave of successes.

Given our proven resilience and longevity, I am confident that Salam will continue to thrive and maintain the impeccable reputation we have in the market. SIIIL will also resolutely grow and enhance relationships with all our customers, suppliers, bankers, government and regulatory authorities and the community far into the future. As your Chairman and as a second generation leader of this 67-year-old family business, it is my joy to announce that our next target at SIIIL is to continue our legacy of success and complete 120 years in business, while serving the nation of Qatar and its people. I look forward to working with you in 2019 towards that goal. I am certain that together, we can achieve it!

Issa AbdulSalam Abu Issa
Chairman & CEO



BOARD OF DIRECTOR'S REPORT

Board of Directors Report to
General Assembly Meeting Regarding
2018 Company Performance and
Company Future Plans

Dear Esteemed Shareholders,

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

I would like to thank you for participating in this meeting and honored to present to you the Company Annual Report covering Company activities, performance and its achievements during the fiscal year 2018, and outlining Company plans for the future.

FIRSTLY - ACTIVITIES

Reference to the Board of Directors report submitted to last years' General Assembly meeting, in which advise the General Assembly that since early 2017 a new world economic crisis was in the horizon. And that this time the crisis will hit hard at the consumer goods trading. Further economic developments has confirmed that said crisis has in fact occurred and has adversely affected luxurious consumer products markets. As you would know this is in fact the largest sector within SIIL.

We have witnessed drops in the numbers of shoppers and the average spending per consumer, coupled with increase

in numbers of shopping centers, far beyond what is warranted by total market demand.

The total effect of these factors has led to very high percentages of drop in Company sales of luxurious goods causing an unprecedented combined losses totaling tens of millions of Qatari Riyals (QAR).

And in addition to that, the real estate revenue from Company properties has also shown sharp decline due to excess in available units in the market and lower rent rates in general. Furthermore, the increase in interest rates during last year has added new additional burdens on the Company.

In spite of efforts by the executive management to avoid or mitigate the losses, some of which were successful, the Company, however, has weathered strong economic storms that caused major losses particularly within sectors such as: long-life products, luxurious consumer products and contracting as mentioned above.

SECONDLY - FUTURE PLANS

The Company is committed to continue the implementation of its future plans as were declared in the past and will continue its conservative financial policies and approaches.

However, the Company will closely monitor the economic developments and will continue to seek to mitigate the effects of adverse developments and to capture subsequent opportunities resulting from said developments, whilst taking into account estimates that are circulated within the markets to the probability of a recession in world economy leading to even harder conditions in the coming years. The Company will however seek to adopt mitigating procedures as much as possible.

THIRDLY - FINANCIAL RESULTS

The combined closed final accounts for the fiscal year ending 31/12/2018 has shown a net loss of 96.8 million QAR. After deducting the positive minority rights, the stake of SIIL shareholders loss amounts to 99.4 million QAR. These are net losses after allocation of all provisions. Hence, the loss per share shall be 0.87 QAR.

Based on above results, and due to losses incurred in 2018, the Board of Directors regretfully informs the esteemed General Assembly that there will be no dividends for distribution for 2018.

And on behalf of all you and in the name of the Board of Directors of SIIL and myself, I would like to take this

opportunity to extend all thanks, gratitude and appreciation to His Highness Sheikh Tamim Bin Hamad Al Thani the Amir of Qatar for his wisdom and true sense of leadership towards the challenges that face the State of Qatar. Similarly to His Excellency Sheikh Abdallah Bin Nasser Bin Khalifah Al Thani The Prime Minister and the Minister of Interior for his efforts to promote and protect the local products and to their continued support towards the support of building, development and progress in our beloved country, under the wise leadership of His Highness, The Amir.

We also extend our thanks to His Excellency the Minister of Commerce and Industry and all his staff at the Corporate Monitoring Directorate for their relentless efforts to promote and support the private sector and grow local establishments and strengthen economic development.

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

Sincerely yours,

Issa Abdul Salam Abu Issa
Chairman- Board of Directors



**CONSOLIDATED
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Salam International Investment Limited Q.P.S.C. (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Description of key audit matter	How the matter was addressed in our audit
<p>We focused on this area because:</p> <ul style="list-style-type: none"> The inventories of QR 455,253,483 representing 9.20% of the Group's total assets as at 31 December 2018, hence a material portion of the consolidated statement of financial position; The Group makes significant judgement in estimating the net realizable value of inventories along with the assessment of the level of inventory provision required in respect of slow moving inventories, hence we considered this as a key audit matter. 	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> Testing the key controls in the identification of slow moving inventories and valuations of inventories; Testing the ageing of inventories in the Group's main trading subsidiaries on a sample basis; Assessing the appropriateness of the provisioning policies in the Group's main trading subsidiaries by reference to industry practices and comparing the consistency with the historical data on provisioning; Testing sales subsequent to the year-end for sample of inventory items to check whether sale price were higher than the reported carrying values of such inventory items; and; Evaluating the adequacy of the financial statements disclosure including the disclosures of significant judgements and estimates.

Description of key audit matter	How the matter was addressed in our audit
<p>We focused on this area because:</p> <ul style="list-style-type: none"> IFRS 9 “Financial Instruments” (hereafter “IFRS 9”), which the Group implemented on 1 January 2018: requires complex accounting treatments, including use of significant estimates and judgements for the determination of adjustments on transition; and resulted in significant changes to process, data and controls that needed to be tested for the first time. The adjustment made to the Group’s retained earnings / (accumulated losses) upon transition to IFRS 9 was QR 235,535,245 debit. The Group also recognised QAR 8,196,187 as expected credit losses on financial assets in 2018 as a result of adopting IFRS 9. 	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> Evaluating the appropriateness of the selection of accounting policies based on the requirements of IFRS 9, our business understanding and industry practice; Considering the appropriateness of the transition approach and practical expedients applied; Evaluating management’s process for selection of the “expected credit loss” methodology; Evaluating the reasonableness of management’s key judgements and estimates made in preparing the transition adjustments and over classification and measurement decisions; Involving financial risk management specialist to challenge key assumptions/judgements relating to forward looking adjustments, definition of default and calculation of probability of default using net flow rates method ; Evaluating the completeness, accuracy and relevance of data used in preparing the transition adjustments and calculating the expected credit losses; and Evaluating the adequacy of the financial statement disclosures including the transition disclosures required by IFRS 9.

Description of key audit matters	How the matter was addressed in our audit
<p>We focused on this area because:</p> <ul style="list-style-type: none"> The mandatory transition to IFRS 15 has resulted in an adjustment of QR 14,773,795 to the Group’s retained earnings / (accumulated losses) as at 1 January 2018 and has exposed the Group to the complex accounting requirements and underlying determination of adjustments on transition. The Group has multiple revenue streams which could lead to inappropriate assessment of performance obligations and recognition of revenue under IFRS 15. The Group makes significant assumptions / judgements to measure and recognise revenue (e.g. estimating costs to complete) and corresponding contract assets, hence we considered this as a key audit matter. 	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> Evaluating the appropriateness of the selection of accounting policies based on the requirements of IFRS 15 and our understanding of the different sources of revenue of the Group; Evaluating the reasonableness of the management’s key judgements and estimates made in transition to IFRS 15, including selection of methods, models and assumptions; Evaluating the completeness, accuracy and relevance of data used in preparing the transition adjustments; Assessing the appropriateness of management’s revenue recognition under IFRS 15 across significant revenue streams for a sample of contracts; Assessing the appropriateness of the key inputs and assumptions used by the management to allocate contract revenue over performance obligations; Assessing the appropriateness of assumptions and judgements made to measure and assess the transaction price and its allocation over performance obligations; Challenging the reasonableness of estimates made regarding the cost of completion, profit margins for each contracts based on our experience and industry benchmarks; Assessing whether the Group’s policies and processes for making these estimates are appropriate and are applied consistently to all contracts of a similar nature; and evaluating the adequacy of the financial statement disclosures including the transition disclosures required by IFRS 15.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the Company's 2018 Annual Report (the 'Annual Report') but does not include the consolidated financial statements and our auditor's report thereon. Prior to the date of this auditor's report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

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

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

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

Responsibilities of the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis

of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risk of material misstatements of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies

used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 presentations.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have obtained all the information and explanations we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith. Furthermore, the physical count of inventories was carried out in accordance with established principles. We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Company's Articles of Association and any amendments thereto having occurred during the year which might have had a material adverse effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2018.

6 March 2019
Doha
State of Qatar

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

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

In Qatari Riyals

Assets	2018	2017
Property, plant and equipment	457,474,867	525,027,771
Intangible assets and goodwill	108,524,617	109,292,209
Investment properties	1,564,076,952	1,575,905,684
Equity-accounted investees	142,114,589	152,150,487
Other investments	182,622,386	172,865,335
Retention receivables	131,325,656	133,261,200
Loans to associate companies	20,977,414	22,239,377
Other assets	11,329,369	12,159,215
Non-current assets	2,618,445,850	2,702,901,278
Inventories	455,253,483	574,256,048
Other assets	236,761,228	185,430,190
Due from related parties	250,365,734	230,050,589
Retention receivables	108,029,725	116,433,984
Contract assets	652,910,715	737,662,882
Other investments	1,187,214	1,379,336
Trade and other receivables	452,430,935	655,626,213
Cash and bank balances	171,089,432	209,196,864
Current assets	2,328,028,466	2,710,036,106
Total assets	4,946,474,316	5,412,937,384

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

In Qatari Riyals

Equity	2018	2017
Share capital	1,143,145,870	1,143,145,870
Legal reserve	431,181,937	431,181,937
Fair value reserve	(18,664,340)	(11,861,086)
Accumulated losses	(417,838,216)	(82,967,488)
Equity attributable to owners of the Company	1,137,825,251	1,479,499,233
Non-controlling interests	172,121,511	165,985,666
Total equity	1,309,946,762	1,645,484,899
Liabilities		
Borrowings	1,518,020,300	1,570,839,497
Employees' end of service benefits	78,052,087	75,348,122
Retention payables	32,547,161	31,258,383
Other liabilities	7,545,667	7,769,253
Non-current liabilities	1,636,165,215	1,685,215,255
Due to related parties	3,606,765	2,847,080
Bank overdrafts	127,683,776	118,040,843
Borrowings	1,005,457,768	1,133,445,219
Notes payable	39,666,294	4,148,144
Retention payables	35,108,291	32,016,398
Advances from customers	111,591,634	136,238,506
Contract liabilities	49,622,035	65,648,791
Other liabilities	325,970,346	288,715,421
Trade and other payables	301,655,430	301,136,828
Current liabilities	2,000,362,339	2,082,237,230
Total liabilities	3,636,527,554	3,767,452,485
Total equity and liabilities	4,946,474,316	5,412,937,384

These consolidated financial statements were approved by the Board of Directors and were signed on its behalf by the following on 6 March 2019.

Abdul Salam Issa Abu Issa
Chief Executive Officer & Board Member

Hekmat Abdel Fattah Younis
Chief Financial Officer

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2018

In Qatari Riyals

	2018	2017
Operating revenue	2,646,393,436	2,893,826,913
Operating cost	(2,076,405,211)	(2,336,353,721)
Gross profit	569,988,225	557,473,192
Investment income	3,508,660	4,477,708
Other operating income	3,758,431	5,925,616
Service and consultancy income	1,797,424	453,302
Other income	38,973,601	23,159,453
Salaries and staff benefits	(270,262,110)	(290,193,904)
General and administrative expenses	(221,054,206)	(200,789,583)
Allowance for impairment of trade receivables	(8,196,187)	(11,585,540)
Depreciation of property, plant and equipment	(75,813,713)	(73,398,488)
Amortisation of intangible assets	(2,859,565)	(3,113,672)
Impairment of available-for-sale investments	-	(2,446,431)
Property, plant and equipment written off	(8,227,115)	(2,674,082)
Goodwill written off	(4,845,447)	-
Finance costs	(111,873,938)	(95,516,547)
Investment in equity-accounted investees written off	(2,744,949)	-
Share of result from equity-accounted investees, net	(7,476,728)	3,249,014
Loss before executive managers' bonus	(95,327,617)	(84,979,962)
Executive managers' bonus	(1,584,016)	(4,941,597)
Loss	(96,911,633)	(89,921,559)
Attributable to:		
Owners of the Company	(99,403,701)	(100,723,400)
Non-controlling interests	2,492,068	10,801,841
Loss	(96,911,633)	(89,921,559)
Basic and diluted earnings per share	(0.87)	(0.88)

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

In Qatari Riyals

	2018	2017
Loss	(96,911,633)	(89,921,559)
Other comprehensive income:		
Item that will not be reclassified to profit or loss		
Net movement in cumulative changes in fair value and loss on sale of equity investments - FVOCI	(11,070,318)	-
Item that is or may be reclassified subsequently to profit or loss		
Net movement in cumulative changes in fair value of available-for-sale investments	-	(6,480,850)
Other comprehensive income	(11,070,318)	(6,480,850)
Total comprehensive income	(107,981,951)	(96,402,409)
Attributable to:		
Owners of the Company	(110,474,019)	(107,204,250)
Non-controlling interests	2,492,068	10,801,841
Total comprehensive income	(107,981,951)	(96,402,409)

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

In Qatari Riyals

	Attributable to owners of the Company							Total equity
	Share capital	Legal reserve	Fair value reserve	Proposed cash dividend	Accumulated losses	Total	Non-controlling interests	
31 December 2018								
Balance at 1 January 2018 (Audited)	1,143,145,870	431,181,937	(11,861,086)	-	(82,967,488)	1,479,499,233	165,985,666	1,645,484,899
Adjustment on initial application of IFRS 9 :								
- Equity investments at FVOCI (AFS investments under old IAS 39)	-	-	(11,988,307)	-	31,097,384	19,109,077	1,317,322	20,426,399
- Financial asset and contract assets	-	-	-	-	(235,535,245)	(235,535,245)	(542,355)	(236,077,600)
Adjustment on initial application of IFRS 15	-	-	-	-	(14,773,795)	(14,773,795)	-	(14,773,795)
Adjusted balance as at 1 January 2018	1,143,145,870	431,181,937	(23,849,393)	-	(302,179,144)	1,248,299,270	166,760,633	1,415,059,903
(Loss) / profit	-	-	-	-	(99,403,701)	(99,403,701)	2,492,068	(96,911,633)
Other comprehensive income								
Net movement in cumulative changes in fair value and loss on sale of equity security - FVOCI	-	-	(11,070,318)	-	-	(11,070,318)	-	(11,070,318)
Total comprehensive income	-	-	(11,070,318)	-	(99,403,701)	(110,474,019)	2,492,068	(107,981,951)
Contribution to social and sports fund	-	-	-	-	-	-	-	-
Net movement in non-controlling interests	-	-	-	-	-	-	3,635,492	3,635,492
Dividend distributed to non controlling interests	-	-	-	-	-	-	(766,682)	(766,682)
Loss from sale of equity security – FVOCI	-	-	16,255,371	-	(16,255,371)	-	-	-
Balance at 31 December 2018	1,143,145,870	431,181,937	(18,664,340)	-	(417,838,216)	1,137,825,251	172,121,511	1,309,946,762

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

In Qatari Riyals

	Attributable to owners of the Company							Total equity
	Share capital	Legal reserve	Fair value reserve	Proposed cash dividend	(Accumulated losses) / Retained earnings	Total	Non-controlling interests	
31 December 2017								
Balance at 1 January 2017	1,143,145,870	431,181,937	(5,380,236)	91,451,670	17,808,273	1,678,207,514	156,965,999	1,835,173,513
(Loss) / Profit	-	-	-	-	(100,723,400)	(100,723,400)	10,801,841	(89,921,559)
Other comprehensive income								
Net movement in cumulative changes in fair value of available-for-sale investments	-	-	(6,480,850)	-	-	(6,480,850)	-	(6,480,850)
Total comprehensive income	-	-	(6,480,850)	-	(100,723,400)	(107,204,250)	10,801,841	(96,402,409)
Cash dividend paid	-	-	-	(91,451,670)	-	(91,451,670)	-	(91,451,670)
Acquisition – Additional purchase of subsidiary shares	-	-	-	-	(52,361)	(52,361)	(1,801,990)	(1,854,351)
Net movement in non-controlling interests	-	-	-	-	-	-	19,816	19,816
Balance at 31 December 2017	1,143,145,870	431,181,937	(11,861,086)	-	(82,967,488)	1,479,499,233	165,985,666	1,645,484,899

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

In Qatari Riyals

	2018	2017
Cash flows from operating activities		
Loss	(96,911,633)	(89,921,559)
Adjustments for :		
– Depreciation of property, plant and equipment	89,100,723	101,113,470
– Amortisation of intangible assets	2,859,565	3,113,672
– Property, plant and equipment written off	8,227,115	2,674,082
– Intangible assets written off	22,754	25,788
– Goodwill written off	4,845,447	-
– Depreciation of investment properties	36,735,865	31,532,901
– Impairment of available-for-sale investments	-	2,446,431
– Provision for slow moving inventories	40,528,536	3,917,399
– Allowance for impairment of trade receivables	8,196,187	11,585,540
– Provision for employees' end of service benefits	19,302,603	18,026,584
– Unrealised loss on investments at FVTPL	192,122	375,376
– Finance costs	133,397,246	110,706,579
– Interest income	(1,843,131)	(3,434,199)
– Dividend income	(1,857,651)	(1,418,885)
– Gain on sale of property, plant and equipment	(357,665)	(866,307)
– Written off of an equity-accounted investee	2,744,949	-
– Share of results of equity-accounted investees	7,476,728	(3,249,014)
Operating profit before working capital changes	252,659,760	186,627,858
Changes in:		
– Inventories	78,474,029	(42,756,361)
– Other assets	(50,501,192)	(12,050,882)
– Due from related parties	(49,696,015)	(20,325,985)
– Retentions receivables	(24,398,939)	(34,962,491)
– Contract assets	(2,215,270)	(38,435,412)
– Trade and other receivables	95,222,389	(38,585,007)
– Due to related parties	759,685	547,360
– Notes payable	35,518,150	(4,716,515)
– Retention payables	4,380,671	22,596,834
– Advances from customers	(24,646,872)	(98,116,385)
– Contract liabilities	(11,811,251)	7,909,810
– Trade and other payables and other liabilities	21,358,373	(23,509,183)
Cash generated / (used in) from operating activities	325,103,518	(95,776,359)
Employees' end of service benefits paid	(16,586,282)	(15,405,995)
Net cash from / (used in) operating activities	308,517,236	(111,182,354)

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

In Qatari Riyals

	2018	2017
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(34,364,843)	(139,210,368)
Proceeds from sale of property, plant and equipment	732,069	4,181,066
Payments for purchase of investment properties	(8,274,581)	(36,617,933)
Payments for purchase of other investment	(10,385,710)	(18,701,162)
Proceeds from sale of other investment	9,984,740	3,825,781
Payment for addition of intangible assets	(6,960,174)	(11,411,367)
Purchase of shares in equity-accounted investees	(123,763)	(744,000)
Payment for acquisition of a subsidiary	(2,582,737)	(1,854,351)
Dividends received from equity accounted investees	2,772,277	693,069
Dividends received	1,857,651	1,418,885
Interest received	1,843,131	3,434,199
Net cash used in investing activities	(45,501,940)	(194,986,181)
Cash flows from financing activities		
Net movement in borrowings	(181,499,188)	411,267,150
Net movement in non-controlling interests	2,868,810	19,816
Finance costs paid	(133,397,246)	(110,706,579)
Change in loan to associate companies	1,261,963	2,456,652
Dividends paid	-	(91,451,670)
Net cash from financing activities	(310,765,661)	211,585,369
Net decrease in cash and cash equivalents	(47,750,365)	(94,583,166)
Cash and cash equivalents at 1 January	91,156,021	185,739,187
Cash and cash equivalents at 31 December	43,405,656	91,156,021
Non cash transactions:		
Finance cost capitalised on qualifying asset	-	1,961,183
Transfer from related parties receivables to equity accounted investee	-	17,843,350
Acquisition of subsidiary	13,357,275	-

