

GULF WAREHOUSING COMPANY – Q.S.C
DOHA - QATAR

CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2005
TOGETHER WITH
ACCOUNTANTS' REVIEW REPORT

GULF WAREHOUSING COMPANY – Q.S.C
DOHA – QATAR
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2005

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ACCOUNTANTS' REVIEW REPORT

The Shareholders

Gulf Warehousing Company – Q.S.C

Doha – Qatar

We have reviewed the accompanying interim balance sheet of **Gulf Warehousing Company – Q.S.C.**, as of June 30, 2005 and the related interim statements of income, changes in shareholders' equity and cash flows for the six month period then ended. These condensed interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with **International Standard on Auditing** applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether these condensed interim financial statements are free of material misstatement. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not presented fairly, in all material respects, in accordance with **International Financial Reporting Standards No. 34.**

For **Deloitte & Touche**

Doha – Qatar
July 5, 2005

Muhammad O. Bahemia
License No. 103.

GULF WAREHOUSING COMPANY – Q.S.C.

DOHA – QATAR

INTERIM BALANCE SHEET

JUNE 30, 2005

<u>ASSETS</u>		June 30, 2005	December 31, 2004
	Note	(Reviewed)	(Audited)
	-----	-----	-----
		QR.	QR.
Current Assets:			
Bank balances and cash	3	84,245,245	86,075,901
Accounts receivable, prepayments and other debit balances	4	7,280,770	1,331,124
		-----	-----
Total Current Assets		91,526,015	87,407,025
Investments	5	14,534,246	4,818,752
Modaraba investment		11,500,000	25,000,000
Property, plant and equipment	6	12,795,038	9,396,861
		-----	-----
Total Assets		130,355,299	126,622,638
		=====	=====
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Liabilities:			
Accounts payable		847,802	1,878,888
Accrued expenses and other credit balances		156,121	162,578
Advance received on Modaraba arrangement		--	1,605,988
		-----	-----
Total Liabilities		1,003,923	3,647,454
		-----	-----
Shareholders' Equity:			
Share capital	7	120,000,000	120,000,000
Legal reserve		935,137	297,518
Retained earnings		8,416,239	2,677,666
		-----	-----
Total Shareholders' Equity		129,351,376	122,975,184
		-----	-----
Total Liabilities and Shareholders' Equity		130,355,299	126,622,638
		=====	=====

Mr. Faisal Mohammad Ghanem Al Sulaiti
Chairman

Mr. Abdul Rahman Saleh Al Khulaifi
General Manager

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

GULF WAREHOUSING COMPANY – Q.S.C.
DOHA – QATAR

INTERIM STATEMENT OF INCOME
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2005

	<u>Note</u>	<u>For the Six Month Period Ended June 30, 2005 (Reviewed) QR.</u>	<u>For the Period From March 31, 2004 (Date of Commencement) to December 31, 2004 (Audited) QR.</u>
Income:			
Investment income	8	3,672,980	4,025,579
Profit from bank deposits		831,850	1,954,886
Income from Modaraba arrangement		1,605,988	--
Gain on revaluation of trading investments	5	2,252,718	--
Other income		151,270	12,000
		-----	-----
Total Income		8,514,806	5,992,465
		-----	-----
Expenses:			
Pre-operating expenses		--	(1,158,793)
Rent expenses		(450,000)	(233,333)
Depreciation		(169,570)	(112,467)
General and administrative expenses		(1,519,044)	(1,214,177)
Loss on revaluation of trading investments	5	--	(298,511)
		-----	-----
Total Expenses		(2,138,614)	(3,017,281)
		-----	-----
Net Income for the Period		6,376,192	2,975,184
		=====	=====
Earnings per Share	9	0.53	0.25
		=====	=====

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

GULF WAREHOUSING COMPANY – Q.S.C.

DOHA – QATAR

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2005

	Share Capital	Legal Reserve	Retained Earnings	Total
	----- QR.	----- QR.	----- QR.	----- QR.
Capital contribution	120,000,000	--	--	120,000,000
Net income for the period From March 31, 2004 (Date of Commencement) To December 31, 2004	--	--	2,975,184	2,975,184
Transfer to legal reserve	--	297,518	(297,518)	--
	-----	-----	-----	-----
Balance – December 31, 2004 - (Audited)	120,000,000	297,518	2,677,666	122,975,184
Net income for the six month period ended June 30, 2005	--	--	6,376,192	6,376,192
Transfer to legal reserve	--	637,619	(637,619)	--
	-----	-----	-----	-----
Balance - June 30, 2005 - (Reviewed)	120,000,000	935,137	8,416,239	129,351,376
	=====	=====	=====	=====

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

DOHA – QATAR

INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2005

<u>Commencement)</u>	<u>For the Six Month Period Ended</u>	<u>For the Period From March 31, 2004 (Date of</u>
	<u>June 30, 2005 (Reviewed) QR.</u>	<u>to December 31, 2004 (Audited) QR.</u>
<u>Cash Flows from Operating Activities:</u>		
Net income for the period	6,376,192	2,975,184
Adjustments for:		
Depreciation of property, plant and equipment	169,570	112,467
(Gain) loss on revaluation of trading investments	(2,252,718)	298,511
	-----	-----
Cash Flows from Operations Before Working Capital Changes	4,293,044	3,386,162
Changes in Working Capital:		
Accounts receivable and prepayments	(5,949,646)	(1,331,124)
Accounts payable	(1,031,086)	1,878,888
Accrued expenses and other credit balances	(6,457)	162,578
Advances received on Modaraba arrangement	(1,605,988)	1,605,988
	-----	-----
Net Cash (Used in) Generated from Operating Activities	(4,300,133)	5,702,492
	-----	-----
<u>Cash Flows from Investing Activities:</u>		
Purchase of investments	(7,462,776)	(5,117,263)
Modaraba investment	13,500,000	(25,000,000)
Acquisition of property, plant and equipment	(3,567,747)	(9,509,328)
Fixed deposits	5,000,000	(30,000,000)
	-----	-----
Net Cash Generated from (Used in) Investing Activities	7,469,477	(69,626,591)
	-----	-----
<u>Cash Flows from Financing Activities:</u>		
Capital contribution	--	120,000,000
	-----	-----
Net Cash Generated From Financing Activities	--	120,000,000
	-----	-----
Net increase in bank balances and cash	3,169,344	--
	-----	-----
Bank balances and cash – beginning of the period	56,075,901	--
	-----	-----
Bank Balances and Cash – End of the Period 10	59,245,245	56,075,901
	=====	=====

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

GULF WAREHOUSING COMPANY – Q.S.C.
DOHA – QATAR

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2005 TO JUNE 30, 2005

1. Status and Activities:

Gulf Warehousing Company – Q.S.C., is a public shareholding company incorporated in the State of Qatar in March 2004 and governed by the provisions of the Qatari Commercial Companies' Law.

The Company specializes in providing warehousing services.

The Company commenced operations on March 31, 2004 and its first financial period will end on December 31, 2005.

2. Significant Accounting Policies:

The Company prepared interim financial statements for the period from March 31, 2004 to December 31, 2004. These financial statements were prepared in accordance with the full set of **International Financial Reporting Standards**.

These condensed interim financial statements are prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the financial statements for the period ended December 31, 2004 and should be read in conjunction with those financial statements and the notes attached thereto.

The condensed interim financial statements are prepared in accordance with the International Financial Reporting Standards, under the historical cost convention except for the measurement of trading investments at fair value.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

3. Bank Balances and Cash:

	June 30, 2005 (Reviewed)	December 31, 2004 (Audited)
	----- QR.	----- QR.
Cash on hand	11,242	4,499
Current accounts	19,234,003	2,221,402
Fixed deposits	65,000,000	83,850,000
	-----	-----
Total	84,245,245	86,075,901
	=====	=====

4. Accounts Receivable, Prepayments and Other Debit Balances:

	June 30, 2005 (Reviewed)	December 31, 2004 (Audited)
	----- QR.	----- QR.
Advance payments	6,066,735	--
Accounts receivables	109,035	--
Profit receivable from bank deposits	831,850	1,236,051
Prepaid rent	70,000	75,616
Other receivables	203,150	19,457
	-----	-----
Total	7,280,770	1,331,124
	=====	=====

5. Investments:

	2005	2004
	----- QR.	----- QR.
Trading Securities:		
Quoted		
Acquisition of locally traded shares - at cost	10,241,528	3,077,263
Gain (loss) on revaluation of investments	2,252,718	(298,511)
	-----	-----
Balance at period end – at fair value	12,494,246	2,778,752
Available for Sale:		
Unquoted local company	2,040,000	2,040,000
	-----	-----
Total	14,534,246	4,818,752
	=====	=====

7. Share Capital:

The authorised, issued and fully paid share capital consists of 12,000,000 shares of QR.10 each.

8. Investment Income:

	<u>For the Six Month Period Ended June 30, 2005 (Reviewed) QR.</u>	<u>For the Period From March 31, 2004 (Date of Commencement) to December 31, 2004 (Audited) QR.</u>
Income from sale of trading investments	3,672,980	2,598,783
Income from sale of land	--	1,426,796
	-----	-----
Total	3,672,980	4,025,579
	=====	=====

9. 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 year.

	<u>For the Six Month Period Ended June 30, 2005 (Reviewed) QR.</u>	<u>For the Period From March 31, 2004 (Date of Commencement) to December 31, 2004 (Audited) QR.</u>
Net income for the period	6,376,192	2,975,184
	=====	=====
Weighted average number of shares outstanding	12,000,000	12,000,000
	=====	=====
Earnings per share	0.53	0.25
	=====	=====

10. Cash and Cash Equivalents:

	<u>June 30, 2005 (Reviewed) QR.</u>	<u>December 31, 2004 (Audited) QR.</u>
Bank and cash balances	84,245,245	86,075,901
Less: Fixed deposits maturing after 90 days	(25,000,000)	(30,000,000)
	-----	-----
Total	59,245,245	56,075,901
	=====	=====

6. Property, Plant and Equipment:

	Land	Office Equipment	Furniture and Fittings	Warehouse Equipment	Vehicles	Office Renovation	Work-in- Progress	Total
	----- QR.	----- QR.	----- QR.	----- QR.	----- QR.	----- QR.	----- QR.	----- QR.
Cost:								
January 1, 2005	8,167,353	219,827	275,234	--	--	528,314	318,600	9,509,328
Additions during the period	--	167,741	16,431	155,692	428,800	--	2,799,083	3,567,747
June 30, 2005	8,167,353	387,568	291,665	155,692	428,800	528,314	3,117,683	13,077,075
Depreciation:								
January 1, 2005	--	20,987	29,843	--	--	61,637	--	112,467
Charge for the period	--	50,959	35,569	13,000	17,211	52,831	--	169,570
June 30, 2005	--	71,946	65,412	13,000	17,211	114,468	--	282,037
Net Book Value:								
June 30, 2005 (Reviewed)	8,167,353	315,622	226,253	142,692	411,589	413,846	3,117,683	12,795,038
December 31, 2004 (Audited)	8,167,353	198,840	245,391	--	--	466,677	318,600	9,396,861