

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

**CONSOLIDATED FINANCIAL STATEMENTS  
for the period ended 30 September 2011**

# Qatar Industrial Manufacturing Company (Q.S.C)

CONSOLIDATED BALANCE SHEET  
AS AT 30 SEP 2011

In Qatar Riyals

	<b>30 September 2011</b> (UNAUDIT)	<b>30 September 2010</b> (UNAUDIT)	<b>31 DEC 2010</b> (AUDITED)
<b>Assest</b>			
<b>Non-current assets :</b>			
Property, plant and equipment	390,663,310	380,227,706	367,661,902
Investments in associates	438,717,284	341,642,659	387,732,919
Investments available for sale	225,501,126	184,155,384	196,533,279
Due from related party	83,183,136	-----	75,566,903
Investment property	45,887,839	45,887,839	45,887,839
<b>Total Non-current assets</b>	<b>1,183,952,695</b>	<b>951,913,588</b>	<b>1,073,382,842</b>
<b>Current Assets :</b>			
Held for trading investments	11,107,976	-----	-----
Inventories	40,765,775	40,539,805	25,225,643
Accounts receivable and prepayments	45,776,808	42,768,955	50,840,660
Cash and cash equivalents	120,420,110	126,813,011	135,812,434
Due from related party	12,605,092	43,896,421	8,962,672
<b>Assest of adisposal group classified as held</b>	-----	52,113,743	52,113,743
<b>Total current assets</b>	<b>230,675,761</b>	<b>306,131,935</b>	<b>272,955,152</b>
<b>Total assets</b>	<b>1,414,628,456</b>	<b>1,258,045,523</b>	<b>1,346,337,994</b>
<b>Equity and liabilities</b>			
Capital	396,000,000	360,000,000	360,000,000
Legal reserve	195,187,461	162,756,491	180,000,000
General reserve	43,970,860	53,713,608	43,970,860
Fair value reserve	133,942,495	59,073,891	100,774,885
Revaluation reserve	182,499,480	182,499,480	182,499,480
Proposed dividends	-----	-----	90,000,000
Proposed bonus share	-----	-----	36,000,000
Retained Earning	288,278,214	234,830,912	151,591,056
<b>Attributable to equity holders of parent</b>	<b>1,239,878,510</b>	<b>1,052,874,382</b>	<b>1,144,836,281</b>
Minority interest	33,138,189	68,694,035	69,380,581
<b>Total Shareholders equity</b>	<b>1,273,016,699</b>	<b>1,121,568,417</b>	<b>1,214,216,862</b>
<b>Non-current liabilities</b>			
Borrowings	42,694,941	45,330,770	40,535,648
Employees' end of service benefit	8,500,890	6,970,800	6,725,023
Note payable	21,201,178	13,650,880	12,074,719
<b>Total non-current liabilities</b>	<b>72,397,009</b>	<b>65,952,450</b>	<b>59,335,390</b>
<b>Current liabilities</b>			
Bank overdraft	910,000	4,308,760	2,220,767
Due to related party	-----	2,395,366	77,517
Borrowings	7,765,880	2,600,000	7,975,974
Accounts payables and accruals	60,538,868	60,330,200	61,725,154
Liabilities associated with disposal group classified as held for sale	-----	890,330	786,330
<b>Total current liabilities</b>	<b>69,214,748</b>	<b>70,524,656</b>	<b>72,785,742</b>
<b>Total equity and liabilities</b>	<b>1,414,628,456</b>	<b>1,258,045,523</b>	<b>1,346,337,994</b>

The Financial statement were authorised for issue by company management on October 20<sup>th</sup> 2011

Sheikh Abdulrahman Bin Mohamed Bin Jabir Al –Thani

Abulrahman Al- Ansari

Chairman

Chief Executive Officer

# Qatar Industrial Manufacturing Company (Q.S.C)

CONSOLIDATED STATEMENT OF INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2011  
Qatar Riyals

In

	<b>30 Sep 2011 (Un Audit)</b>	<b>30 Sep 2010 (Un Audit)</b>
Sales	247,637,444	177,389,706
Cost of sales	<b>(189,812,200)</b>	<b>(124,435,994)</b>
<b>Gross profit</b>	<b>57,825,244</b>	<b>55,953,712</b>
<b>Share of result of associates</b>	122,345,313	82,655,207
<b>Other Income</b>	13,444,320	19,657,460
	<b>193,614,877</b>	<b>155,266,379</b>
<b>Expenses</b>		
General and administration	(27,943,375)	(21,943,250)
Impairment of available for sale	<b>(1,053,393)</b>	
<b>Net Profit from continuing operations</b>	<b>164,618,109</b>	<b>133,323,129</b>
<b>Discontinued operation</b>		
Profit(loss) from discontinued operation	(7,194,848)	134,115
<b>Net profit of the period Attributable to :</b>	157,423,261	133,457,244
<b>Equity holder of the parent</b>	<b>151,874,619</b>	<b>127,564,913</b>
<b>minority interest</b>	5,548,642	5,892,331
<b>Net profit for the period attributable to share holder of the Company</b>	<b>157,423,261</b>	<b>133,457,244</b>
Earnings per share of QR 10 each	3,84	3,54
	39,600,000	36,000,000
Number of shares		

# Qatar Industrial Manufacturing Company (Q.S.C)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2011

In Qatar Riyals

## 1 ACTIVITIES

Qatar Industrial Manufacturing Company (Q.S.C.) was incorporated on 11 February 1990 by an Amiri Decree No. 54 of 1990. The company is engaged in various types of investments inside and outside the State of Qatar in accordance with sound commercial and economical practices especially in the industrial sector.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation:

The consolidated financial statements of the company have been prepared in accordance with the International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB).

### b) Accounting convention

The consolidated financial statements are prepared under the historical cost convention except for the measurement at fair value of investments available for sale.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The financial statements have been presented in Qatari Riyals.

### c) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are those enterprises in which the Company holds over 50% of the share capital or enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statement of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries at the balance sheet date:

	<i>Percentage of holding</i>
Qatar Metal Coating Company W.L.L.	50%
Qatar Acids Company	100%
Qatar Sand Treatment Plant	100%
National Paper Industries Company	100%
Qatar Paving Stone	100%
KLJ ORAGANIC –QATAR	51%

Qatar Acids Company, Qatar Sand Treatment Plant and National Paper Industries Company are registered in Qatar as branches of Qatar Industrial Manufacturing Company (Q.S.C).

#### (ii) Associates

Associates are those enterprises in which the Company has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Company's share of the total recognised gains and losses of associates accounted on equity method, from the date that significant influence commences until the date that significant influence ceases.

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### c) Basis of consolidation continued

#### (ii) Associates (continued)

Investments in associates are stated on the basis of the Company's share in their net assets, which have been incorporated on the basis of the audited financial statements.

#### (iii) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised gains arising from Intra-group transactions, are eliminated in preparing the consolidated financial statements.

The significant accounting policies adopted are as follows:

### d) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and provision for impairment, if any.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed this recoverable amount assets are written down to their recoverable amount.

### e) Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment at rates calculated to write off the cost of each asset over its expected useful life. The rates of depreciation are based upon the following estimated useful lives:

- Plant and equipment 10 - 15 years
- Vehicles 4 - 5 years
- Furniture and fittings 4 years
- Buildings and construction 13 - 25 years
- Installations and fixtures 4 - 10 years

### f) Investments available for sale

All investments available for sale are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment.

#### *Available for sale - Quoted*

After initial recognition, investments which are classified "available for sale - quoted" are remeasured at fair value. Unrealised gains and losses on remeasurement to fair value are reported as a separate component of equity until the investment is sold, collected or otherwise disposed of, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of income for the year.

For investments traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date, adjusted for transaction costs necessary to realise the asset.

#### *Available for sale - Unquoted*

Due to the nature of cash flows arising from the Company's unquoted investments, the fair value of these investments cannot be reliably measured. Consequently, these investments are carried at cost, less provision for any impairment losses.

### g) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition. Cost is determined on a weighted average basis.

Net realisable value is based on estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### h) Accounts receivable

Billings on trade credit are included in "Accounts Receivable" at the balance due, net of a provision for amounts estimated to be uncollectible. The Company's terms of credit varies for each type of service and customer.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

### i) Cash and cash equivalents

Cash and cash equivalents comprises cash and bank balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

### j) Accounts payable and accruals

Accounts payable and accruals are stated at cost and are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Accounts payable are normally settled within 60 days from the date of the service or the date the supply is received.

### k) Provisions

Provisions are recognised when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

### l) Employees' end of service benefits

The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' length of service and the completion of a minimum service period. The company treats this obligation as a non-currant liability

With respect to the Qatari employees, the Company has decided to make contributions to Government Pension Fund calculated as a percentage of the employees' salaries in accordance with the requirements of law No. 24 of 2002 pertaining to Retirement and Pensions. The Company's obligations are limited to the contributions which are expensed when due.

### m) Term loans

The Company's term loans are carried at the balance sheet at the principal amount plus interest. Instalments due within one year are shown as a current liability. Interest is charged as an expense as it accrues.

### n) Impairment

An assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognised for the difference between the recoverable amount and the carrying amount. Impairment losses are recognised in the statement of income.

### o) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of income.

### p) Revenue recognition

Interest income and rental income are accounted for on an accrual basis.  
Dividend income is recognised when the right to receive the dividend is established.

Qatar Industrial Manufacturing Company (Q.S.C)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2011

In Qatar Riyals

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