QATAR OMAN INVESTMENT COMPANY Q.S.C.

DOHA - QATAR

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2013

QATAR OMAN INVESTMENT COMPANY Q.S.C.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended December 31, 2013

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INDEPENDENT AUDITOR'S REPORT

The Shareholders
Qatar Oman Investment Company Q.S.C.
Doha - Qatar

Report on the Financial Statements

We have audited the accompanying financial statements of Qatar Oman Investment Company Q.S.C. ("the Company"), which comprise the statement of financial position as at December 31, 2013 and the statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the applicable Qatar Commercial Companies Law provisions, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Qatar Oman Investment Company Q.S.C. as of December 31, 2013 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Legal and Regulatory Requirements

We are also of the opinion that proper books of account were maintained by the Company and the contents of the directors' report are in agreement with the Company's financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the Commercial Companies Law No. 5 of 2002 and the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

Doha – Qatar
February 26, 2014

For **Deloitte & Touche**
Qatar Branch

Samer Jaghoub
Managing Partner – Qatar
License No. 88

QATAR OMAN INVESTMENT COMPANY Q.S.C.

STATEMENT OF FINANCIAL POSITION

As at December 31, 2013

	Notes	**2013**	2012
		QR.	QR.
ASSETS			
Current assets			
Cash and bank balances	5	**101,715,560**	111,540,429
Prepayments and other debit balances	6	**559,266**	372,560
Financial assets carried at fair value through profit and loss		**27,827,027**	3,509,800
		130,101,853	115,422,789
Non-current assets			
Financial assets carried at fair value through other comprehensive income	7	**173,916,433**	173,905,571
Investment property	8	**42,000,000**	39,141,383
Property and equipment	9	**279,450**	406,543
		216,195,883	213,453,947
Total assets		**346,297,736**	328,876,286
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Accruals and other credit balances	10	**11,641,337**	9,968,443
Non-current liabilities			
Employees' end of service benefits	11	**742,826**	595,944
Total liabilities		**12,384,163**	10,564,387
Shareholders' equity			
Capital	12	**315,000,000**	315,000,000
Legal reserve	13	**13,568,540**	11,585,469
Fair value reserve		**(16,813,969)**	(27,494,430)
Proposed dividends	14	**18,900,000**	15,750,000
Retained earnings		**3,259,002**	3,470,860
Total shareholders' equity		**333,913,573**	318,311,899
Total liabilities and shareholders' equity		**346,297,736**	328,876,286

These financial statements were approved by the Directors on February 26, 2014 and signed on their behalf by:

Sheikh Abdulrahaman Bin Mohamed Bin Jabr Al Thani
Chairman

Naser Mohammed Al Khaldi
Chief Executive Officer

QATAR OMAN INVESTMENT COMPANY Q.S.C.

STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2013

	Notes	2013	2012
		QR.	QR.
Investment and interest income	15	**23,432,332**	23,322,367
Gain on change in fair value of investment property		**2,858,617**	866,550
		26,290,949	24,188,917
General and administrative expenses	16	**(5,628,354)**	(5,042,059)
Depreciation	9	**(148,157)**	(193,231)
Total expenses		**(5,776,511)**	(5,235,290)
Other income		**516,276**	795,424
Board of Directors' remunerations	10	**(1,200,000)**	(960,000)
Profit for the year		**19,830,714**	18,789,051
Basic and Diluted earnings per share	17	**0.629**	0.596

QATAR OMAN INVESTMENT COMPANY Q.S.C.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2013

	2013	2012
	QR.	QR.
Profit for the year	**19,830,714**	18,789,051
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
Change in fair value reserve (Note 7)	**12,016,728**	(7, 135,921)
Total comprehensive income for the year	**31,847,442**	11,653,130

QATAR OMAN INVESTMENT COMPANY Q.S.C.

STATEMENTS OF CHANGES IN EQUITY
For the year ended December 31, 2013

	Capital	Treasury shares	Legal reserve	Fair value reserve	Proposed dividends	Retained earnings	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance at January 1, 2012	315,000,000	(106,038)	9,706,564	(19,812,906)	15,750,000	2,234,837	322,772,457
Total comprehensive (loss) /income for the year	--	--	--	(7,135,921)	--	18,789,051	11,653,130
Transfer to legal reserve	--	--	1,878,905	--	--	(1,878,905)	--
Dividends	--	--	--	--	(15,750,000)	--	(15,750,000)
Realized gains on FVTOCI investments recycled to retained earnings	--	--	--	(545,603)	--	545,603	--
Social and sports activities support fund contribution *	--	--	--	--	--	(469,726)	(469,726)
Proposed dividends	--	--	--	--	15,750,000	(15,750,000)	--
Treasury shares held	--	106,038	--	--	--	--	106,038
Balance at January 1, 2013	315,000,000	--	11,585,469	(27,494,430)	15,750,000	3,470,860	318,311,899
Total comprehensive income for the year	--	--	--	12,016,728	--	19,830,714	31,847,442
Transfer to legal reserve	--	--	1,983,071		--	(1,983,071)	--
Dividend paid	--	--	--	--	(15,750,000)	--	(15,750,000)
Realized gains on FVTOCI investments recycled to retained earnings	--	--	--	(1,336,267)	--	1,336,267	--
Social and sports activities support fund contribution *	--	--	--	--	--	(495,768)	(495,768)
Proposed dividends	--	--	--	--	18,900,000	(18,900,000)	--
Balance at December 31, 2013	**315,000,000**	**--**	**13,568,540**	**(16,813,969)**	**18,900,000**	**3,259,002**	**333,913,573**

* Pursuant to Law No. 13 of 2008 and further clarification of the Law issued in 2010, the Company made appropriation of QR. 495,768 (2012: QR. 469,726) from retained earnings for its contribution to the Social and Sports Activities. This amount represents 2.5% of the net profit for the year ended 2013.

QATAR OMAN INVESTMENT COMPANY Q.S.C.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2013

	Note	2013	2012
		QR.	QR.
OPERATING ACTIVITIES			
Profit for the year		**19,830,714**	18,789,051
Adjustments for:			
Depreciation of property and equipment		**148,157**	193,231
Interest income		**(892,464)**	(1,425,933)
Revaluation of investment property		**(2,858,617)**	(866,550)
Employees' end of service benefits		**146,882**	178,357
Unrealized (gain) / loss on revaluation of financial assets carried at fair value through profit and loss		**(215,572)**	638,005
Gain on treasury shares		**--**	(241,045)
Gain on sale of financial assets carried at fair value through profit or loss		**(6,771,203)**	(11,182,304)
		9,387,897	6,082,812
Movement in working capital:			
Prepayments and other debit balances		**(186,706)**	65,520,032
Accruals and other credit balances		**1,177,126**	2,624,478
Purchase of FVTOCI investments		**(63,168,860)**	(105,352,692)
Proceeds from sale of FVTOCI investments		**75,174,726**	42,374,588
Purchase of financial assets carried at fair value through profit or loss		**(176,063,289)**	(144,946,200)
Proceeds from sale of financial assets carried at fair value through profit or loss		**158,732,837**	166,869,400
Net cash flow from operating activities		**5,053,731**	33,172,418
INVESTING ACTIVITIES			
Purchase of property and equipment		**(21,064)**	(24,993)
Interest received		**892,464**	1,425,933
Net cash from investing activities		**871,400**	1,400,940
FINANCING ACTIVITIES			
Dividend paid		**(15,750,000)**	(15,750,000)
Proceeds from sale of treasury shares		**--**	346,876
Net cash used in financing activities		**(15,750,000)**	(15,403,124)
Net (decrease) / increase in cash and cash equivalents		**(9,824,869)**	19,170,234
Cash and cash equivalents at the beginning of the year		**111,540,429**	92,370,195
Cash and cash equivalents at the end of the year	**5**	**101,715,560**	111,540,429

١.INCORPORATION AND ACTIVITIES

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

The financial statements were approved by the Board of Directors and authorized for issue on February 26, 2014.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRSs affecting amounts reported in the financial statements

The following are the new and revised IFRSs that were effective in the current year and have been applied in the preparation of these financial statements:

(i) <u>New Standards</u>

Effective for annual periods beginning on or after January 1, 2013

- IFRS 10* — *Consolidated Financial Statements*
- IFRS 11* — *Joint Arrangements*
- IFRS 12* — *Disclosure of Interests in Other Entities*
- IFRS 13 — *Fair Value Measurement*

(ii) <u>Revised Standards</u>

Effective for annual periods beginning on or after July 1, 2012

- IAS 1 (Revised) — *Presentation of Financial Statements - Amendments to introduce new terminology for the income statement and other comprehensive income*

Effective for annual periods beginning on or after January 1, 2013

- IFRS 1 (Revised) — *First Time Adoption of International Financial Reporting Standards – Amendments to allow prospective application of IAS 39 or IFRS 9 and paragraph 10A of IAS 20 to government loans outstanding at the date of transition to IFRS.*
- IFRS 7 (Revised) — *Financial Instruments Disclosures - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities.*
- IAS 19 (Revised) — *Employee Benefits - Amended Standard to change the accounting for defined benefit plans and termination benefits*
- IAS 27 (Revised)* — *Consolidated and Separate Financial Statements (Early adoption allowed) - Reissued as IAS 27 Separate Financial Statements.*
- IAS 28 (Revised)* — *Investments in Associates (Early adoption allowed) -Reissued as IAS 28 Investments in Associates and Joint Ventures.*
- IFRS 10, 11 and 12 amendments* — *Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.*
- Annual improvements to IFRSs 2009-2011 cycle — *Amendments to issue clarifications on five IFRSs- IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34.*

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

* In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011). These five standards are effective for annual periods beginning on or after January 1, 2013. Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

(iii) <u>New Interpretation:</u>

Effective for annual periods beginning on or after January 1, 2013

- IFRIC 20 — *Stripping Costs in the Production Phase of a Surface Mine*

The adoption of these new and revised standards had no significant effect on the financial statements of the Company for the year ended December 31, 2013, other than certain presentation and disclosure changes.

2.2 New and revised IFRSs in issue but not yet effective (Early adoption allowed)

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

(i) <u>Revised Standards:</u>

Effective for annual periods beginning on or after January 1, 2014

- IAS 32 (Revised) — *Financial Instruments: Presentation – Amendments to clarify existing application issues relating to the offsetting requirements.*
- IFRS 10, 12 and IAS 27 (Revised) — *Amendments to introduce an exception from the requirement to consolidate subsidiaries for an investment entity.*
- IAS 36 (Revised) — *Amendments arising from recoverable amount disclosures for non-financial assets.*
- IAS 39 (Revised) — *Amends IAS 39 Financial Instruments: Recognition and Measurement to make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.*

Effective for annual periods beginning on or after January 1, 2017

- IFRS 7 (Revised) — *Financial Instruments Disclosures - Amendments requiring disclosures about the initial application of IFRS 9*

Effective for annual periods beginning on or after July 1, 2014

- IAS 19 (Revised) — *Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.*
- Annual improvements to IFRSs 2010-2012 cycle — *Amendments to issue clarifications on IFRSs- IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 38 and IAS 24.*
- Annual Improvements 2011-2013 Cycle — *Amendments to issue clarifications on IFRSs- IFRS 1, IFRS 3, IFRS 13and IAS 40.*

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective (Early adoption allowed)

(ii) New Interpretation:

Effective for annual periods beginning on or after January 1, 2014

- IFRIC 21 *Levies*

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company in the period of initial application, other than certain presentation and disclosure changes.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and applicable provisions of Qatar Commercial Company Law.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for investment property and investments, which have been measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique (Note 20).

These financial statements are presented in Qatari Riyals (QR), which is the Company's functional and reporting currency. The principal accounting policies are set out below.

Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL), which are initially measured at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Financial assets carried at fair value through profit and loss

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) at initial recognition as described below.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in investment income (note 15) in the profit or loss statement. Fair value of financial assets at FVTPL in an organized financial market is determined by reference to best quoted market bid prices at the close of business at the reporting date.

Financial assets carried at fair value through other comprehensive income

At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through other comprehensive income (“FVTOCI”). Designation at FVTOCI is not permitted if the equity investment is held for trading.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company’s right to receive the dividends is established in accordance with IAS 18 Revenue, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends earned are recognised in profit or loss and are included in the ‘investment income’.

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned.

Trade payables

Trade payables are initially measured for the amount to be paid for received goods and services whether billed by the suppliers or not.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

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

Office equipment	20%
Furniture	20%
Computer software	20%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in the statement of profit or loss in the period in which they arise.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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

A provision is made for employees end of service benefits which is payable on completion of employment. The provision is calculated in accordance with Qatari Labour Law based on employees' salaries and accumulated periods of service.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Dividend and interest revenue
Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income
Rental income from investment property is recognised in the statement of profit or loss on a straight-line basis over the term of the lease.

Translation of foreign currencies
Foreign currency transactions are translated into Qatari Riyals using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the statement of profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets are included in the fair value reserve in equity.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits with the Banks with an original maturity of three months or less.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies
The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Classification of investments

Management decides on the acquisition of an investment whether to classify it as available for sale or financial assets at fair value through profit or loss. The Company classifies investments as financial assets at fair value through profit or loss if the investment is classified as held for trading and upon initial recognition it is designated by the Company as at fair value through profit or loss. All other investments are classified as fair value through other comprehensive income.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of tangible and intangible assets and useful lives

The Company's management tests annually whether tangible and intangible assets have suffered impairment in accordance with accounting policies stated in note 3. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates. The Company's management determines the useful lives and related depreciation charge. The depreciation charge for the year will change significantly if actual life is different from the estimated useful life of the asset.

Fair value of investment properties

In estimating the fair value of investment properties for the purpose of applying the fair value model under IAS 40, management obtains one or more valuation reports for independent valuation professionals, which reports are prepared by reference to market evidence of transaction process for similar properties and/or discounted cash flow coupled with and other evidence. Arriving at the fair value is a highly subjective process which requires the significant use of judgments, estimates and assumptions.

5. CASH AND BANK BALANCES

	2013	2012
	QR.	QR.
Petty cash	**5,000**	3,543
Current accounts	**7,502,654**	16,835,157
Call deposits	**70,481,450**	35,457,407
Term deposits*	**23,726,456**	59,244,322
	101,715,560	111,540,429

*Term deposits carry interest at an annual rate of 1.75% (2012: 1.75-2.5%) with an original maturity of 3 months or less.

6. PREPAYMENTS AND OTHER DEBIT BALANCES

	2013	2012
	QR.	QR.
Dalala brokerage company	**104,462**	104,492
Staff's furniture allowance	**120,000**	120,000
Accrued interest income	**57,588**	83,218
Others	**277,216**	64,850
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7. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

At December 31, investments held at FVTOCI comprised the following:

	2013	2012
	QR.	QR.
Quoted shares	**94,811,627**	126,709,540
Un-quoted shares	**79,104,806**	47,196,031
	173,916,433	173,905,571

Investments held at FVTOCI include an amount of QR 23.71 million (2012: QR 21.69 million) which represent the fair value of investments denominated in foreign currencies.

The movement in FVTOCI investments during the year was as follows:

	2013	2012
	QR.	QR.
At January 1,	**173,905,571**	118,177,547
Additions	**63,168,860**	105,352,692
Disposals	**(73,838,459)**	(41,943,144)
Changes in fair value	**12,016,728**	(7,135,921)
Realized gains on FVTOCI investments recycled to retained earnings	**(1,336,267)**	(545,603)
	173,916,433	173,905,571

8. INVESTMENT PROPERTY

	2013	2012
	QR.	QR.
At fair value		
At December 31,	**42,000,000**	39,141,383

9. PROPERTY AND EQUIPMENT

	Leasehold improvements	Office equipment	Furniture	Computer software	Total
	QR.	QR.	QR.	QR.	QR.
Cost:					
At January 1, 2012	531,028	148,918	85,543	173,530	939,019
Additions	--	7,299	--	17,694	24,993
At December 31, 2012	531,028	156,217	85,543	191,224	964,012
Additions	--	--	21,064	--	21,064
At December 31, 2013	**531,028**	**156,217**	**106,607**	**191,224**	**985,076**
Accumulated Depreciation:					
At January 1, 2012	128,622	74,650	27,523	133,443	364,238
Change for the year	106,497	31,265	17,155	38,314	193,231
At December 31, 2012	235,119	105,915	44,678	171,757	557,469
Change for the year	106,204	16,215	19,274	6,464	148,157
At December 31, 2013	**341,323**	**122,130**	**63,952**	**178,221**	**705,626**
Carrying value:					
At December 31, 2013	**189,705**	**34,087**	**42,655**	**13,003**	**279,450**
At December 31, 2012	295,909	50,302	40,865	19,467	406,543

10. ACCRUALS AND OTHER CREDIT BALANCES

	2013	2012
	QR.	QR.
Trade account payables	**5,702**	13,974
Dividends payable	**9,304,375**	7,980,344
Accrued Board of Directors remuneration *	**1,200,000**	960,000
Accruals and other credit balances	**1,131,260**	1,014,125
	11,641,337	9,968,443

* This amount represents a provision against Board of Directors remuneration. The Provision is subject to the approval of the shareholders and to any other approvals as deemed necessary.

11. EMPLOYEES' END OF SERVICE BENEFITS

	2013	2012
	QR.	QR.
At January 1,	**595,944**	417,587
Provided during the year	**146,882**	178,357
At December 31,	**742,826**	595,944

12. SHARE CAPITAL

	2013	2012
	QR.	QR.
Authorized, issued and fully paid share capital: 31,500,000 shares (2012: 31,500,000) with a value of QR.10 per share	**315,000,000**	315,000,000

13. LEGAL RESERVE

As required by the Qatari Commercial Companies Law and the Company's Articles of Association, 10% of the profit for the year is to be transferred to the statutory reserve until the reserve reaches a minimum of 50% of the paid up share capital. This reserve is not available for distribution.

14. PROPOSED DIVIDENDS

The Board of Directors resolved in its meeting held on February 26, 2014 to propose a cash dividend of 6% (2012: 5%) of the paid up capital, amounting to QR. 18,900,000 (2012: QR. 15,750,000). This proposal is subject to the Company's General Assembly's approval.

15. INVESTMENT AND INTEREST INCOME

	2013	2012
	QR.	QR.
Gain from sale of financial assets carried at fair value through profit or loss	**6,771,203**	11,182,304
Unrealized gain / (loss) on financial assets carried at fair value through profit or loss	**215,572**	(638,005)
Dividend income	**12,926,288**	9,038,323
Interest income	**892,464**	1,425,933
Rental income from investment property	**2,626,805**	2,313,812
	23,432,332	23,322,367

16. GENERAL AND ADMINISTRATIVE EXPENSES

	2013	2012
	QR.	QR.
Staff costs	**3,128,210**	2,905,951
Qatar Exchange fees	**242,000**	242,000
Rent	**601,250**	585,000
Board of Directors allowance	**263,000**	210,000
Legal and professional fees	**150,500**	85,500
Maintenance	**329,742**	307,553
Travel and transportation	**299,717**	160,722
Hospitality expenses	**43,624**	57,206
Advertisement expenses	**262,917**	127,918
End of service benefits	**146,882**	178,357
Governmental fees	**36,550**	37,778
Other expenses	**123,962**	144,074
	5,628,354	5,042,059

17. BASIC AND DILUTED EARNINGS PER SHARE

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

	2013	2012
Net profit for the year (QR.)	**19,830,714**	18,789,051
Weighted average number of shares	**31,500,000**	31,500,000
Basic and diluted earnings per share (QR.)	**0.629**	0.596

18. RELATED PARTIES TRANSACTIONS

Related parties represent the shareholders, directors and key management personnel of the Company and companies controlled, jointly controlled or significantly influenced by those parties

The remuneration of the Board of Directors and other members of key management during the period were as follows:

	2013	2012
	QR	QR
Short-term benefits	**2,424,000**	2,184,000
Long term benefits	**80,000**	74,889
	2,504,000	2,258,889

19. SEGMENT ANALYSIS

The Company operates mainly in two business segments that is, investments in securities and investment property. Balances and transactions related to these two segments are separately reflected in the financial statements.

The Company mainly operates in Qatar with investments in securities in the Sultanate of Oman. Such investments are separately disclosed in Note 7 to the financial statements.

20. FINANCIAL INVESTMENTS FAIR VALUES

The fair values of the financial assets and liabilities, with the exception of certain financial assets carried at carried at cost through other comprehensive income, are not materially different from their carrying values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

December 31, 2013	**Level 1** **QR.**	**Level ٢** **QR.**	**Level ٣** **QR.**	**Total** **QR.**
Financial assets carried at fair value through other comprehensive income	**94,811,627**	**--**	**79,104,826**	**173,916,433**
Financial assets carried at fair value through profit and loss	**27,827,027**	**--**	**--**	**27,827,027**
Total	**122,638,654**	**--**	**79,104,826**	**201,743,460**

20. FINANCIAL INVESTMENTS FAIR VALUES (CONTINUED)

December 31, 2012	Level 1 QR.	Level ٢ QR.	Level ٣ QR.	Total QR.
Financial assets carried at fair value through other comprehensive income	126,709,540	--	47,196,031	173,905,571
Financial assets carried at fair value through profit and loss	3,509,800	--	--	3,509,800
Total	130,219,340	--	47,196,031	177,415,371

During the year ended December 31, 2013, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameter.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		**Assets**	
	2013	2012	**2013**	2012
	QR	QR	**QR**	QR
Omani Riyal	--	--	**90,316,957**	66,394,746

Interest rate risk management

The Company is not exposed to interest rate risk on its interest bearing bank deposits as all these deposits carry fixed rates.

Credit risk

The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. With respect to credit risk arising from the other financial assets of the Company, including bank balances and cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk management (Continued)

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.