

**QATAR OMAN INVESTMENT COMPANY Q.S.C.  
DOHA - QATAR**

**INTERIM CONDENSED  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S  
REVIEW REPORT FOR THE  
SIX MONTH PERIOD ENDED  
JUNE 30, 2010**

**QATAR OMAN INVESTMENT COMPANY Q.S.C.**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
For the six month period ended June 30, 2010

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## INDEPENDENT AUDITOR'S REVIEW REPORT

**To the Board of Directors  
Qatar Oman Investment Company Q.S.C.  
Doha - Qatar**

### *Introduction*

We have reviewed the accompanying interim condensed financial statements of Qatar Oman Investment Company Q.S.C. ("the Company") which comprise the interim statement of financial position as at June 30, 2010, and the related interim statements of income and comprehensive income, changes in shareholders' equity and cash flows for the six month period then ended, and certain explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the International Accounting Standard: IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### *Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410: "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Basis for qualified opinion*

The Company did not obtain an independent valuation of the fair value of its investment property as at June 30, 2010 which has a carrying value of QR.38,274,833, as it is the management policy to obtain such valuation every two years. We were unable to obtain audit evidence in respect of the fair value of the property.

## **INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)**

### ***Conclusion***

Based on our review, except for the effect of the matter discussed above, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with the International Accounting Standard: IAS 34 "Interim Financial Reporting".

For **Deloitte & Touche**

**Midhat Salha**  
**License No. 257**  
**July .., 2010**

**QATAR OMAN INVESTMENT COMPANY Q.S.C**

**INTERIM STATEMENT OF FINANCIAL POSITION**

As at June 30, 2010

	<u>Notes</u>	<u>June 30, 2010 QR.</u>	<u>December 31, 2009 QR.</u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and bank balances	3	122,153,490	114,080,081
Prepayments and other debit balances		2,847,187	6,646,779
Financial assets at fair value through profit and loss – trading investments		<u>20,008,800</u>	<u>1,523,022</u>
		<u>145,009,477</u>	<u>122,249,882</u>
<b>Non-Current Assets:</b>			
Financial assets at fair value through other comprehensive income	4	135,939,929	158,014,535
Investment properties		38,274,833	38,274,833
Property and equipment		<u>137,418</u>	<u>160,226</u>
		<u>174,352,180</u>	<u>196,449,594</u>
<b>Total Assets</b>		<u>319,361,657</u>	<u>318,699,476</u>
<b>LIABILITIES AND SHAREHOLDERS'</b>			
<b>Current Liabilities:</b>			
Accruals and other credit balances		<u>3,536,075</u>	<u>920,668</u>
<b>Non-Current Liabilities:</b>			
Employees' end of service benefits		<u>170,025</u>	<u>137,268</u>
<b>Total Liabilities</b>		<u>3,706,100</u>	<u>1,057,936</u>
<b>Shareholders' Equity:</b>			
Capital	5	300,000,000	300,000,000
Treasury shares		(106,038)	(106,038)
Legal reserve		6,874,936	6,874,936
Fair value reserve		(20,951,512)	(21,563,488)
Proposed Dividends		--	15,000,000
Retained earnings		<u>29,838,171</u>	<u>17,436,130</u>
<b>Total Shareholders' Equity</b>		<u>315,655,557</u>	<u>317,641,540</u>
<b>Total Liabilities and Shareholders' Equity</b>		<u>319,361,657</u>	<u>318,699,476</u>

These interim condensed financial statements were approved by the Directors on August 15, 2010 and signed on their behalf by:

\_\_\_\_\_  
 Sheikh Abdulrahaman Bin Mohamed Bin Jabr Al Thani  
 Chairman

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 Naser Mohammed Al Mansori  
 Chief Executive Officer

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED  
 FINANCIAL STATEMENTS

**QATAR OMAN INVESTMENT COMPANY Q.S.C.****INTERIM STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

For the six month period ended June 30, 2010

	<b>Note</b>	<b>For the Six Month Period Ended June 30, 2010 (Reviewed) QR.</b>	<b>For the Six Month Period Ended June 30, 2009 (Reviewed) QR.</b>
<b>Revenue</b>			
Investment and interest income		<u>10,549,352</u>	<u>16,466,907</u>
<b>Gross Revenue</b>		<u>10,549,352</u>	<u>16,466,907</u>
<b>Expenses</b>			
General and administrative expenses		<u>(1,958,841)</u>	<u>(1,704,729)</u>
Depreciation		<u>(26,007)</u>	<u>(25,713)</u>
<b>Total expenses</b>		<u>(1,984,848)</u>	<u>(1,730,442)</u>
Other income		<u>111,227</u>	<u>148,786</u>
<b>Net profit for the period</b>		<u>8,675,731</u>	<u>14,885,251</u>
<b>Other comprehensive income</b>			
Profit realized from sale of financial assets at fair value through other comprehensive income		<u>3,726,310</u>	--
Change in fair value of financial assets at fair value through other comprehensive income		<u>611,976</u>	<u>(132,978)</u>
		<u>4,338,286</u>	<u>(132,978)</u>
<b>Total comprehensive income for the period</b>		<u>13,014,017</u>	<u>14,752,273</u>
<b>Earnings Per Share</b>	6	<u>0.289</u>	<u>0.496</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED  
FINANCIAL STATEMENTS

**QATAR OMNAN INVESTMENT COMPANY Q.S.C.**

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six month period ended June 30, 2010

	<u>Note</u>	<u>Capital</u>	<u>Treasury</u> <u>shares</u>	<u>Legal</u> <u>reserve</u>	<u>Fair value</u> <u>reserve</u>	<u>Proposed</u> <u>Dividends</u>	<u>Retained</u> <u>earnings</u>	<u>Total</u>
		QR.	QR.	QR.	QR.		QR.	QR.
<b>Balance at January 1, 2009 - (Audited)</b>		300,000,000	(106,038)	4,815,903	(35,797,579)	--	13,904,837	282,817,123
Total comprehensive income for the period		--	--	--	(132,978)	--	14,885,251	14,752,273
<b>Balance at June 30, 2009 - (Reviewed)</b>		<u>300,000,000</u>	<u>(106,038)</u>	<u>4,815,903</u>	<u>(35,930,557)</u>	--	<u>28,790,088</u>	<u>297,569,396</u>
<b>Balance at January 1, 2010 - (Audited)</b>		300,000,000	(106,038)	6,874,936	(21,563,488)	15,000,000	17,436,130	317,641,540
Total comprehensive income for the period		--	--	--	4,338,286	--	8,675,731	13,014,017
Profit realized from sale of financial investments at fair value through other comprehensive income		--	--	--	(3,726,310)	--	3,726,310	--
Dividends paid		--	--	--	--	(15,000,000)	--	(15,000,000)
<b>Balance at June 30, 2010 - (Reviewed)</b>		<u>300,000,000</u>	<u>(106,038)</u>	<u>6,874,936</u>	<u>(20,951,512)</u>	--	<u>29,838,171</u>	<u>315,655,557</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

**QATAR OMAN INVESTMENT COMPANY Q.S.C.**

**INTERIM STATEMENT OF CASH FLOWS**

For the month period ended June 30, 2010

	<b>For the Six Month Period Ended June 30, 2010 (Reviewed) QR.</b>	<b>For the Six Month Period Ended June 30, 2009 (Reviewed) QR.</b>
<b><u>Cash Flows from Operating Activities:</u></b>		
Net income for the period	8,675,731	14,885,251
Adjustments for:		
Depreciation of property and equipments	26,007	25,713
Employees' end of service benefits	32,757	32,355
Unrealized loss on revaluation of financial investments	1,615,880	--
Gain from sale of financial investments at fair value through other comprehensive income	--	(1,158,866)
Gain from sale of financial assets at fair value through profit and loss - trading investments	<u>(1,656,869)</u>	<u>(2,242,410)</u>
	<b>8,693,506</b>	11,542,043
Prepayments and other debit balances	<b>3,799,592</b>	1,149,683
Accruals and other credit balances	<b>2,615,407</b>	2,475,460
<b>Net Cash from Operating Activities</b>	<b><u>15,108,505</u></b>	<b><u>15,167,186</u></b>
 <b><u>Cash Flows from Investing Activities:</u></b>		
Purchase of financial investments at fair value through other comprehensive income	<b>(19,101,127)</b>	(37,896,886)
Proceeds from sale of financial investments at fair value through other comprehensive income	<b>45,514,021</b>	17,610,372
Purchase of property and equipments	<b>(3,199)</b>	--
Purchase of trading investments	<b>(36,970,920)</b>	(39,616,400)
Proceeds from sale of trading investments	<b>18,526,129</b>	40,163,810
<b>Net Cash from / (used in) Investing Activities</b>	<b><u>7,964,904</u></b>	<b><u>(19,739,104)</u></b>
 <b><u>Cash Flows from Financing Activities:</u></b>		
Dividends paid	<b>(15,000,000)</b>	--
<b>Net Cash used in Financing Activities</b>	<b><u>(15,000,000)</u></b>	<b><u>--</u></b>
 Net increase / (decrease) in cash and bank balances	<b>8,073,409</b>	(4,571,918)
Cash and bank balances - Beginning of the period	<b>114,080,081</b>	120,584,814
<b>Cash and Bank Balances - End of the Period</b>	<b><u>122,153,490</u></b>	<b><u>116,012,896</u></b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS



## **QATAR OMAN INVESTMENT COMPANY Q.S.C.**

### **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the month period ended June 30, 2010

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#### **1. GENERAL INFORMATION**

Qatar Oman Investment Company (“The Company”) is a Qatari Public Shareholding Company registered and incorporated in Qatar and engaged in investment activities in the State of Qatar and Sultanate of Oman. The Company is registered under the Commercial Registration under No. 33411.

The interim condensed financial statements were approved by the Board of Directors and authorized for issue on August 15, 2010.

#### **2. ACCOUNTING POLICIES**

These interim condensed financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2009, except for the adoption of certain revised / new standards and interpretations which are effective as of January 1, 2010. The adoption of these standards and interpretations had no significant effect on the financial statements other than certain presentation and disclosure changes. These interim condensed financial statements should be read in conjunction with the 2009 annual financial statements and notes attached thereto.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the six month period ended June 30, 2010 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2010.

#### **3. CASH AND BANK BALANCES**

	<b>June 30, 2010 (Reviewed) QR.</b>	<b>December 31, 2009 (Audited) QR.</b>
Petty cash	4,000	2,250
Current accounts	600,822	88,746
Call deposits	2,445,015	1,319,050
Fixed deposits	<u>119,103,653</u>	<u>112,670,035</u>
	<u><b>122,153,490</b></u>	<u><b>114,080,081</b></u>

**QATAR OMAN INVESTMENT COMPANY Q.S.C.**

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the month period ended June 30, 2010

**4. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<b>June 30, 2010 (Reviewed) QR.</b>	<b>December 31, 2009 (Audited) QR.</b>
Quoted shares	<b>100,785,339</b>	141,961,072
Unquoted shares	<b>35,154,590</b>	16,053,463
	<b><u>135,939,929</u></b>	<u>158,014,535</u>

**5. SHARE CAPITAL**

	<b>June 30, 2010 (Reviewed) QR.</b>	<b>December 31, 2009 (Audited) QR.</b>
Authorized and issued share capital: 30,000,000 shares with a value of QR.10 per share	<b><u>300,000,000</u></b>	<u>300,000,000</u>

**6. EARNINGS PER SHARE**

Earnings per share are calculated by dividing the net income for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	<b><u>For the six month period ended</u></b>	
	<b>June 30, 2010 (Reviewed) QR.</b>	<b>June 30, 2009 (Reviewed) QR.</b>
Net income for the period	<b>8,675,731</b>	14,885,251
Weighted average number of shares	<b><u>29,989,705</u></b>	<u>29,989,705</u>
Earnings per share	<b><u>0.289</u></b>	<u>0.496</u>

**QATAR OMAN INVESTMENT COMPANY Q.S.C.**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the month period ended June 30, 2010

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**7. RELATED PARTIES TRANSACTIONS**

These represent transactions with related parties, such as the major shareholders, senior management of the Company and the companies of which they are the principal owners.

The remuneration of directors and other members of key management during the period was as follows:

	<b>For the six month period ended</b>	
	<b>June 30, 2010 (Reviewed)</b>	June 30, 2009 (Reviewed)
	<b>QR.</b>	QR.
Short term benefits	<b><u>432,000</u></b>	<u>432,000</u>