

**QATAR INDUSTRIAL MANUFACTURING
COMPANY Q.S.C.**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

**FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2016**

Qatar Industrial Manufacturing Company Q.S.C.

Interim condensed consolidated financial information
For the three month period ended 31 March 2016

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COMPILATION REPORT

To
The Board of Directors
Qatar Industrial Manufacturing Company Q.S.C.
Doha
State of Qatar

Introduction

We have compiled the accompanying condensed consolidated interim financial information of Qatar Industrial Manufacturing Company Q.S.C.(the “Company”) as at 31 March 2016 based on the information provided to us by the management. These condensed consolidated interim financial information comprise the statement of financial position as at 31 March 2016 and the statement of profit or loss and other comprehensive income for the three month period then ended and a summary of significant accounting policies and other explanatory information.

Management’s responsibility

These condensed consolidated interim financial information and the accuracy and completeness of the information used to compile them are management responsibility.

Accountant’s responsibility

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these condensed consolidated interim financial information on the basis of accounting applied by the management to preparing the condensed consolidated interim financial information. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these condensed consolidated interim financial information. Accordingly, we do not express an audit opinion or a review conclusion on whether these condensed consolidated interim financial information are prepared in accordance with the basis of accounting applied by the management.

Accordingly, these condensed consolidated interim financial information are for the management use only, and may not be suitable for other purposes.

Our compilation report is intended solely for Board of Directors use in its capacity as the management of the Company.

Other matter

The consolidated financial statements of the Group for the year ended December 31, 2015 were audited by other independent auditors whose report dated February 7, 2016 expressed an unqualified opinion on those consolidated financial statements.

13 April 2016
Doha
State of Qatar

Accountant’s Signature

**Interim Condensed Consolidated Statement of Financial Position
As of March 31, 2016**

	Note	March 31, 2016 (Un-audited and Un-reviewed) QR.	December 31, 2015 (Audited) QR.
ASSETS			
Property, plant and equipment		502,881,706	481,651,194
Investment properties		48,921,869	48,921,869
Equity – accounted investees	2	536,125,460	599,501,145
Other financial assets		146,582,980	163,189,058
Due from related parties	3.a	139,378,020	134,568,039
Non-current assets		1,373,890,035	1,427,831,305
Inventories		62,527,641	114,109,039
Trade and other receivables		192,693,494	165,985,853
Due from related parties	3.b	7,201,943	10,096,334
Cash and cash at banks	4	113,283,865	130,232,974
Current assets		375,706,943	420,424,200
TOTAL ASSETS		1,749,596,978	1,848,255,505
EQUITY			
Share capital	5	475,200,000	475,200,000
Legal reserve		250,000,000	250,000,000
General reserve		43,970,860	43,970,860
Revaluation reserve		182,499,480	182,499,480
Fair value reserve		34,536,078	50,835,473
Retained earnings		398,921,971	486,065,148
Equity attributable to equity holders of the company		1,385,128,389	1,488,570,961
Non – controlling interests		36,619,357	31,765,677
TOTAL EQUITY		1,421,747,746	1,520,336,638
LIABILITIES			
Borrowings – non-current portion		46,402,876	30,929,628
Employees’ end of service benefits		17,140,477	16,964,019
Non-current liabilities		63,543,353	47,893,647
Bank overdraft	4	3,854,732	3,211,761
Borrowings – current portion		14,817,864	16,022,144
Trade and other payables		220,058,615	96,899,813
Due to related parties	3.c	25,574,668	163,891,502
Current liabilities		264,305,879	280,025,220
TOTAL LIABILITIES		327,847,232	327,918,867
TOTAL EQUITY AND LIABILITIES		1,749,596,978	1,848,255,505

These interim condensed consolidated financial information were approved by the board of directors of the Company and were signed on their behalf by:

Sheikh Abdulrahman Bin Moh’d Bin Jabor Al-Thani
Chairman

Mr. Abdulrahman Al Ansari
Chief Executive Officer

The notes on pages 4 to 6 are an integral part of these condensed consolidated interim financial information.

**Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the three month period ended March 31, 2016**

	Note	Three month period ended March 31	
		2016 (Un-audited and Un-reviewed) QR.	2015 (Un-audited and Un-reviewed) QR.
Sales		203,498,674	82,247,809
Costs of sales		(175,062,146)	(68,719,038)
Gross profit		28,436,528	13,528,771
Other income		846,622	1,785,817
General and administrative expenses		(14,955,074)	(13,337,948)
Operating profit		14,328,076	1,976,640
Net share of results from equity – accounted investees	2	39,837,696	30,191,880
Income from investments		5,537,875	6,913,500
Finance costs		(372,254)	(595,317)
Profit for the period		59,331,393	38,486,703
Other comprehensive income			
Net change in fair value of available-for-sale financial assets		(16,483,859)	(16,592,559)
Share of change in fair value reserve from equity – accounted investees		(2,551,491)	(7,827,429)
Total other comprehensive income		(19,035,350)	(24,419,988)
Total comprehensive income for the period		40,296,043	14,066,715
Profit attributable to:			
Equity holders of the company		54,899,462	39,035,014
Non-controlling interests		4,431,931	(548,311)
		59,331,393	38,486,703
Total comprehensive income attributable to:			
Shareholders' of the Company		35,864,112	14,615,026
Non-controlling interests		4,431,931	(548,311)
		40,296,043	14,066,715
Basic Earnings Per Share	6	1.16	0.82

The notes on pages 4 to 6 are an integral part of these condensed consolidated interim financial information.

**Notes to the Interim Condensed Consolidated Financial Information
For the three month period ended March 31, 2016**

1 STATUS AND ACTIVITIES

Qatar Industrial Manufacturing Company (Q.S.C.), (the “Company”) was incorporated on February 11, 1990 by an Amiri Decree No 54 of 1990 under Commercial Registration number 12991. The Company is engaged in industrial manufacturing and various types of industrial investments inside and outside the State of Qatar.

The interim condensed consolidated financial information include the financial information of the branches which are listed below:

	<u>Commercial register number</u>
National Paper Industries	12991/2
Qatar Acids	12991/3
Qatar Sand Treatment Plant	12991/4
Qatar Paving Stones	12991/5

In addition, the interim condensed consolidated financial information include the financial information of the controlled subsidiaries listed below:

	<u>Percentage of holding</u>	
	2016	2015
Klj Organic – Qatar W.L.L.	60%	60%
Qatar Metals Coating Company W.L.L.(*)	50%	50%

(*) The financial information of Qatar Metal Coating Company W.L.L. “Subsidiary” is consolidated in these condensed consolidated interim financial information as Qatar Industrial Manufacturing Company “Parent” has the power to govern the financial and operating policies of the subsidiary.

2 EQUITY – ACCOUNTED INVESTEEES

	Nationality	Ownership	March 31, 2016 (Un-audited and Un-reviewed) QR.	December 31, 2015 (Audited) QR.
Aminatit Qatar Pipes Company W.L.L.	Qatar	40%	29,832,333	27,339,533
Qatar Saudi Gypsum Industries Company W.L.L.	Qatar	33%	25,901,285	26,036,405
Qatar Clay Bricks Company W.L.L. (*)	Qatar	46.35%	31,509,906	30,790,671
Qatar Plastic Products Company W.L.L.	Qatar	33%	24,861,238	23,702,418
Qatar Jet Fuel Company W.L.L.	Qatar	40%	200,559,041	274,049,452
Qatar Aluminium Extrusion Company Q.S.C.	Qatar	40%	17,735,874	16,898,374
Gasal Company Q.S.C.	Qatar	29.5%	177,555,710	171,853,832
National Food Company Q.S.C.	Qatar	20%	11,161,161	11,152,148
Gulf Formaldehyde Company S.A.Q.	Qatar	20%	16,208,912	16,878,312
Others	Qatar	40%	800,000	800,000
			<u>536,125,460</u>	<u>599,501,145</u>

(*) The Ministry of Environment sent a letter to the Company to stop extraction of quarry as they have intention to use the same area as a natural reserve. The Company's operations will continue based on the current inventory and as the date of this report the Company's management is still negotiating the decision of the future activity of the Company to reach the appropriate decision relating to its going concern.

**Notes to the Interim Condensed Consolidated Financial Information
For the three month period ended March 31, 2016**

2 EQUITY – ACCOUNTED INVESTEEES (CONTINUED)

The movement in equity – accounted investees during the year are as follows:

	March 31, 2016 (Un-audited and Un-reviewed) QR.	December 31, 2015 (Audited) QR.
At 1 January	599,501,145	559,664,897
Net share of results from equity – accounted investees	39,837,696	149,353,750
Dividends received	(101,600,000)	(92,661,782)
Company’s share of change in fair value reserve	(2,551,491)	(15,829,671)
Other transactions	938,110	(1,026,049)
	<u>536,125,460</u>	<u>599,501,145</u>

3 RELATED PARTY :

These represent transactions with related parties, i.e. shareholders, directors and senior management of the Group and the companies of which they have a significant influence on it. Pricing policies and terms of these transactions are approved by the Group’s management.

(a) Due from related parties – noncurrent portion:

	March 31, 2016 (Un-audited and Un-reviewed) QR.	December 31, 2015 (Audited) QR.
Gasal Q.S.C. – Loan “Associate”	130,226,420	127,777,588
Sarplast Qatar W.L.L. – Loan “Affiliated”	5,151,600	2,790,451
Qatar Clay Bricks – Q.S.C.C. “Associate”	4,000,000	4,000,000
	<u>139,378,020</u>	<u>134,568,039</u>

(b) Due from related parties –current portion:

	March 31, 2016 (Un-audited and Un-reviewed) QR.	December 31, 2015 (Audited) QR.
Gasal Q.S.C. “Associate”	--	2,673,185
Qatar Aluminium Extrusion Company “Associate”	86,709	86,709
Qatar Plastic Products Company “Associate”	4,745,239	4,700,000
Aminatit Qatar Pipes Company “Associate”	121,124	121,124
Sarplast Qatar W.L.L. – Loan “Affiliated”	--	2,361,150
Qatari Saudi Gypsum Company W.L.L. “Associate”	115,966	115,966
Qatar Clay Bricks – Q.S.C.C. “Associate”	2,094,705	--
Others “Associate”	38,200	38,200
	<u>7,201,943</u>	<u>10,096,334</u>

**Notes to the Interim Condensed Consolidated Financial Information
For the three month period ended March 31, 2016**

3 RELATED PARTY (Continued) :

(c)Due to related parties:

	March 31, 2016 (Un-auditedand Un-reviewed) QR.	December 31, 2015 (Audited) QR.
Qatar Steel Q.S.C.C.	--	140,150,485
KLJ Organic – India “ Sister Company”	21,292,382	21,293,407
Qatar Clay Bricks – Q.S.C.C. “Associate”	4,282,286	2,447,610
	<u>25,574,668</u>	<u>163,891,502</u>

4 CASHAND CASH AT BANKS

	March 31, 2016 (Un-auditedand Un-reviewed) QR.	December 31, 2015 (Audited) QR.
Cash	12,094,909	185,683
Bank accounts	51,813,481	42,284,216
Term deposits	49,375,475	87,763,075
Cash and cash at banks	<u>113,283,865</u>	<u>130,232,974</u>
<i>Less:</i>		
Bank overdraft	(3,854,732)	(3,211,761)
Cash and cash equivalents	<u>109,429,133</u>	<u>127,021,213</u>

5 SHARE CAPITAL

	March 31, 2016 (Un-auditedand Un-reviewed) QR.	December 31, 2015 (Audited) QR.
Authorized, issued and fully paid up share capital 47,520,000 (2014 - 47,520,000 shares) of QR 10 per share	<u>475,200,000</u>	<u>475,200,000</u>

At the ordinary general meeting held on 13 March 2016, the shareholders approved cash dividends of 30%(2016 - cash dividends of 30%).

6 BASIC EARNING PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to the shareholders of the Company by the weighted average number of ordinary outstanding shares during the period as follows:

	Three month period ended 31 March	
	2016 (Un-auditedand Un-reviewed) QR.	2015 (Un-auditedand Un-reviewed) QR.
Profit for the period attributable to equity holders of the Company	<u>54,899,462</u>	<u>39,035,014</u>
Weighted average number of shares outstanding during the period	<u>47,520,000</u>	<u>47,520,000</u>
Basic Earnings Per Share	<u>1.16</u>	<u>0.82</u>