

Qatar Electronic Systems Company (Techno Q) Q.P.S.C

Condensed consolidated interim financial information

As at and for the six months ended 30 June 2024

Qatar Electronic Systems Company (Techno Q) Q.P.S.C

**Condensed consolidated interim financial information.
As at and for the six months ended 30 June 2024**

Contents	Page(s)
Independent auditor's report on review of condensed consolidated interim financial information	1-2
Condensed consolidated interim financial information	
Condensed consolidated statement of financial position	3
Condensed consolidated statement of profit or loss and other comprehensive income	4
Condensed consolidated statement of changes in equity	5
Condensed consolidated statement of cash flows	6
Notes to the condensed consolidated interim financial information	7-17



KPMG
Zone 25 C Ring Road
Street 230, Building 246
P.O Box 4473, Doha
State of Qatar
Telephone: +974 4457 6444
Fax: +974 4436 7411
Website: kpmg.com/qa

Independent auditor's report on review of condensed consolidated interim financial information

To the Board of directors of Qatar Electronic Systems Company (Techno Q) Q.P.S.C

Introduction

We have reviewed the accompanying 30 June 2024 condensed consolidated interim financial information of Qatar Electronic Systems Company (Techno Q) Q.P.S.C (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2024; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independent auditor's report on review of condensed consolidated interim financial information (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

27 August 2024
Doha
State of Qatar

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




Qatar Electronic Systems Company (Techno Q) Q.P.S.C
Condensed consolidated statement of financial position
As at 30 June 2024

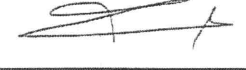
In Qatari Riyals

	Note	30 June 2024 (Reviewed)	31 December 2023 (Audited)
ASSETS			
Property and equipment	5	2,325,602	2,753,744
Right-of-use assets	6	1,119,117	2,078,361
Intangible assets		1,315,218	1,315,218
Retention receivables	8	8,882,417	5,741,261
Non-current assets		13,642,354	11,888,584
Inventories	7	13,573,319	22,275,611
Trade and other receivables	8	160,378,197	204,436,286
Due from related parties	13(a)	1,941,359	358,328
Cash and bank balances	9	56,084,397	64,404,669
Current assets		231,977,272	291,474,894
TOTAL ASSETS		245,619,626	303,363,478
EQUITY			
Share capital		84,500,000	84,500,000
Legal reserve		5,143,177	3,847,973
Retained earnings		25,025,634	25,196,462
Equity attributable to owners of the company		114,668,811	113,544,435
Non-controlling interest		(17,619)	(16,035)
Total equity		114,651,192	113,528,400
LIABILITIES			
Borrowings	10	433,357	4,554,855
Lease liabilities	11	-	174,140
Provision for employees' end of service benefits		6,492,016	6,508,774
Retention payable	12	560,015	249,608
Non-current liability		7,485,388	11,487,377
Borrowings	10	659,171	7,383,790
Lease liabilities	11	1,202,116	2,021,920
Trade and other payables	12	121,621,759	168,784,020
Due to related parties	13(b)	-	157,971
Current liabilities		123,483,046	178,347,701
Total liabilities		130,968,434	189,835,078
TOTAL EQUITY AND LIABILITIES		245,619,626	303,363,478

These condensed consolidated interim financial information were approved by the board of directors and signed on their behalf by the following on: 27 August 2024.


Mr. Abdul Latif Al Jaidah
Chairman


Mr. Zeyad Al Jaidah
Managing Director


Mr. Abdullah Alansari
Chief Executive Officer

The notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial information.



Qatar Electronic Systems Company (Techno Q) Q.P.S.C

Condensed consolidated statement of profit or loss and other comprehensive income
For the six months ended 30 June 2024

In Qatari Riyals

	Note	For the six months ended 30 June	
		2024 (Reviewed)	2023 (Reviewed)
Revenue	14	111,150,396	125,895,132
Cost of sales	15	(78,050,005)	(93,263,974)
Gross profit		33,100,391	32,631,158
Other income		2,293,291	162,889
General and administrative expenses	16	(19,873,514)	(18,944,522)
Selling and distribution expenses		(942,900)	(1,267,803)
Listing expenses		(1,403,047)	(325,385)
Operating Profit		13,174,221	12,256,337
Finance costs		(222,183)	(163,463)
Profit before tax		12,952,038	12,092,874
Income tax		-	-
Profit for the period		12,952,038	12,092,874
Other comprehensive income for the period		-	-
Total comprehensive income for the period		12,952,038	12,092,874
Total comprehensive income attributable to:			
Owners of the company		12,953,622	12,094,017
Non-controlling interest		(1,584)	(1,143)
		12,952,038	12,092,874
Earnings per share:			
Basic and diluted earnings per share	17	0.15	0.24



The notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial information.

Qatar Electronic Systems Company (Techno Q) Q.P.S.C

**Condensed consolidated statement of changes in equity
For the six months ended 30 June 2024**

In Qatari Riyals

	Attributable to owners of the company					Non-controlling interest	Total
	Share capital	Capital contribution	Legal reserve*	Retained earnings	Total		
Balance at 1 January 2023 (Audited)	5,000,000	732,151	2,500,000	69,058,959	77,291,110	-	77,291,110
<i>Total comprehensive income</i>							
Profit for the period	-	-	-	12,094,017	12,094,017	(1,143)	12,092,874
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	12,094,017	12,094,017	(1,143)	12,092,874
Other movements	-	-	-	(2,355,334)	(2,355,334)	(13,739)	(2,369,073)
<i>Transactions with the owners:</i>							
Dividends paid for 2022	-	-	-	(14,042,928)	(14,042,928)	-	(14,042,928)
Balance at 30 June 2023 (Reviewed)	<u>5,000,000</u>	<u>732,151</u>	<u>2,500,000</u>	<u>64,754,714</u>	<u>72,986,865</u>	<u>(14,882)</u>	<u>72,971,983</u>
Balance at 1 January 2024 (Audited)	84,500,000	-	3,847,973	25,196,462	113,544,435	(16,035)	113,528,400
<i>Total comprehensive income</i>							
Profit for the period	-	-	-	12,953,622	12,953,622	(1,584)	12,952,038
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	12,953,622	12,953,622	(1,584)	12,952,038
<i>Transactions with the owners:</i>							
Transfer to legal reserve	-	-	1,295,204	(1,295,204)	-	-	-
Dividends paid for 2023	-	-	-	(11,829,246)	(11,829,246)	-	(11,829,246)
Balance at 30 June 2024 (Reviewed)	<u>84,500,000</u>	<u>-</u>	<u>5,143,177</u>	<u>25,025,634</u>	<u>114,668,811</u>	<u>(17,619)</u>	<u>114,651,192</u>

*In accordance with the provisions of the Qatar Commercial Companies Law No. 11 of 2015, a minimum amount of 10% of the profit is required to be transferred to a legal reserve until the balance in this legal reserve becomes equal to 50% of a company's paid-up share capital. This reserve is not available for distribution, except in circumstances specified in the above-mentioned Law.

The notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial information.



Qatar Electronic Systems Company (Techno Q) Q.P.S.C

**Condensed consolidated statement of cash flow
For the six months ended 30 June 2024**

In Qatari Riyals

		For the six months ended 30 June	
	Note	2024 (Reviewed)	2023 (Reviewed)
Cash flow from operating activities			
Profit for the period		12,952,038	12,092,874
Adjustments for:			
- Depreciation of property and equipment	5	470,520	397,737
- Gain on disposal of property and equipment	5	-	(6,875)
- Depreciation of right-of-use assets	6	959,244	959,244
- Trade receivables written off during the period		(794,645)	(784,313)
- Provision for employees' end of service benefits		621,345	2,634,594
- Finance cost		273,081	921,006
		<u>14,481,583</u>	<u>16,214,267</u>
Changes in:			
- Inventories		8,702,292	(8,451,000)
- Trade receivables and other prepayments		41,711,578	(151,321,348)
- Due from related parties		(1,583,031)	12,745,520
- Due to related party (**)		(157,971)	39,187,625
- Trade and other payables		(46,851,854)	101,242,805
		<u>16,302,597</u>	<u>9,617,869</u>
Cash generated from operating activities		16,302,597	9,617,869
Employees' end of service benefits paid		(638,103)	(428,244)
Net cash generated from operating activities		<u>15,664,494</u>	<u>9,189,625</u>
Cash flow from investing activities			
Acquisition of intangible assets		-	(212,334)
Acquisition of property and equipment	5	(42,378)	(157,188)
Proceeds from sale of property and equipment	5	-	86,480
Acquisition of subsidiary, net of cash acquired		-	(1,114,199)
Net cash used in investing activities		<u>(42,378)</u>	<u>(1,397,241)</u>
Cash flow from financing activities			
Proceeds from interest-bearing loans and borrowings		-	53,331,908
Repayment of interest-bearing loans and borrowings		(10,846,117)	(21,573,324)
Payment of principal portion of lease liabilities		(1,044,842)	(1,044,842)
Payment of principal portion of finance lease		-	(2,160)
Finance cost paid		(222,183)	(1,127,093)
Dividends paid		(11,829,246)	(14,042,928)
Net cash (used in) / from financing activities		<u>(23,942,388)</u>	<u>15,541,561</u>
Net (decrease) / increase in cash and cash equivalents		<u>(8,320,272)</u>	<u>23,333,945</u>
Cash and cash equivalents at 1 January		64,404,669	24,035,503
Cash and cash equivalents at 30 June	9	<u><u>56,084,397</u></u>	<u><u>47,369,448</u></u>

Non-Cash Transactions:

**Acquisition of Subsidiary Company

- 32,919,922

The notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial information.



Qatar Electronic Systems Company (Techno Q) Q.P.S.C

Notes to the condensed consolidated interim financial information

As at and for the six months ended 30 June 2024

1. Reporting Entity

Qatar Electronic Systems Company Q.P.S.C (Techno Q) (the "Company"), is a public shareholding company registered in the State of Qatar under commercial registration no. 18116. The Company's registered office is located at P.O. Box 18860, Doha, State of Qatar.

These condensed consolidated interim financial information ("interim financial information") as at and for the six- months period ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the "Group").

The Company was initially incorporated as a limited liability company. On 22 May 2024, the Company's legal status was converted from a limited liability company to a Public Shareholding Company after obtaining the necessary approvals from the shareholders and the regulatory authorities in the State of Qatar. On 6 June 2024, Qatar Financial Markets Authority ("QFMA") approved the listing of the Company's ordinary fully paid-up shares in the Venture Market of Qatar Stock Exchange. Following the QFMA's approval, the trading of the Company's shares on the Qatar Stock Exchange commenced on 26 June 2024.

The parent company of the Group is Qatar Electronic Systems Company (Techno Q) Q.P.S.C.

The share of the subsidiaries as at the current and comparative reporting dates were held as follows:

Name of subsidiary	Country of incorporation	Group effective shareholding % June 2024	Group effective shareholding % December 2023
Techno Q Security Systems W.L.L	State of Qatar	100%	100%
Quality for Integrated Systems L.L.C.	Oman	98%	98%
Global Modern Developer Co W.L. L.	Saudi Arabia	100%	100%

As per the agreement of mutual commitments dated 14 May 2024, and the subsequent commercial registration dated 03 June 2024, the Company has lent its name as a 51% shareholder in an entity for the purpose of a specific tender. The share will be transferred only upon winning a tender. As of the reporting date, the entity remains dormant.

2. Basis Of Preparation

These interim condensed consolidated financial information for the six months period ended 30 June 2024 have been prepared in accordance with the IAS 34 Interim *Financial Reporting* and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2023 ("last annual consolidated financial statements"). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS accounting standards. In addition, results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

3. Use of judgement and estimates

In preparing these interim condensed consolidated financial information, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the latest annual financial statement.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Notes to the condensed consolidated interim financial information
As at and for the six months ended 30 June 2024

3. Use of judgement and estimates (Continued)

Measurement of fair values (Continued)

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4. Changes in accounting policies

Except as described below the accounting policies applied in these interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31 December 2023.

New Currently effective requirements

This table lists the recent changes to the IFRS accounting Standards that are required to be applied by an entity with an annual reporting period beginning on 1 January 2024.

Effective date	New standards or amendments
1 January 2024	• Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases.
	• Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements.
	• Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements.

The adoption of above amendments had no material impact on the Group's condensed consolidated interim financial information.

Forthcoming requirements

The table lists the recent changes to the IFRS accounting standards that are required to be applied for annual period beginning after 1 January 2024 and that are available for early adoption in annual periods beginning on 1 January 2024.

Effective date	New standards or amendments
1 January 2025	• Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates
1 January 2026	• Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
1 January 2027	• IFRS 18 Presentation and Disclosure in Financial Statements • IFRS 19 Subsidiaries without Public Accountability: Disclosures
To be confirmed	• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures ***

*** The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted.

Management does not expect that the adoption of the above new and amended standards will have a material impact on these condensed consolidated interim financial information of the Group.

Qatar Electronic Systems Company (Techno Q) Q.P.S.C

Notes to the condensed consolidated interim financial information
As at and for the six months ended 30 June 2024

In Qatari Riyals

5. Property and equipment

	Furniture and fixtures	Motor vehicle	Office equipment	Leasehold improvements	Total
Cost					
Balance at 1 January 2023	5,079,852	2,364,650	6,384,812	4,626,667	18,455,981
Additions	38,183	947,059	144,914	-	1,130,156
Additions from acquiring subsidiary company	-	350,000	40,490	-	390,490
Disposals	-	(464,845)	-	-	(464,845)
Balance at 31 December 2023	5,118,035	3,196,864	6,570,216	4,626,667	19,511,782
Balance at 1 January 2024	5,118,035	3,196,864	6,570,216	4,626,667	19,511,782
Additions	15,032	-	16,530	10,816	42,378
Balance at 30 June 2024	5,133,067	3,196,864	6,586,746	4,637,483	19,554,160
Accumulated depreciation					
Balance as at 1 January 2023	5,018,662	927,442	5,662,926	4,318,947	15,927,977
Depreciation	23,776	502,336	238,168	88,431	852,711
Depreciation from acquiring a subsidiary company	-	350,000	12,590	-	362,590
Disposals	-	(385,240)	-	-	(385,240)
Balance at 31 December 2023	5,042,438	1,394,538	5,913,684	4,407,378	16,758,038
Balance as at 1 January 2024	5,042,438	1,394,538	5,913,684	4,407,378	16,758,038
Depreciation	12,663	303,175	110,483	44,199	470,520
Balance at 30 June 2024	5,055,101	1,697,713	6,024,167	4,451,577	17,228,558
Carrying amounts					
At 30 June 2024	77,966	1,499,151	562,579	185,906	2,325,602
At 31 December 2023	75,597	1,802,326	656,532	219,289	2,753,744

Qatar Electronic Systems Company (Techno Q) Q.P.S.C

Notes to the condensed consolidated interim financial information

As at and for the six months ended 30 June 2024

In Qatari Riyals

6. Right-Of-Use Assets

The following amounts are included in the right-of-use assets in the statement of financial position and general and administrative expenses in the statement of profit or loss:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Cost		
As at 1 January	5,435,713	2,717,857
Acquisition of subsidiary	-	2,717,856
At 30 June / 31 December	<u>5,435,713</u>	<u>5,435,713</u>
Accumulated depreciation		
At 1 January	3,357,352	719,432
Acquisition of subsidiary	-	719,433
Depreciation	959,244	1,918,487
At 30 June / 31 December	<u>4,316,596</u>	<u>3,357,352</u>
Carrying amounts	<u>1,119,117</u>	<u>2,078,361</u>

7. INVENTORIES

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Finished goods	17,820,854	24,216,058
Good in transit	-	2,307,088
Less: Provision for slow moving inventories	<u>(4,247,535)</u>	<u>(4,247,535)</u>
	<u>13,573,319</u>	<u>22,275,611</u>

The Movement in the provision for slow moving inventories is as follows:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At 1 January	4,247,535	1,771,052
(*) Acquisition of a subsidiary company	-	3,017,945
Provision during the period / year	-	1,593,265
Write off during the period / year	-	(2,134,727)
At 30 June / 31 December	<u>4,247,535</u>	<u>4,247,535</u>

(*) Techno Q Security Systems W.L. L was acquired under attested purchase contract dated May 14, 2023. The parent company's control over the subsidiary began on January 1, 2023.

Qatar Electronic Systems Company (Techno Q) Q.P.S.C

Notes to the condensed consolidated interim financial information

As at and for the six months ended 30 June 2024

In Qatari Riyals

8. TRADE RECEIVABLE AND PREPAYMENTS

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Trade receivables	89,240,151	94,149,557
Retention receivables*	2,043,622	5,473,061
Accrued revenue	31,542,435	60,535,393
Contract assets **	18,734,178	17,488,891
Notes receivable	4,369,439	12,642,929
Advances to suppliers	23,868,088	23,927,604
Prepayments	117,550	345,555
Other receivables	1,405,264	1,610,471
Less: Allowance for expected credit losses	<u>(10,942,530)</u>	<u>(11,737,175)</u>
	<u>160,378,197</u>	<u>204,436,286</u>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At 1 January	11,737,175	9,487,061
Acquisition of a subsidiary company	-	3,101,867
Write Off	<u>(794,645)</u>	<u>(851,753)</u>
At 30 June / 31 December	<u>10,942,530</u>	<u>11,737,175</u>

*Retention receivables presented in the statement of financial position as follows:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Current Portion	2,043,622	5,473,061
Non-Current Portion	<u>8,882,417</u>	<u>5,741,261</u>
	<u>10,926,039</u>	<u>11,214,322</u>

** As at 30 June 2024, Contract assets amounted to QR 18,734,178 (2023: QR 17,488,891). The movement is as follows:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Value of the work done at cost plus attributable profits	339,505,613	313,375,253
Less: Progress billings	<u>(320,771,435)</u>	<u>(295,886,362)</u>
At 30 June / 31 December	<u>18,734,178</u>	<u>17,488,891</u>

Qatar Electronic Systems Company (Techno Q) Q.P.S.C

Notes to the condensed consolidated interim financial information

As at and for the six months ended 30 June 2024

In Qatari Riyals

9. CASH AND BANK BALANCES

Cash and bank balances included in the statement of cash flows comprise the following balances:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Cash on hand	19,000	28,792
Bank balances	56,065,397	64,375,877
Cash and cash equivalents	56,084,397	64,404,669

10. BORROWINGS

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Short term loans	659,171	7,383,790
Long term loans	433,357	4,554,855
	1,092,528	11,938,645

- Short term loans include short term facilities obtained from local banks for the purpose of financing import purchases. These loans are repayable in 180 days to 362 days and carry interests at commercial rates. These loans have been secured against personal guarantees of the partners.
- Long term loans include term facilities obtained from Qatar National Bank for the purpose of financing a project, supply, installation, maintenance of and support services for CCTV Solutions. These loans carry interests at commercial rates. These loans have been secured against personal guarantees of the partners. Also term loans related to vehicles purchase and will be payables against instalments more than one year.

The movements of loans were as follows:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At 1 January	11,938,645	26,692,047
Additional loans obtained	-	44,677,713
Paid during the period / year	(10,846,117)	(59,431,115)
	1,092,528	11,938,645

11. LEASE LIABILITIES

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Finance lease obligation	2,154	2,154
Lease liability pertaining to right-of-use asset	1,199,962	2,193,906
Total lease liabilities	1,202,116	2,196,060

Qatar Electronic Systems Company (Techno Q) Q.P.S.C

Notes to the condensed consolidated interim financial information

As at and for the six months ended 30 June 2024

In Qatari Riyals

11. LEASE LIABILITIES (CONTINUED)

Set out below movement of the lease liability pertaining to right-of-use assets:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At 1 January	2,193,906	2,045,049
Acquisition of subsidiary company	-	2,045,049
Interest on lease liabilities	50,898	193,494
Payments during the period / year	<u>(1,044,842)</u>	<u>(2,089,686)</u>
At 30 June / 31 December	<u>1,199,962</u>	<u>2,193,906</u>

Presented in the statement of financial position as follows:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Current portion	1,202,116	2,021,920
Non-current portion	<u>-</u>	<u>174,140</u>
	<u>1,202,116</u>	<u>2,196,060</u>

12. TRADE AND OTHER PAYABLES

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Trade payables	15,899,250	38,405,995
Advances from customers	24,936,492	49,488,010
Contract liabilities *	38,225,333	30,448,197
Retention payable**	1,688,556	1,373,045
Accruals and other payables	23,097,262	31,293,907
Other provisions	<u>17,774,866</u>	<u>17,774,866</u>
	<u>121,621,759</u>	<u>168,784,020</u>

* As at 30 June 2024, Contract liabilities movement is as follows:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Progress billings	395,183,657	333,131,898
Less: Contract costs incurred to date	<u>(356,958,324)</u>	<u>(302,683,701)</u>
At 30 June / 31 December	<u>38,225,333</u>	<u>30,448,197</u>

**Retention payable presented in the statement of financial position as follows:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Current portion	1,688,556	1,373,045
Non-current portion	<u>560,015</u>	<u>249,608</u>
	<u>2,248,571</u>	<u>1,622,653</u>

13. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) No. 24 Related Party Disclosures. Related parties comprise companies common management and control, key management personnel, entities in which the shareholders have controlling interest affiliates, and other related parties.

Transactions with related parties

Relationship	Nature of transactions	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Other related party	Payment	<u>1,587,820</u>	<u>841,840</u>
Shareholder	Payment, distributions and acquisition of a subsidiary	<u>11,984,703</u>	<u>47,385,306</u>

(a) Due from related parties

Name of Party	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Choices Trading – other related party	<u>1,941,359</u>	<u>358,328</u>

(b) Due to related parties

Name of Party	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Al Jaidah Brothers - shareholder	<u>-</u>	<u>157,971</u>

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Long -term benefits	237,577	231,748
Short-term benefits	<u>2,208,000</u>	<u>1,842,000</u>
	<u>2,445,577</u>	<u>2,073,748</u>

Qatar Electronic Systems Company (Techno Q) Q.P.S.C

Notes to the condensed consolidated interim financial information

As at and for the six months ended 30 June 2024

In Qatari Riyals

14. REVENUE

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
<i>Type of goods or services:</i>		
Project revenue	104,049,387	117,317,368
Showroom and retail sales	7,101,009	8,577,764
	<u>111,150,396</u>	<u>125,895,132</u>
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
<i>Timing of revenue recognition:</i>		
Goods and services transferred over time	104,049,387	117,317,368
Goods transferred at a point in time	7,101,009	8,577,764
	<u>111,150,396</u>	<u>125,895,132</u>

15. COST OF SALES

	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Materials	48,552,266	45,859,974
Subcontract cost and provisions	16,591,021	34,407,203
Staff cost	11,306,067	12,052,000
Other direct cost	1,600,651	944,797
	<u>78,050,005</u>	<u>93,263,974</u>

Qatar Electronic Systems Company (Techno Q) Q.P.S.C

Notes to the condensed consolidated interim financial information

As at and for the six months ended 30 June 2024

In Qatari Riyals

16. GENERAL AND ADMINISTRATIVE EXPENSES

	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Salaries and related costs	12,778,705	11,641,370
Management remuneration	2,208,000	1,889,902
Depreciation of property and equipment	470,520	397,737
Depreciation of right-of-use assets	959,244	959,244
Legal and professional fees	466,829	561,867
Rent	685,285	938,521
Electricity and fuel	261,748	320,257
Travelling expenses	80,083	106,900
Repairs and maintenance	240,040	181,043
Communication costs	359,799	373,174
Printing and stationery	200,117	273,320
Bank charge	45,447	114,861
Insurance	105,241	301,400
Miscellaneous expenses	1,012,456	884,926
	<u>19,873,514</u>	<u>18,944,522</u>

17. BASIC AND DILUTED EARNINGS PER SHARE

The basic earnings per share amounts are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period.

The basic and diluted earnings per share are the same as there were no dilutive effects on earnings.

	30 June 2024 (Reviewed)	30 June 2023 (Reviewed/ Restated*)
Profit for the period	12,952,038	12,092,874
Weighted average number of shares outstanding during the year	84,500,000	50,847,927
Basic and diluted earnings per share	<u>0.15</u>	<u>0.24</u>

*The share capital for the six months period ended 30 June 2023 was 50,847,927 shares represents 5,000,000 shares and 45,847,927 as bonus shares issued.

18. SEGMENT REPORTING

BUSINESS SEGMENTS

The Company has only one significant business which is engaged in the design, supply and installation of audio-visual displays, security, hospitality, IT infrastructure, lighting services, fire security system and control systems. all other business segments are not significant.

18. SEGMENT REPORTING (CONTINUED)

GEOGRAPHICAL SEGMENTS

The Company operates in the State of Qatar, the Saudi Arabia, and Oman. The Company's operations in the Saudi Arabia and Oman are not significant.

19. CONTINGENCIES

As at 30 June 2024, the Group had contingent liabilities amounting to QR 86,350,296 (2023: QR 103,915,123) in respect of bank guarantees and letters of credit arising in the ordinary course of business.

20. FAIR VALUE MEASUREMENT

The Company's financial assets (trade and other receivables, and cash at bank) and financial liabilities (lease liabilities, financing credit facilities, and trade and other payables) are measured at amortised cost and not at fair value. Management believes that the carrying values of these financial assets and financial liabilities as at the reporting date are a reasonable approximation of their fair values.

21. COMPARATIVE FIGURES

Certain reclassifications have been made to the prior period consolidated financial information to enhance comparability with the current period's financial information. As a result, certain line items have been amended in the consolidated statement of profit or loss and other comprehensive income and the related notes to the condensed consolidated interim financial information. Such reclassifications do not affect the previously reported profit, gross assets, or equity.

Below table shows the reclassifications made during the period:

	Balance before reclassification	Reclassification	Balance after reclassification
<u>Assets: -</u>			
Retention receivables	-	5,741,261	5,741,261
Trade and other receivables	210,177,547	(5,741,261)	204,436,286
	210,177,547	-	210,177,547
<u>Liabilities: -</u>			
Retention payable	-	249,608	249,608
Trade and other payables	169,033,628	(249,608)	168,784,020
	169,033,628	-	169,033,628
<u>Profit or loss: -</u>			
Cost of sales	(92,733,003)	(530,971)	(93,263,974)
General and administrative expenses	(19,155,046)	210,524	(18,944,522)
Listing expenses	-	(325,385)	(325,385)
Finance costs	(809,295)	645,832	(163,463)