

**Qatar Oman Investment Company Q.S.C**  
**FINANCIAL STATEMENTS TO THIRD QUARTER**  
**30 SEPTEMBER 2008**

# QATAR OMAN INVESTMENT Co. (Q. S. C)

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## Income Statement

period ended 30 September 2008

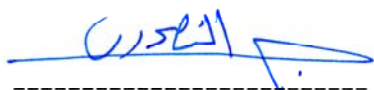
	Notes	Nine months ended 30 September 2008 (QR)
Investment and interest income	3	22,728,319.00
Commission expense		(204,000.00)
<b>Net investment and interest income</b>		<b>22,524,319.00</b>
Other income		398,409.00
<b>Net operation income</b>		<b>22,922,728.00</b>
General and administrative expenses	4	(2,177,847.00)
Depreciation		(38,586.00)
<b>Profit for the period</b>		<b>20,706,295.00</b>
<b>Earning per share</b> basic and diluted (QR)		<b>0.69</b>

# QATAR OMAN INVESTMENT Co. (Q. S. C)

## Balance Sheet

30 September 2008

	Notes.	Nine months ended 30 September 2008 (QR)	2007 31 December (QR)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Office equipment	5	220,707.00	120,450.00
Available-for-sale investment		96,226,563.00	6,406,484.00
Investment properties	6	39,097,500.00	0.00
Investments in other companies		16,424,712.00	0.00
		151,969,482.00	6,526,934.00
<b>Current assets</b>			
Trade and other receivable	7	2,053,664.00	2,596,963.00
Bank balance and cash		151,762,977.00	305,911,470.00
		153,816,641.00	308,508,433.00
<b>TOTAL ASSETS</b>		305,786,123.00	315,035,367.00
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	300,000,000.00	300,000,000.00
Treasury shares	9	(106,038.00)	(106,038.00)
Legal reserve	10	4,439,972.00	4,439,972.00
Retained earning		31,227,748.00	10,521,455.00
Fair value reserve		(29,955,238.00)	(17,020.00)
<b>Total equity</b>		305,606,444.00	314,838,369.00
<b>Non-current liabilities</b>			
Employees' end of service benefits	11	55,845.00	7,500.00
<b>Current liabilities</b>			
Accounts payable and accrual	12	123,834.00	189,498.00
<b>Total liabilities</b>		179,679.00	196,998.00
<b>TOTAL EQUITIES AND LIABILITIES</b>		305,786,123.00	315,035,367.00



Nasser Mohamed Almansouri  
Chief Executive



Sheikh Abdulrahman Bin Mohamed Bin Jabr Al Thani  
Chairman

# **QATAR OMAN INVESTMENT Co. (Q. S. C)**

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## **1. Activities**

Qatar Oman Investment Company Q.S.C. is a Closed Qatari Shareholding Company registered and incorporated in Qatar and its registered office is located in Doha, Qatar. The Company's core objective is to invest its funds in all types of investment opportunities available in Qatar and Oman based on sound business ground in order to maximize shareholders' returns and to contribute in the economic and social developments in Qatar and Oman. The Company is registered in the Commercial Register under No. 33411.

## **2. Significant Accounting Policies**

### **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of the Qatar Commercial Companies Law.

The financial statements have been presented in Qatar Riyals, which is the Company's functional and presentation currency.

The financial statements are prepared under the historical cost convention modified to include the measurement at fair value of available-for-sale investments.

### **IASB Standards and Interpretations issued at 31 December 2007 not yet effective**

#### ***IFRS 8 Operating Segments***

IFRS 8 Operating Segments was issued by the IASB in November 2006, becoming effective for periods commencing on or after 1 January 2009. The new standard may require changes in the way the Group discloses information about its operating segments.

#### ***IAS 1 – Presentation of financial statements (Revised)***

A revised IAS 1 was issued in September 2007, and becomes effective for financial year beginning on or after 1 January 2009. The standard has been revised to set overall requirements for the presentation of financial statements.

### **Revenue recognition**

Interest revenue is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend revenue is recognised when the right to receive the dividend is established.

## 2. Significant Accounting Policies (Continued)

### Office equipment

Office equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight line basis over the estimated useful lives of assets as follows:

Office equipment                      5 years

The carrying amounts are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the income statement as the expense is incurred.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

***The asset's residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.***

### Impairment and uncollectibility of financial assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the income statement. Impairment is determined as follows:

- (a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the income statement;
- (b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
- (c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

## 2. Significant Accounting Policies (Continued)

### **Available-for-sale investments**

*After initial recognition, available for sale investments are re measured at fair value, with any resultant gain or loss directly recognised as a separate component of equity until the investment is sold, collected, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement for the year. Interest earned on the investments is reported as interest income using the effective interest rate. Dividends earned on investments are recognised in the income statement as “Dividend income” when the right to receive dividend has been established.*

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

If an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Reversals in respect of equity instruments classified as available- for- sale are not recognised in the income statement..

When the investment is disposed off, the cumulative gain or loss previously recorded in equity is recognised in the income statement.

### **Trade receivable**

Trade receivables are carried at original invoiced amount less provision for non-collectability of these receivables. A provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

### **Accounts payable and accruals**

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

### **Provisions**

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### **Employees’ end of service benefits**

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees’ final

# QATAR OMAN INVESTMENT Co. (Q. S. C)

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## 2. Significant Accounting Policies (Continued)

Salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of the Qatar Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

### ***Pension plan***

Under Law No. 24 of 2002 on Retirement and Pension, the Company is required to make contributions to a Government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

### **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 income statement.

### **Fair values**

For investments traded in an active market, fair value is determined by reference to quoted market bid prices.

For unquoted equity investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows.

## 3. ***Investments and Interest Income***

	30 September 2008 <u>(QR)</u>
Revenue from sale of available	11,809,321.00
Bank deposit Interest	7,421,730.00
Real state revenue	<u>3,497,268.00</u>
<b>TOTAL</b>	<b><u>22,728,319.00</u></b>

## **QATAR OMAN INVESTMENT Co. (Q. S. C)**

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### **4. General and Administrative Expenses**

	30 September 2008
	<u>(QR)</u>
Salaries and wages	609,865.00
Home allowance	207,683.00
Car allowance	67,397.00
Air tickets expenses	30,501.00
BOD attendance allowance	195,000.00
Office rent	132,000.00
Professional fees	28,500.0
Telephone and fax	19,795.00
Advertising & promotions	90,062.00
EOSB Expenses	48,345.00
Office supplies	13,178.00
Governmental Fees	36,471.00
Water & Electricity	4,834.00
Entertainment	27,491.00
Petrol and vehicle expenses	12,300.00
Repair and maintenance	99,301.00
Bank charges	2,981.00
Official Duty And Ticket	40,397.00
Other expenses	8,746.00
Doha Securities Market Fees	503,000.00
<b>TOTAL</b>	<b><u>2,177,847.00</u></b>

### **5. Office Equipment**



## **QATAR OMAN INVESTMENT Co. (Q. S. C)**

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	30 September 2008 <i>(QR)</i>
<b>Cost:</b>	0.00
Additions	<u>259,293.00</u>
<b>At 30 September 2008</b>	<u>259,293.00</u>
Depreciation	0.00
Depreciation charge for the period	<u>(38,586.00)</u>
<b>At 30 September 2008</b>	<u>(38,586.00)</u>
<b>Net carrying amount at 30 September 2008</b>	<u><u>220,707.00</u></u>

### **6. Available-For-Sale Investments**

	30 September 2008 <i>(QR)</i>
Available-for-sale investment	96,226,563.00
Investment properties	39,097,500.00
Investments in other companies	<u>16,424,712.00</u>
<b>TOTAL</b>	<u><b>151,748,775.00</b></u>

### **7. Trade and Other Receivables**

30 September 2008

## **QATAR OMAN INVESTMENT Co. (Q. S. C)**

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	<u>(QR)</u>
Trade accounts receivable	915,727.00
Interest receivable	<u>1,137,937.00</u>
<b>TOTAL</b>	<b><u>2,053,664.00</u></b>

### **8. Capital**

	30 September 2008
	<u>(QR)</u>
Issued and fully paid share capital of 30,000,000 shares of QR 10 each	<u>300,000,000.00</u>

### **9. Treasury Shares**

Treasury shares comprise 10,295 shares at a cost of QR 10.3 per share. In accordance with the prospectus, any parts of the shares resulting from the allotment will be accumulated and paid by the Company. These shares will be subsequently sold when the Company's shares are traded in the Doha Securities Market. As of the balance sheet date, the Company was still in possession of these shares

### **10. Statutory Reserve**

In accordance with Companies' Law No. 5 of 2002, 10% of the net profits is required to be transferred to statutory reserve. The transfer to statutory reserve may cease when the reserve equals 50% of the paid up share capital. This reserve is not available for distribution except in the manner stipulated in the Companies' Law.

### **11. Employees' End Of Service Benefits**

## **QATAR OMAN INVESTMENT Co. (Q. S. C)**

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Movements in the provision recognized in the balance sheet are as follows:

	30 September 2008 <b>(QR)</b>
Provided during the period	<u>55,845.00</u>

### **12. Accounts Payable and Accruals**

	30 September 2008 <b>(QR)</b>
Trade accounts payable	90,001.00
Accrued expenses	<u>33,833.00</u>
<b>TOTAL</b>	<b>123,834.00</b>

### **13. Earnings Per Share**

Earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period.

	30 September 2008 <b>(QR)</b>
Profit for the period (QR)	<b>20,706,295.00</b>
Weighted average number of shares	<u><b>29,989,705</b></u>
Earnings per share	<u><u><b>0.69</b></u></u>

The weighted average number of shares excludes the treasury shares.