

Qatar Oman Investment Company Q.S.C

FINANCIAL STATEMENTS

31 DECEMBER 2015

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QATAR OMAN INVESTMENT COMPANY Q.S.C

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 31 December 2015 and the statement of profit or loss, statement of comprehensive income, statement of cash flows and statement changes in equity 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 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.

Auditors' 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 about 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 auditors' judgement, 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 financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Legal and Other Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Company and the financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Company. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material effect on the business of the Company or on its financial position.

Ziad Nader
Of Ernst & Young
Auditor's Registration No. 258

Date: 24 January 2016
Doha

Qatar Oman Investment Company Q.S.C.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	<i>Notes</i>	2015 QR	2014 QR
ASSETS			
Non-current assets			
Property and equipment	3	15,973	165,198
Investment property	4	47,000,000	46,000,000
Investment in an associate	5	18,904,756	-
Financial assets at fair value through other comprehensive income	6	<u>207,753,775</u>	<u>217,498,919</u>
		273,674,504	263,664,117
Currents assets			
Financial assets at fair value through profit or loss	6	3,037,800	48,795,500
Trade and other receivables	7	419,340	533,759
Cash and bank balances	8	<u>66,830,428</u>	<u>65,385,911</u>
		70,287,568	114,715,170
TOTAL ASSETS		<u>343,962,072</u>	<u>378,379,287</u>
LIABILITIES AND EQUITY			
Liabilities			
Non-current liability			
Employees' end of service benefits	9	<u>954,660</u>	<u>920,315</u>
Current liability			
Trade and other payables	10	<u>11,579,791</u>	<u>13,410,325</u>
Total liabilities		<u>12,534,451</u>	<u>14,330,640</u>
Equity			
Share capital	11	315,000,000	315,000,000
Legal reserve	12	18,001,203	16,167,097
Fair value reserve		(37,702,266)	(19,913,564)
Proposed dividends	13	18,900,000	25,200,000
Retained earnings		<u>17,228,684</u>	<u>27,595,114</u>
Total equity		<u>331,427,621</u>	<u>364,048,647</u>
TOTAL LIABILITIES AND EQUITY		<u>343,962,072</u>	<u>378,379,287</u>

Sheikh Abdul Rahaman Bin Jabr Al Thani
Chairman

Naser Mohamed Al Khaldi
Chief Executive Officer

The attached notes 1 to 22 form part of these financial statements.

Qatar Oman Investment Company Q.S.C.

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

	<i>Notes</i>	2015 QR	2014 QR
Net income from financial investments	14	21,201,635	27,094,077
Fair value gain on revaluation of investment property	4	1,000,000	4,000,000
Rental income from investment property	4	2,879,533	2,654,533
		25,081,168	33,748,610
General and administrative expenses	15	(5,668,175)	(6,740,645)
Depreciation	3	(149,225)	(150,673)
		(5,817,400)	(6,891,318)
Other income		277,296	728,282
Board of directors' remunerations	17	(1,200,000)	(1,600,000)
PROFIT FOR THE YEAR		18,341,064	25,985,574
Basic and diluted earnings per share	16	0.582	0.825

The attached notes 1 to 22 form part of these financial statements.

Qatar Oman Investment Company Q.S.C.

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
PROFIT FOR THE YEAR	<u>18,341,064</u>	<u>25,985,574</u>
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Unrealized loss from fair valuation of financial investments carried at fair value through other comprehensive income	(17,788,702)	(3,099,596)
Realized (loss) /gain from sale of financial investments carried at fair value through other comprehensive income	<u>(7,514,861)</u>	<u>26,798,735</u>
Net other comprehensive (loss) /income to be reclassified to profit or loss in subsequent periods	(25,303,563)	23,699,139
<i>Items not to be reclassified to profit or loss in subsequent periods</i>	<u>-</u>	<u>-</u>
Total other comprehensive (loss) /income for the year	<u>(25,303,563)</u>	<u>23,699,139</u>
TOTAL COMPREHENSIVE (LOSS) /INCOME FOR THE YEAR	<u>(6,962,499)</u>	<u>49,684,713</u>

The attached notes 1 to 22 form part of these financial statements.

Qatar Oman Investment Company Q.S.C.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	<i>Share capital QR</i>	<i>Legal reserve QR</i>	<i>Fair value reserve QR</i>	<i>Proposed dividends QR</i>	<i>Retained earnings QR</i>	<i>Total QR</i>
Balance at 1 January 2015	315,000,000	16,167,097	(19,913,564)	25,200,000	27,595,114	364,048,647
Profit for the year	-	-	-	-	18,341,064	18,341,064
Other comprehensive loss	-	-	(25,303,563)	-	-	(25,303,563)
Total comprehensive loss for the year	-	-	(25,303,563)	-	18,341,064	(6,962,499)
Transfer to legal reserve	-	1,834,106	-	-	(1,834,106)	-
Dividend paid (Note 13)	-	-	-	(25,200,000)	-	(25,200,000)
Realized loss on FVTOCI investments recycled to retained earnings	-	-	7,514,861	-	(7,514,861)	-
Social and sports activities support fund contribution	-	-	-	-	(458,527)	(458,527)
Proposed dividends	-	-	-	18,900,000	(18,900,000)	-
Balance at 31 December 2015	<u>315,000,000</u>	<u>18,001,203</u>	<u>(37,702,266)</u>	<u>18,900,000</u>	<u>17,228,684</u>	<u>331,427,621</u>

Pursuant to Law No. 13 of 2008 and further clarification of the Law issued in 2010, the Company made appropriation of QR 458,527 (2014 : QR 649,639) from retained earnings for its contribution to Social and Sports activities. This amount represents 2.5% of the net profit for the year ended 2015.

The attached notes 1 to 22 form part of these financial statements.

Qatar Oman Investment Company Q.S.C.

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2015

	<i>Share capital QR</i>	<i>Legal reserve QR</i>	<i>Fair value reserve QR</i>	<i>Proposed dividends QR</i>	<i>Retained earnings QR</i>	<i>Total QR</i>
Balance at 1 January 2014	315,000,000	13,568,540	(16,813,969)	18,900,000	3,259,002	333,913,573
Profit for the year	-	-	-	-	25,985,574	25,985,574
Other comprehensive income	-	-	23,699,139	-	-	23,699,139
Total comprehensive income for the year	-	-	23,699,139	-	25,985,574	49,684,713
Transfer to legal reserve	-	2,598,557	-	-	(2,598,557)	-
Dividend paid (Note 13)	-	-	-	(18,900,000)	-	(18,900,000)
Realized gains on FVTOCI investments recycled to retained earnings	-	-	(26,798,734)	-	26,798,734	-
Social and sports activities support fund contribution	-	-	-	-	(649,639)	(649,639)
Proposed dividends	-	-	-	25,200,000	(25,200,000)	-
Balance at 31 December 2014	<u>315,000,000</u>	<u>16,167,097</u>	<u>(19,913,564)</u>	<u>25,200,000</u>	<u>27,595,114</u>	<u>364,048,647</u>

The attached notes 1 to 22 form part of these financial statements.

Qatar Oman Investment Company Q.S.C.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	<i>Notes</i>	2015 QR	2014 QR
OPERATING ACTIVITIES			
Profit for the year		18,341,064	25,985,574
Adjustments for:			
Depreciation of property and equipment	3	149,225	150,673
Interest income	14	(827,312)	(772,424)
Revaluation gain of investment property		(1,000,000)	(4,000,000)
Employees' end of service benefits		133,939	177,489
Unrealized (loss) /gain on valuation of financial assets at fair value through profit and loss		253,822	(2,237,653)
Gain on sale of financial assets carried at fair value through profit or loss		(8,326,811)	(13,140,021)
		8,723,927	6,163,638
Movement in working capital:			
Trade and other receivables	7	114,419	(63,932)
Trade and other payables	10	(2,289,061)	1,208,788
Purchase of financial assets at fair value through other comprehensive income		(33,512,745)	(156,431,768)
Proceeds from sale of financial assets at fair value through other comprehensive income		17,954,326	136,548,419
Purchase of financial assets at fair value through profit or loss		(52,373,106)	(174,890,158)
Proceeds from sale of financial assets at fair value through profit or loss		106,203,795	169,299,361
Purchase of investment in associate		(18,904,756)	-
End of service benefits paid		(99,594)	-
Net cash flow from/(used in) operating activities		25,817,205	(18,165,652)
INVESTING ACTIVITIES			
Interest received	14	827,312	772,424
Purchase of property and equipment		-	(36,421)
Net cash flows from investing activities		827,312	736,003
FINANCING ACTIVITY			
Dividend paid		(25,200,000)	(18,900,000)
Net cash flows used in financing activity		(25,200,000)	(18,900,000)
Net decrease in cash and cash equivalents		1,444,517	(36,329,649)
Cash and cash equivalents at the beginning of the year		65,385,911	101,715,560
Cash and cash equivalents at the end of the year	8	66,830,428	65,385,911

The attached notes 1 to 22 form part of these financial statements.

1 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 24 January 2016.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and applicable provisions of Qatar Commercial Company Law.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for investment property and quoted 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 19).

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.

2.3 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) interpretations effective as of 1 January 2015.

Defined Benefit Plans

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Company, since none of the entities within the Company has defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2015, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Company.

Annual Improvements 2011-2014 Cycle

In the 2011-2014 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2015, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity’s first IFRS financial statements. This amendment to IFRS 1 has no impact on the Company, since the Company is an existing IFRS preparer.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 IASB Standards and interpretations in issue but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

<i>Standard/Interpretation</i>	<i>Content</i>	<i>Effective date</i>
IAS 27	Equity Method in Separate Financial Statements (Amendments) Clarification of Acceptable Methods of Depreciation and	1 January 2016
IAS 16 and IAS 38	Amortisation (Amendments)	1 January 2016
IAS 16 and IAS 41	Agriculture: Bearer Plants (Amendments)	1 January 2016
IFRS 11	Joint Arrangements: Accounting for Acquisitions of Interests (Amendments)	1 January 2016
IFRS 14	Regulatory deferral accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017

Early adoption of a new standard

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company plans to adopt the new standard on the required effective date. During 2015, the Company has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Company in the future. Overall, the Company expects no significant impact on its balance sheet and equity except for the effect of applying the impairment requirements of IFRS 9. The Company expects a higher loss allowance resulting in a negative impact on equity and will perform a detailed assessment in the future to determine the extent.

(a) Classification and measurement

The Company does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as available-for-sale with gains and losses recorded in OCI will be measured at fair value through profit or loss instead, which will increase volatility in recorded profit or loss. The AFS reserve currently in accumulated OCI will be reclassified to opening retained earnings. Debt securities are expected to be measured at fair value through OCI under IFRS 9 as the Company expects not only to hold the assets to collect contractual cash flows but also to sell a significant amount on a relatively frequent basis.

The equity shares in non-listed companies are intended to be held for the foreseeable future. The Company expects to apply the option to present fair value changes in OCI, and, therefore, believes the application of IFRS 9 would not have a significant impact. If the Company were not to apply that option, the shares would be held at fair value through profit or loss, which would increase the volatility of recorded profit or loss.

2.5 Summary of significant accounting policies

Financial assets

Financial assets carried at fair value through profit and loss

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.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets carried at fair value through profit and loss (continued)

Investments in equity instruments are classified as at fair value through profit or loss, 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 fair value through profit or loss 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 14) in the profit or loss statement. Fair value of financial assets at fair value through profit or loss 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 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 recognized 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 recognized in profit or loss and are included in the 'investment income'.

All financial assets are recognized and derecognized 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.

Accounts payable and accruals

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

Property and equipment

Property and equipment are 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 the assets.

The carrying amounts of property and equipment 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 a property 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 and equipment. All other expenditure is recognised in the income statement as the expense is incurred.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Property and equipment (continued)

During 2015, management has revised the useful lives of the property and equipment to be as follows:

Lease holding improvements and office equipment	33.3%
Furniture	33.3%
Computer software	33.3%

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.

Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Revenue Recognition

Dividend and interest

Dividend income from investments is recognized 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 recognized in the statement of profit or loss on a straight-line basis over the term of the lease.

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 reporting date. All differences are taken to the income statement.

Cash and cash equivalents

For the purpose of the statement of cash flows, bank balances consist of short-term deposits with an original maturity of three months or less and bank balances, net of outstanding bank overdrafts, if any.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Qatar Oman Investment Company Q.S.C.

NOTES TO FINANCIAL STATEMENTS

At 31 December 2015

3 PROPERTY AND EQUIPMENT

	<i>Leasehold improvements QR</i>	<i>Office equipment QR</i>	<i>Furniture QR</i>	<i>Computer software QR</i>	<i>Total QR</i>
Cost					
At 1 January 2015	531,028	187,067	106,607	196,795	1,021,497
Disposals	<u>-</u>	<u>(22,000)</u>	<u>-</u>	<u>-</u>	<u>(22,000)</u>
At 31 December 2015	<u>531,028</u>	<u>165,067</u>	<u>106,607</u>	<u>196,795</u>	<u>999,497</u>
Accumulated depreciation					
At 1 January 2015	447,528	143,241	82,345	183,185	856,299
Charge for the year	83,500	31,196	23,368	11,161	149,225
Disposals	<u>-</u>	<u>(22,000)</u>	<u>-</u>	<u>-</u>	<u>(22,000)</u>
At 31 December 2015	<u>531,028</u>	<u>152,437</u>	<u>105,713</u>	<u>194,346</u>	<u>983,524</u>
Carrying value					
At 31 December 2015	<u>-</u>	<u>12,630</u>	<u>894</u>	<u>2,449</u>	<u>15,973</u>

Qatar Oman Investment Company Q.S.C.

NOTES TO FINANCIAL STATEMENTS

At 31 December 2015

3 PROPERTY AND EQUIPMENT (CONTINUED)

	<i>Leasehold improvements QR</i>	<i>Office equipment QR</i>	<i>Furniture QR</i>	<i>Computer software QR</i>	<i>Total QR</i>
Cost					
At 1 January 2014	531,028	156,217	106,607	191,224	985,076
Additions	<u>-</u>	<u>30,850</u>	<u>-</u>	<u>5,571</u>	<u>36,421</u>
At 31 December 2014	<u>531,028</u>	<u>187,067</u>	<u>106,607</u>	<u>196,795</u>	<u>1,021,497</u>
Accumulated depreciation					
At 1 January 2014	341,323	122,130	63,952	178,221	705,626
Charge for the year	<u>106,205</u>	<u>21,111</u>	<u>18,393</u>	<u>4,964</u>	<u>150,673</u>
At 31 December 2014	<u>447,528</u>	<u>143,241</u>	<u>82,345</u>	<u>183,185</u>	<u>856,299</u>
Carrying value					
At 31 December 2014	<u><u>83,500</u></u>	<u><u>43,826</u></u>	<u><u>24,262</u></u>	<u><u>13,610</u></u>	<u><u>165,198</u></u>

Qatar Oman Investment Company Q.S.C.

NOTES TO FINANCIAL STATEMENTS

At 31 December 2015

4 INVESTMENT PROPERTY

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
At fair value		
At 31 December	<u>47,000,000</u>	<u>46,000,000</u>

The Company's investment property consists of a residential property in Doha – Musheirib. The management has elected to value the investment property at fair value.

The fair value of investments in real estate based on valuations performed by independent valuers possessing relevant professional qualification, with recent experience in the location and category of the properties being fair valued at as of 31 December 2015 and 31 December 2014. The fair values have been determined based on recent transactions in the market, the independent valuers' knowledge and professional judgement.

Investment in real estate are located in the state of Qatar.

Rental income included in the statement of profit or loss from investing in real estate amounted to QR 2,879,533 (2014: QR 2,654,533)

The Company has assessed that the highest and best use of its property does not differ from its current use.

The Company's investment in real estate is not subject to any other charge, pledge or restriction on transfer of title.

Reconciliation of fair value

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
As at 1 January	46,000,000	42,000,000
Revaluation recognised in profit or loss	<u>1,000,000</u>	<u>4,000,000</u>
As at 31 December	<u>47,000,000</u>	<u>46,000,000</u>

5 INVESTMENT IN AN ASSOCIATE

Investment in an associate represents investment in Muzn Oman Commercial project in the Sultanate of Oman.

The project is comprised of a mall along with a hotel and is currently under construction. On 23 March 2015, the board of directors of the company conducted a meeting and agreed to a 20% investment in Muzn Oman Commercial project amounting to QR 18,904,756 which was paid to Majan Development Company SAOC, the developing company of the project, on 18 May 2015.

Management has carried out its investment using the cost method, as the project is still under construction and no available recent financial statement was issued.

Qatar Oman Investment Company Q.S.C.

NOTES TO FINANCIAL STATEMENTS

At 31 December 2015

6 FINANCIAL INVESTMENTS

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
Financial assets at fair value through profit or loss	<u>3,037,800</u>	<u>48,795,500</u>
	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
Financial assets at fair value through OCI		
Quoted shares	<u>130,280,661</u>	138,394,113
Un-quoted shares	<u>77,473,114</u>	<u>79,104,806</u>
	<u><u>207,753,775</u></u>	<u><u>217,498,919</u></u>

Financial assets at fair value through OCI

Financial assets at fair value through OCI include a significant portion that are invested in equity shares of non-listed companies. The Company holds non-controlling interests (between 2% and 16%) in these entities. The Company considers these investments to be strategic in nature and due to the absence of reliable resources to assess and quantify their fair value, they are carried at cost in the statement of financial position as at 31 December 2015.

The Company also has investments in listed equity shares. Fair values of these listed equity shares are determined by reference to published price quotations in an active market.

The movement in financial assets through other comprehensive income during the year was as follows:

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
At 1 January	217,498,919	173,916,433
Additions	33,512,745	156,431,768
Disposals	(25,469,187)	(109,749,686)
Unrealized gains on financial assets at fair value through OCI	<u>(17,788,702)</u>	<u>(3,099,596)</u>
	<u><u>207,753,775</u></u>	<u><u>217,498,919</u></u>

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are invested in listed equity shares. Fair value of these listed equity shares are determined by reference to published price quotations in an active market.

7 TRADE AND OTHER RECEIVABLES

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
Dlala Brokerage	10,953	134,230
Staff furniture allowance	37,280	30,560
Accrued interest income	133,574	53,532
Staff loans	100,038	158,286
Others	<u>137,495</u>	<u>157,151</u>
	<u><u>419,340</u></u>	<u><u>533,759</u></u>

Qatar Oman Investment Company Q.S.C.

NOTES TO FINANCIAL STATEMENTS

At 31 December 2015

8 CASH AND BANK BALANCES

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
Cash on hand	2,000	5,000
Current accounts	9,259,238	11,059,346
Call deposits	26,057,594	30,198,660
Term deposits*	<u>31,511,596</u>	<u>24,122,905</u>
	<u>66,830,428</u>	<u>65,385,911</u>

*The term deposits have original maturity of 90 days or less.

9 EMPLOYEES' END OF SERVICE BENEFITS

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
At 1 January	920,315	742,826
Provided during the year	133,939	177,489
Paid during the year	<u>(99,594)</u>	<u>-</u>
At 31 December	<u>954,660</u>	<u>920,315</u>

10 TRADE AND OTHER PAYABLES

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
Trade payables	3,036	4,900
Dividends payable	8,779,928	10,051,272
Accrued board of directors remuneration*	1,200,000	1,600,000
Accruals and other payables	<u>1,596,827</u>	<u>1,754,153</u>
	<u>11,579,791</u>	<u>13,410,325</u>

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

11 SHARE CAPITAL

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
Authorised, issued and fully paid share capital:		
31,500,000 shares (2014: 31,500,000) with a value of QR. 10 per share	<u>315,000,000</u>	<u>315,000,000</u>

12 LEGAL RESERVE

As required by the Qatari Commercial Company's Law No. 11 of 2015 and the Company's Articles of association, 10% of the profit is to be transferred to the statutory reserve until the reserve reaches a minimum of 50% of the issued share capital. The Company has transferred QR 1,834,106 to the legal reserve for the year ended 31 December 2015 (2014: QR 2,598,557). This reserve is not available for distribution except in circumstance stipulated in the above mention law.

Qatar Oman Investment Company Q.S.C.

NOTES TO FINANCIAL STATEMENTS

At 31 December 2015

13 PROPOSED DIVIDENDS

The Board of Directors resolved in its meeting held on 24 January 2016 to propose a cash dividend of 6% (2014: 8%) of the paid up capital, amounting to QR 18,900,000 (2014: QR. 25,200,000). This proposal is subject to approval at the Company's General Assembly Meeting.

14 NET INCOME FROM FINANCIAL INVESTMENTS

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
Net gain from sale of financial assets at fair value through profit or loss	8,326,811	13,140,021
Unrealized (loss) /gain on financial assets at fair value through profit or loss	(253,822)	2,237,653
Dividend income	12,301,334	10,943,979
Interest income	827,312	772,424
	<u>21,201,635</u>	<u>27,094,077</u>

15 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
Staff costs	3,404,738	4,215,605
Rent	668,525	640,250
Board of directors allowance	289,000	289,000
Maintenance	265,800	268,780
Qatar exchange fees	242,000	242,000
Advertisement expenses	182,490	205,988
Travel and transportation	179,074	109,527
Legal and professional fees	171,200	440,968
End of service benefits (Note 9)	133,939	177,489
Governmental fees	35,815	38,320
Hospitality expenses	31,962	30,611
Other expenses	63,632	82,107
	<u>5,668,175</u>	<u>6,740,645</u>

16 EARNING PER SHARE

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

	<i>2015</i>	<i>2014</i>
Net profit for the year –QR	<u>18,341,064</u>	<u>25,985,574</u>
Weighted average number of shares	<u>31,500,000</u>	<u>31,500,000</u>
Basic and diluted earnings per share-QR	<u>0.582</u>	<u>0.825</u>

17 RELATED PARTIES DISCLOSURES

Related parties represent the shareholders, directors, and key management personnel of the Company and companies controlled, jointly 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:

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
Short-term benefits	2,424,000	2,824,000
Long-term benefits	80,000	80,000
	<u>2,504,000</u>	<u>2,904,000</u>

18 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.

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
Assets		
<i>Investment in securities:</i>		
Financial assets through OCI	207,753,775	217,498,919
Financial assets through profit and loss	3,037,800	48,795,500
	210,791,575	266,294,419
Investment in property	47,000,000	46,000,000
	<u>257,791,575</u>	<u>312,294,419</u>
Income		
Income from investment in securities	20,374,323	26,321,653
<i>Investment in property:</i>		
Rental income from investment property	2,879,533	2,654,533
Fair value gain on investment property	1,000,000	4,000,000
	<u>24,253,856</u>	<u>32,976,186</u>

19 FAIR VALUES DISCLOSURES

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances and cash, other receivables, available-for-sale investments and financial assets at fair value through profit or loss. Financial liabilities consist of amounts other payables and certain accruals.

As at the reporting date, the fair values of the financial assets and liabilities are not materially different from their carrying values.

19 FAIR VALUES DISCLOSURES (CONTINUED)

Fair value hierarchy

As at 31 December 2015, the Company held financial assets at fair value through other comprehensive income investments and financial assets at fair value through profit or loss measured at fair value. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument (observable inputs).
 Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
 Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial assets the Company determines fair values using valuation techniques.

Valuation techniques include, comparison to similar assets for which market observable prices exist, and other valuation models. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial assets at the reporting date, that would have been determined by market participants acting at arm's length.

The table below analyses financial assets measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>	<i>Total QR</i>
<i>31 December 2015</i>				
Investment property	-	47,000,000	-	47,000,000
Financial assets at fair value through other comprehensive income	130,280,661	-	-	130,280,661
Financial assets at fair value through profit or loss	3,037,800	-	-	3,037,800
<i>31 December 2014</i>				
Investment property	-	46,000,000	-	46,000,000
Financial assets at fair value through other comprehensive income	138,394,113	-	-	138,394,113
Financial assets at fair value through profit or loss	48,795,500	-	-	48,795,500

During the reporting year ended 31 December 2015, 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.

20 FINANCIAL RISK MANAGEMENT

Objectives and policies

The Company's principal financial liabilities comprise of accounts payable and accruals. The main purpose of these financial liabilities is to manage the working capital requirements of the Company. The Company has various financial assets such as receivables, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, other receivables and bank balances, which arise directly from its operations.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk. The management reviews and agrees policies for managing each of these risks which risks are summarised below.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances and cash and receivables as shown below:

	<i>2015</i> <i>QR</i>	<i>2014</i> <i>QR</i>
Bank balances	66,830,428	65,380,911
Dlala Brokerage	10,953	134,230
Staff receivables	37,280	30,560
Other receivables	371,107	368,968
	<u>67,249,768</u>	<u>65,914,669</u>

The Company seeks to limit its credit risk with respect to banks by dealing with reputable banks. With respect to credit risk arising from the other financial assets of the Company, including bank balances, 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

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.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates:

<i>31 December 2015</i>	<i>On demand</i> <i>QR</i>	<i>Less than 1 year</i> <i>QR</i>	<i>1-5 years</i> <i>QR</i>	<i>Total</i> <i>QR</i>
Accounts payable and accruals	-	11,579,791	-	11,579,791
Total	-	11,579,791	-	11,579,791
<i>31 December 2014</i>	<i>On demand</i> <i>QR</i>	<i>Less than 1 year</i> <i>QR</i>	<i>1-5 years</i> <i>QR</i>	<i>Total</i> <i>QR</i>
Accounts payable and accruals	-	13,410,325	-	13,410,325
Total	-	13,410,325	-	13,410,325

20 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign currency exchange rates will affect the Company's profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimising return.

Equity price risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company for which prices in the future are uncertain. The following table demonstrates the sensitivity of the effect of cumulative changes in fair value of the Company to reasonably possible changes in equity prices (excluding equity derivatives), with all other variables held constant. The effect of decrease in equity prices is expected to be equal and opposite to the effect of the increase shown. A decrease on the listed securities shown below would have an impact on the income or equity, depending on whether or not the decline is significant or prolonged. An increase in the listed securities shown below would impact equity in a similar amount but will not have an effect on income unless there is an impairment charge associated with it.

	<i>Change in equity price</i>	<i>Effect on equity QR</i>
2015		
Qatar Exchange	+10%	10,413,020
Oman Exchange	+10%	2,615,046
2014		
Qatar Exchange	+10%	10,794,090
Oman Exchange	+10%	3,045,321

The Company also has unquoted investments carried at cost where the impact of changes in equity prices will only be reflected when the investment is sold or deemed to be impaired, when the income statement will be impacted, or when a third party transaction in the investment gives a reliable indication of fair value which will be reflected in equity.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's financial assets and liabilities with floating interest rates. As the Company does not have any financial assets and liabilities at floating interest rate and therefore the Company is not exposed to interest rate risk.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risks as it does not have material balances in foreign currencies and hence the foreign currency risk is minimal.

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maintaining the return to shareholders through the optimization of the debt and equity balances.

Capital comprises of share capital, fair value reserve and retained earnings and is measured at QR 294,526,418 (2014: QR 322,681,550).

21 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Use of estimates

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed regularly. 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.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of accounts receivable

An estimate of the collectible amount of receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the income statement.

Useful life of property and equipment

The Company's management determines the estimated useful life of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful life annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

During the year, management has revised the useful lives of the property and equipment to be as follows:

Lease holding improvements and office equipment	33.3%
Furniture	33.3%
Computer software	33.3%

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Therefore, the financial statements continue to be prepared on a going concern basis.

22 COMPARATIVE FIGURES

The comparative figures presented for 31 December 2014 have been reclassified where necessary to preserve consistency with the 31 December 2015 figures. However, such reclassifications did not have any effect on the net profit, comprehensive income or total equity for the comparative period.