

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

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION**

**FOR THE NINE MONTH PERIOD ENDED
31 SEPTEMBER 2015**

Qatar Industrial Manufacturing Company Q.S.C.

Condensed consolidated interim financial information
As at and for the nine month period ended 30 September 2015

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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 30 September 2015 based on the information provided to us by the management. These condensed consolidated interim financial information comprise the statement of financial position as at 30 September 2015 and the statement of profit or loss and other comprehensive income for the nine 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 the management 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 a capacity as the management of the Company.

21 October 2015
Doha
State of Qatar

Accountant's Signature

Condensed consolidated interim statement of financial position

At 30 September 2015

	Note	30 September 2015 (Unaudited and Unreviewed)	31 December 2014 (Audited)
ASSETS			
Property, plant and equipment		447,269,151	434,899,597
Investment properties		45,887,839	45,887,839
Equity – accounted investees	2	580,956,704	559,664,897
Other financial assets		181,114,622	194,786,555
Due from related parties	3.a	133,434,120	78,577,512
Non-current assets		<u>1,388,662,436</u>	<u>1,313,816,400</u>
Inventories		87,400,157	60,753,497
Trade and other receivables		126,475,900	79,560,099
Due from related parties	3.b	8,575,215	7,530,750
Cash and cash at banks	4	131,771,115	271,182,239
Current assets		<u>354,222,387</u>	<u>419,026,585</u>
TOTAL ASSETS		<u>1,742,884,823</u>	<u>1,732,842,985</u>
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		70,649,036	92,171,516
Retained earnings		456,507,012	464,014,785
Equity attributable to equity holders of the company		<u>1,478,826,388</u>	<u>1,507,856,641</u>
Non – controlling interests		<u>27,193,384</u>	<u>30,374,600</u>
TOTAL EQUITY		<u>1,506,019,772</u>	<u>1,538,231,241</u>
Liabilities			
Borrowings – noncurrent portion		32,487,469	32,085,935
Notes payables		595,992	14,725,544
Employees’ end of service benefits		16,423,500	1,703,811
Non-current liabilities		<u>49,506,961</u>	<u>48,515,290</u>
Bank overdraft	4	3,884,189	1,790,997
Borrowings – current portion		11,372,144	16,284,684
Trade and other payables		67,920,850	69,122,955
Notes payables		1,491,360	2,244,044
Due to related parties	3.c	102,689,547	56,653,774
Current liabilities		<u>187,358,090</u>	<u>146,096,454</u>
TOTAL LIABILITIES		<u>236,865,051</u>	<u>194,611,744</u>
TOTAL EQUITY AND LIABILITIES		<u>1,742,884,823</u>	<u>1,732,842,985</u>

This condensed consolidated interim financial information were approved by the Board of Directors and signed on their behalf by the following on 21 October 2015.

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.

Condensed consolidated interim statement of profit or loss and other comprehensive income
For the nine month period ended 30 September 2015

	Note	<i>For the nine month period ended 30 September</i>	
		2015 (Unaudited and Unreviewed)	2014 (Unaudited and Unreviewed)
Sales		285,430,021	235,700,299
Costs of sales		(239,544,883)	(193,699,859)
Gross profit		45,885,138	42,000,440
Other income		4,349,166	7,279,717
General and administrative expenses		(33,088,594)	(32,294,354)
Operating profit		17,145,710	16,985,803
Net share of results from equity – accounted investees	2	112,759,673	83,105,648
Income from investments		7,635,313	46,435,304
Finance costs		(1,669,685)	(1,920,588)
Profit for the period		135,871,011	144,606,167
Attributable to:			
Owners of the company		135,052,227	141,704,381
Non-controlling interests		818,784	2,901,786
		135,871,011	144,606,167
Other comprehensive income			
Net change in fair value of available-for-sale financial assets		(19,850,354)	17,764
Reclassification to statement of profit or loss on sale of available-for-sale financial assets		(74,961)	-
Share of change in fair value reserve from equity – accounted investees		(1,597,165)	7,330,000
Total other comprehensive income for the period		(21,522,480)	7,347,764
Total comprehensive income for the period		114,348,531	151,953,931
Attributable to:			
Owners of the company		113,529,747	149,052,145
Non-controlling interests		818,784	2,901,786
		114,348,531	151,953,931
Basic earnings per share	6	2.84	2.98

**Notes to the condensed consolidated interim financial information
For the nine month period ended 30 September 2015**

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

1 STATUS AND ACTIVITIES

Qatar Industrial Manufacturing Company (Q.S.C.), (the “Company”) was incorporated on 11 February 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 condensed consolidated interim financial information include the financial information of the branches which are listed below:

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

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

	<u>Percentage of holding</u>	
	2015	2014
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 this 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 INVESTEES

	<i>Nationality</i>	<i>Ownership</i>	<i>30 September 2015 (Unaudited and Unreviewed)</i>	<i>31 December 2014 (Audited)</i>
Amiantit Qatar Pipes Company W.L.L.	Qatar	40%	26,162,840	23,642,518
Qatari Saudi Gypsum Industries Company W.L.L.	Qatar	33 %	28,863,264	29,813,953
Qatar Clay Bricks Company Q.S.C. (*)	Qatar	46.35%	30,105,422	29,479,768
Qatar Plastic Products Company W.L.L.	Qatar	33%	26,131,984	23,804,380
Qatar Jet Fuel Company W.L.L.	Qatar	40%	257,937,677	254,520,414
Qatar Aluminum Extrusion Company Q.S.C.	Qatar	40%	16,462,323	15,754,199
Gasal Company Q.S.C.	Qatar	29.5%	167,057,242	152,218,796
National Food Company Q.S.C.	Qatar	20%	11,459,716	14,327,061
Gulf Formaldehyde Company Q.S.C.	Qatar	20%	15,976,236	15,303,808
Others	Qatar	40%	800,000	800,000
			<u>580,956,704</u>	<u>559,664,897</u>

(*)The Ministry of Environment sent a letter to the Company to stop extraction of quarry that used currently by the Company 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 condensed consolidated interim financial information
For the nine month period ended 30 September 2015**

2 EQUITY – ACCOUNTED INVESTEEES (CONTINUED)

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

	30 September 2015	31 December 2014
	<i>(Unaudited and Unreviewed)</i>	<i>(Audited)</i>
At 1 January	559,664,897	492,680,440
Capital increase	-	31,032,436
Net share of results from equity – accounted investees	112,759,673	110,508,571
Dividends received	(89,661,782)	(78,184,217)
Company’s share of change in fair value reserve	(1,597,165)	5,463,612
Other transactions	(208,919)	(1,835,945)
	<u>580,956,704</u>	<u>559,664,897</u>

3 RELATED PARTY DISCLOSURE

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:

	30 September 2015	31 December 2014
	<i>(Unaudited and Unreviewed)</i>	<i>(Audited)</i>
Gasal Q.S.C. - loan “associate”	126,429,020	71,572,412
Sarplast Qatar W.L.L. - loan “affiliated”	3,005,100	3,005,100
Qatar Clay Bricks Company Q.S.C. - loan “associate”	4,000,000	4,000,000
	<u>133,434,120</u>	<u>78,577,512</u>

(b) Due from related parties – current portion:

	30 September 2015	31 December 2014
	<i>(Unaudited and Unreviewed)</i>	<i>(Audited)</i>
Gasal Q.S.C. - loan “Associate”	1,421,166	247,159
Qatar Aluminium Extrusion Company Q.S.C. “Associate”	40,459	60,709
Qatar Plastic Products Company W.L.L. “Associate”	4,700,000	4,700,000
Amiantit Qatar Pipes Company W.L.L. “Associate”	121,124	80,170
Sarplast Qatar W.L.L. - Loan “Affiliate”	2,146,500	2,361,150
Qatari Saudi Gypsum Company W.L.L. “Associate”	115,966	81,562
Others	30,000	-
	<u>8,575,215</u>	<u>7,530,750</u>

(c) Due to related parties:

	30 September 2015	31 December 2014
	<i>(Unaudited and Unreviewed)</i>	<i>(Audited)</i>
Qatar Steel Q.S.C. “affiliate”	81,206,186	38,744,178
Qatar Clay Bricks Company Q.S.C. “associate”	253,727	266,900
KLJ Organic – India “Affiliated”	21,229,634	17,642,696
	<u>102,689,547</u>	<u>56,653,774</u>

**Notes to the condensed consolidated interim financial information
For the nine month period ended 30 September 2015**

4 CASH AND CASH AT BANKS

	<i>30 September 2015 (Unaudited and Unreviewed)</i>	<i>31 December 2014 (Audited)</i>
Cash	85,125	27,432
Bank accounts	59,561,704	66,385,052
Term deposits	72,124,286	204,769,755
Cash and cash at banks	131,771,115	271,182,239
<i>Less:</i>		
Bank overdraft	(3,884,189)	(1,790,997)
Term deposits (more than 3 month)	-	(10,000,000)
Cash and cash equivalents	127,886,926	259,391,242

5 SHARE CAPITAL

	<i>30 September 2015 (Unaudited and Unreviewed)</i>	<i>31 December 2014 (Audited)</i>
Authorized, issued and fully paid up share capital 47,520,000 (2014 - 47,520,000 shares) of QR 10 per share	475,200,000	475,200,000

At the ordinary general meeting held on 10 March 2015, the shareholders approved cash dividends of 30% (2014 - 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 owners of the Company by the weighted average number of ordinary outstanding shares during the period as follows:

	For the nine month period ended 30 September	
	2015 (Unaudited and Unreviewed)	2014 (Unaudited and Unreviewed)
Profit for the period attributable to the equity holders of the Company	135,052,227	141,704,381
Weighted average number of shares outstanding during the period	47,520,000	47,520,000
Basic earnings per share	2.84	2.98