

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

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION**

**30 SEPTEMBER 2014**

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

Condensed consolidated interim financial information  
For the nine month period ended 30 September 2014

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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 2014 based on the information provided to us by the management. This condensed consolidated interim financial information comprise the statement of financial position as at 30 September 2014 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**

This 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 this 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 this condensed consolidated interim financial information. Accordingly, we do not express an audit opinion or a review conclusion on whether this condensed consolidated interim financial information are prepared in accordance with the basis of accounting applied by the management.

Accordingly, this 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.

22 October 2014  
Doha  
State of Qatar

*Accountant's Signature*

## Condensed consolidated interim statement of financial position

At 30 September 2014

	<i>Note</i>	<i>30 September 2014 (Unaudited and Unreviewed)</i>	<i>31 December 2013 (Audited)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		433,773,425	431,597,944
Investment properties		45,887,839	45,887,839
Equity – accounted investees	2	595,916,407	552,632,540
Other financial assets		200,072,542	195,440,392
Due from related parties	3.a	119,117,467	99,275,728
<b>Total non-current assets</b>		<u>1,394,767,680</u>	<u>1,324,834,443</u>
<b>Current assets</b>			
Inventories		39,510,236	37,339,166
Trade and other receivables		99,609,585	82,396,831
Due from related parties	3.b	25,735,187	24,058,245
Held for trading investments		30,420,000	9,168,289
Cash and banks	4	172,310,050	161,671,511
<b>Total current assets</b>		<u>367,585,058</u>	<u>314,634,042</u>
<b>TOTAL ASSETS</b>		<u><b>1,762,352,738</b></u>	<u><b>1,639,468,485</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	475,200,000	396,000,000
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		98,924,713	91,576,949
Retained earnings		507,795,623	445,291,242
<b>Equity attributable to owners of the company</b>		<u>1,558,390,676</u>	<u>1,409,338,531</u>
Non – controlling interests		30,287,480	32,385,694
<b>Total equity</b>		<u>1,588,678,156</u>	<u>1,441,724,225</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings – noncurrent portion		30,256,996	45,641,636
Notes payables		-	1,798,400
Employees' end of service benefits		14,177,233	13,011,617
<b>Total non-current liabilities</b>		<u>44,434,229</u>	<u>60,451,653</u>
<b>Current liabilities</b>			
Bank overdraft	4	4,198,554	2,044,582
Borrowings – current portion		22,526,394	14,594,972
Trade and other payables		53,637,193	78,695,640
Notes payables		4,631,474	3,608,328
Due to related parties	3.c	44,246,738	38,349,085
<b>Total current liabilities</b>		<u>129,240,353</u>	<u>137,292,607</u>
<b>Total liabilities</b>		<u>173,674,582</u>	<u>197,744,260</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,762,352,738</b></u>	<u><b>1,639,468,485</b></u>

This condensed consolidated interim financial information were approved by the Board of Directors and signed on their behalf by the following on 22 October 2014.

**Sheikh Abdulrahman Bin Mohd. Jabor Al-Thani**  
Chairman

**Mr. Abdul Rahman Al-Ansari**  
Chief Executive Officer

The notes on pages 4 to 6 are an integral part of this 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 2014**

	Note	<i>For the nine month period ended 30 September</i>	
		2014 (Unaudited and Unreviewed)	2013 (Unaudited and Unreviewed)
Sales		235,700,299	260,911,677
Costs of sales		(193,699,859)	(206,232,667)
<b>Gross profit</b>		<b>42,000,440</b>	54,679,010
Other income		7,279,717	6,913,954
General and administrative expenses		(32,294,354)	(29,751,951)
<b>Operating profit</b>		<b>16,985,803</b>	31,841,013
Net share of results from equity – accounted investees	2	83,105,648	99,564,570
Income from investments		46,435,304	23,776,219
Finance costs		(1,920,588)	(2,402,472)
<b>Net profit for the period</b>		<b>144,606,167</b>	152,779,330
<b>Attributable to:</b>			
Owners of the company		141,704,381	148,057,742
Non-controlling interests		2,901,786	4,721,588
		<b>144,606,167</b>	152,779,330
<b>Other comprehensive income</b>			
Net change in fair value of other financial assets		7,347,764	18,788,107
<b>Other comprehensive income for the period</b>		<b>7,347,764</b>	18,788,107
<b>Total comprehensive income for the period</b>		<b>151,953,931</b>	171,567,437
<b>Attributable to:</b>			
Owners of the company		149,052,145	166,845,849
Non-controlling interests		2,901,786	4,721,588
		<b>151,953,931</b>	171,567,437
<b>Basic earnings per share (QR/share)</b>	6	<b>2.98</b>	3.12

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

**Notes to the condensed consolidated interim financial information  
For the nine month period ended 30 September 2014**

**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

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

	<u>Percentage of holding</u>	
	<b>2014</b>	2013
KLJ Organic – Qatar W.L.L.	60%	60%
Qatar Metals Coating Company W.L.L. (*)	50%	50%

(\*) The financial information of Qatar Metals Coating Company W.L.L. “Subsidiary” is consolidated in this condensed consolidated interim financial information as Qatar Industrial Manufacturing Company “Parent” it is exposed to, or has rights to, variable returns of its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

**2 EQUITY – ACCOUNTED INVESTEES**

	<i>Nationality</i>	<i>Ownership</i>	<b>30 September 2014 (Unaudited and Unreviewed)</b>	<i>31 December 2013 (Audited)</i>
Amiantit Qatar Pipes Company W.L.L.	Qatar	40%	23,198,888	22,083,353
Qatari Saudi Gypsum Industries Company W.L.L. (*)	Qatar	33.33%	30,117,407	26,899,905
Qatar Clay Bricks Company Q.S.C. (**)	Qatar	46.35%	29,081,348	27,824,172
Qatar Plastic Products Company W.L.L.	Qatar	33.33%	22,654,557	22,697,250
Qatar Jet Fuel Company W.L.L.	Qatar	40%	296,187,010	294,917,452
Qatar Aluminum Extrusion Company Q.S.C.	Qatar	40%	15,563,387	16,026,893
Gasal Company Q.S.C.	Qatar	29.5%	149,424,062	113,253,753
National Food Company Q.S.C.	Qatar	20%	13,580,179	13,434,016
Gulf Formaldehyde Company Q.S.C.	Qatar	20%	15,309,569	14,695,746
Others	Qatar	40%	800,000	800,000
			<b><u>595,916,407</u></b>	<b><u>552,632,540</u></b>

(\*)The Ministry of Environment sent a letter to the Company to stop extraction as they have intention to use the same area as a natural reserve. The Company's operations will continue based on trading activities. And as the date of this report the Company's management decision is to continue the current operation.

(\*\*)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 2014**

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

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

	<b>30 September 2014</b>	<b>31 December 2013</b>
	<i>(Unaudited and Unreviewed)</i>	<i>(Audited)</i>
At 1 January	552,632,540	516,754,721
Acquisition during the period	-	800,000
Capital increase	31,032,436	23,915,027
Net share of results from equity – accounted investees	83,105,648	145,007,643
Dividends received	(78,184,217)	(142,795,575)
Company’s share of change in fair value reserve	7,330,000	8,950,724
	<b><u>595,916,407</u></b>	<b><u>552,632,540</u></b>

**3 RELATED PARTY DISCLOSURE**

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

(a) Due from related parties – noncurrent portion:

	<b>30 September 2014</b>	<b>31 December 2013</b>
	<i>(Unaudited and Unreviewed)</i>	<i>(Audited)</i>
Gasal Q.S.C. - loan “associate”	111,717,467	99,275,728
Sarplast Qatar W.L.L. - loan “affiliated”	3,400,000	-
Qatar Clay Bricks Company Q.S.C. - loan “associate”	4,000,000	-
	<b><u>119,117,467</u></b>	<b><u>99,275,728</u></b>

(b) Due from related parties – current portion:

	<b>30 September 2014</b>	<b>31 December 2013</b>
	<i>(Unaudited and Unreviewed)</i>	<i>(Audited)</i>
Gasal Q.S.C. - loan “associate”	17,767,229	17,808,691
Sarplast Qatar W.L.L. - loan “affiliate”	1,600,000	-
Qatar Aluminium Extrusion Company Q.S.C. “associate”	40,459	38,654
Qatari Saudi Gypsum Company W.L.L. “associate”	81,562	-
Qatar Plastic Products Company W.L.L. “associate”	4,700,000	4,700,000
Amiantit Qatar Pipes Company W.L.L. “associate”	80,170	53,384
Other parties	1,465,767	1,457,516
	<b><u>25,735,187</u></b>	<b><u>24,058,245</u></b>

(c) Due to related parties:

	<b>30 September 2014</b>	<b>31 December 2013</b>
	<i>(Unaudited and Unreviewed)</i>	<i>(Audited)</i>
Qatar Steel Q.S.C. “affiliate”	29,778,941	27,917,551
Qatar Clay Bricks Company Q.S.C. “associate”	171,900	146,400
KLJ Organic – India “Affiliated”	14,295,897	10,285,134
	<b><u>44,246,738</u></b>	<b><u>38,349,085</u></b>

**Notes to the condensed consolidated interim financial information  
For the nine month period ended 30 September 2014**

**4 CASH AND BANKS**

	<i>30 September 2014 (Unaudited and Unreviewed)</i>	<i>31 December 2013 (Audited)</i>
Cash	151,349	69,622
Bank accounts	144,913,554	133,877,548
Term deposits	<u>27,245,147</u>	<u>27,724,341</u>
<b>Cash and banks</b>	<b>172,310,050</b>	<b>161,671,511</b>
<b>Less:</b>		
Bank overdraft	(4,198,554)	(2,044,582)
Term deposits (more than 3 month )	<u>(10,000,000)</u>	<u>(10,000,000)</u>
<b>Cash and cash equivalents</b>	<b><u>158,111,496</u></b>	<b><u>149,626,929</u></b>

**5 SHARE CAPITAL**

	<i>30 September 2014 (Unaudited and Unreviewed)</i>	<i>31 December 2013 (Audited)</i>
Authorized, issued and fully paid up share capital 47,520,000 shares (2013 - 39,600,000 shares) of QR 10 per share.	<u>475,200,000</u>	<u>396,000,000</u>

At the ordinary general meeting held on 2 March 2014, the shareholders approved bonus shares of 20% of share's par value (2013 - 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:

	<b>For the nine month period ended 30 September</b>	
	<b>2014 (Unaudited and Unreviewed)</b>	<b>2013 (Unaudited and Unreviewed)</b>
Profit for the period attributable to the owners of the Company	<u>141,704,381</u>	<u>148,057,742</u>
Weighted average number of shares outstanding during the period	<u>47,520,000</u>	<u>47,520,000</u>
Basic earnings per share (QR/share)	<b><u>2.98</u></b>	<b><u>3.12</u></b>

Basic earnings per share for the period ended 30 September 2013 before retroactive restatement for the bonus shares issued amounted to QR 3.74 per share.