

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

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**

**FOR THE THREE MONTH PERIOD ENDED  
31 MARCH 2015**

## **Qatar Industrial Manufacturing Company Q.S.C.**

Condensed consolidated interim financial information  
As at and for the three month period ended 31 March 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 31 March 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 31 March 2015 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 a capacity as the management of the Company.

26 April 2015  
Doha  
State of Qatar

*Accountant's Signature*

**Condensed Consolidated Interim Statement of Financial Position  
At 31 March 2015**

	Note	<i>31 March 2015 (Unaudited and Unreviewed)</i>	<i>31 December 2014 (Audited)</i>
<b>ASSETS</b>			
Property, plant and equipment		434,163,599	434,899,597
Investment properties		45,887,839	45,887,839
Equity – accounted investees	2	509,704,809	559,664,897
Other financial assets		180,215,936	194,786,555
Due from related parties	3.a	73,054,200	78,577,512
<b>Non-current assets</b>		<b>1,243,026,383</b>	<b>1,313,816,400</b>
Inventories		51,347,218	60,753,497
Trade and other receivables		84,877,052	79,560,099
Due from related parties	3.b	12,809,423	7,530,750
Cash and cash at banks	4	205,658,099	271,182,239
<b>Current assets</b>		<b>354,691,792</b>	<b>419,026,585</b>
<b>TOTAL ASSETS</b>		<b>1,597,718,175</b>	<b>1,732,842,985</b>
<b>EQUITY</b>			
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		67,751,528	92,171,516
Retained earnings		360,489,799	464,014,785
Equity attributable to equity holders of the company		<b>1,379,911,667</b>	<b>1,507,856,641</b>
Non – controlling interests		29,826,289	30,374,600
<b>TOTAL EQUITY</b>		<b>1,409,737,956</b>	<b>1,538,231,241</b>
<b>LIABILITIES</b>			
Borrowings – non-current portion		31,750,664	32,085,935
Employees’ end of service benefits		15,663,775	14,725,544
Notes payable		1,316,316	1,703,811
<b>Non-current liabilities</b>		<b>48,730,755</b>	<b>48,515,290</b>
Bank overdraft	4	3,808,750	1,790,997
Borrowings – current portion		13,275,795	16,284,684
Trade and other payables		78,339,758	69,122,955
Notes payables		1,692,795	2,244,044
Due to related parties	3.c	42,132,366	56,653,774
<b>Current liabilities</b>		<b>139,249,464</b>	<b>146,096,454</b>
<b>TOTAL LIABILITIES</b>		<b>187,980,219</b>	<b>194,611,744</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,597,718,175</b>	<b>1,732,842,985</b>

**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 three month period ended 31 March 2015**

	Note	Three month period ended 31 March	
		2015 <i>(Unaudited and Unreviewed)</i>	2014 <i>(Unaudited and Unreviewed)</i>
Sales		82,247,809	84,459,345
Costs of sales		(68,719,038)	(66,905,110)
<b>Gross profit</b>		<b>13,528,771</b>	<b>17,554,235</b>
Other income		1,785,817	1,826,923
General and administrative expenses		(13,337,948)	(13,177,417)
<b>Operating profit</b>		<b>1,976,640</b>	<b>6,203,741</b>
Net share of results from equity – accounted investees	2	30,191,880	32,025,057
Income from investments		6,913,500	10,083,722
Finance costs		(595,317)	(639,538)
<b>Profit for the period</b>		<b>38,486,703</b>	<b>47,672,982</b>
<b>Other comprehensive income</b>			
Net change in fair value of available-for-sale financial assets		(16,592,559)	5,093,935
Share of change in fair value reserve from equity – accounted investees		(7,827,429)	4,085,823
<b>Total other comprehensive income</b>		<b>(24,419,988)</b>	<b>9,179,758</b>
<b>Total comprehensive income for the period</b>		<b>14,066,715</b>	<b>56,852,740</b>
<b>Profit attributable to:</b>			
Equity holders of the company		39,035,014	46,019,587
Non-controlling interests		(548,311)	1,653,395
		<b>38,486,703</b>	<b>47,672,982</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		14,615,026	55,199,345
Non-controlling interests		(548,311)	1,653,395
		<b>14,066,715</b>	<b>56,852,740</b>
<b>Basic earnings per share</b>	6	<b>0.82</b>	<b>0.97</b>

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

## Notes to the Condensed Consolidated Interim Financial Information For the three month period ended 31 March 2015

### 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 condensed consolidated interim 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 condensed consolidated interim financial information include the financial information of the controlled subsidiaries listed below:

	<u>Percentage of holding</u>	
	<b>2015</b>	<b>2014</b>
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 INVESTEEES

	<i>Nationality</i>	<i>Ownership</i>	<i>31 March 2015 (Unaudited and Unreviewed)</i>	<i>31 December 2014 (Audited)</i>
Aminatit Qatar Pipes Company W.L.L.	Qatar	40%	24,269,242	23,642,518
Qatar Saudi Gypsum Industries Company W.L.L.	Qatar	33%	28,939,242	29,813,953
Qatar Clay Bricks Company W.L.L. (*)	Qatar	46.35%	30,734,968	29,479,768
Qatar Plastic Products Company W.L.L.	Qatar	33%	24,059,863	23,804,380
Qatar Jet Fuel Company W.L.L.	Qatar	40%	192,122,545	254,520,414
Qatar Aluminium Extrusion Company Q.S.C.	Qatar	40%	16,310,275	15,754,199
Gasal Company Q.S.C.	Qatar	29.5%	162,985,992	152,218,796
National Food Company Q.S.C.	Qatar	20%	14,462,208	14,327,061
Gulf Formaldehyde Company S.A.Q.	Qatar	20%	15,020,474	15,303,808
Others	Qatar	40%	800,000	800,000
			<u><b>509,704,809</b></u>	<u><b>559,664,897</b></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 Condensed Consolidated Interim Financial Information  
For the three month period ended 31 March 2015**

**2 EQUITY – ACCOUNTED INVESTEEES (CONTINUED)**

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

	<b>31 March 2015 (Unaudited and Unreviewed)</b>	<b>31 December 2014 (Audited)</b>
At 1 January	559,664,897	492,680,440
Capital increase	-	31,032,436
Net share of results from equity – accounted investees	30,191,880	110,508,571
Dividends received	(72,160,000)	(78,184,217)
Company's share of change in fair value reserve	(7,827,429)	5,463,612
Other transactions	(164,539)	(1,835,945)
	<b>509,704,809</b>	<b>559,664,897</b>

**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:

	<b>31 March 2015 (Unaudited and Unreviewed)</b>	<b>31 December 2014 (Audited)</b>
Gazal Q.S.C. – Loan “Associate”	70,693,050	71,572,412
Sarplast Qatar W.L.L. – Loan “Affiliated”	2,361,150	3,005,100
Qatar Clay Bricks – Q.S.C.C. “Associate”	-	4,000,000
	<b>73,054,200</b>	<b>78,577,512</b>

(b) Due from related parties – current portion:

	<b>31 March 2015 (Unaudited and Unreviewed)</b>	<b>31 December 2014 (Audited)</b>
Gazal Q.S.C. “Associate”	902,131	247,159
Qatar Aluminium Extrusion Company “Associate”	40,460	60,709
Qatar Plastic Products Company “Associate”	4,700,000	4,700,000
Aminatit Qatar Pipes Company “Associate”	80,170	80,170
Sarplast Qatar W.L.L. – Loan “Affiliated”	3,005,100	2,361,150
Qatari Saudi Gypsum Company W.L.L. “Associate”	81,562	81,562
Qatar Clay Bricks – Q.S.C.C. “Associate”	4,000,000	-
	<b>12,809,423</b>	<b>7,530,750</b>

(c) Due to related parties:

	<b>31 March 2015 (Unaudited and Unreviewed)</b>	<b>31 December 2014 (Audited)</b>
Qatar Steel Q.S.C.C.	24,525,499	38,744,178
KIJ Organic – India “Sister Company”	17,606,867	17,642,696
Qatar Clay Bricks – Q.S.C.C. “Associate”	-	266,900
	<b>42,132,366</b>	<b>56,653,774</b>

**Notes to the Condensed Consolidated Interim Financial Information  
For the three month period ended 31 March 2015**

**4 CASH AND CASH AT BANKS**

	<i>31 March 2015 (Unaudited and Unreviewed)</i>	<i>31 December 2014 (Audited)</i>
Cash	99,474	27,432
Bank accounts	96,532,306	66,385,052
Term deposits	109,026,319	204,769,755
<b>Cash and cash at banks</b>	<u>205,658,099</u>	<u>271,182,239</u>
<i>Less:</i>		
Bank overdraft	(3,808,750)	(1,790,997)
Term deposits (more than 3 months)	(10,000,000)	(10,000,000)
<b>Cash and cash equivalents</b>	<u><b>191,839,349</b></u>	<u>259,391,242</u>

**5 SHARE CAPITAL**

	<i>31 March 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	<u><b>475,200,000</b></u>	<u>475,200,000</u>

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 shareholders of the Company by the weighted average number of ordinary outstanding shares during the period as follows:

	<b>Three month period ended 31 March</b>	
	<b>2015</b>	2014
	<i>(Unaudited and Unreviewed)</i>	<i>(Unaudited and Unreviewed)</i>
Profit for the period attributable to equity holders of the Company	39,035,014	46,019,587
Weighted average number of shares outstanding during the period	<u>47,520,000</u>	<u>47,520,000</u>
Basic earnings per share	<u><b>0.82</b></u>	<u>0.97</u>