

United Gulf Investment Corporation B.S.C.  
Consolidated statement of financial position as at 31 December 2012  
(Expressed in Bahrain Dinars)

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	49,059,683	51,074,420
Investment in an associate	680,654	407,187
Available-for-sale investments	<u>10,309,230</u>	<u>9,831,629</u>
	<u>60,049,567</u>	<u>61,313,236</u>
<b>Current assets</b>		
Financial assets at fair value through profit or loss	3,549,061	2,891,103
Inventories	17,838,070	18,337,926
Trade and other receivables	6,904,879	7,138,722
Cash and cash equivalents	<u>9,270,987</u>	<u>10,441,001</u>
	<u>37,562,997</u>	<u>38,808,752</u>
<b>Total assets</b>	<u>97,612,564</u>	<u>100,121,988</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	20,000,000	20,000,000
Statutory reserve	1,910,954	1,635,430
Share premium	116,328	116,328
Investment fair value reserve	7,534,600	6,867,999
Retained earnings	<u>7,624,458</u>	<u>6,744,743</u>
Equity attributable to the shareholders of the parent company	37,186,340	35,364,500
Non-controlling interest	<u>14,332,364</u>	<u>13,002,951</u>
	<u>51,518,704</u>	<u>48,367,451</u>
<b>Non-current liabilities</b>		
Non-current portion of long-term loans	29,704,100	31,219,100
Employees' terminal benefits	<u>575,445</u>	<u>633,725</u>
	<u>30,279,545</u>	<u>31,852,825</u>
<b>Current liabilities</b>		
Current portion of long-term loans	1,515,000	1,515,000
Trade and other payables	<u>14,299,315</u>	<u>18,386,712</u>
	<u>15,814,315</u>	<u>19,901,712</u>
<b>Total equity and liabilities</b>	<u>97,612,564</u>	<u>100,121,988</u>

The consolidated financial statements, set out on pages 6 to 35, were approved for issue by the Board of Directors on 21 February 2013 and signed on their behalf by:

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Salah Rashid Al-Rashid  
Chairman

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Abdul Mohsen Rashid Al-Rashid  
Director

**United Gulf Investment Corporation B.S.C.**  
**Consolidated statement of comprehensive income for the year ended 31 December 2012**  
**(Expressed in Bahrain Dinars)**

	<u>2012</u>	<u>2011</u>
Subsidiary sales	33,414,461	36,678,779
Subsidiary cost of sales	<u>(29,278,041)</u>	<u>(32,883,495)</u>
<b>Subsidiary gross profit</b>	<u>4,136,420</u>	<u>3,795,284</u>
<b>Investment income</b>		
Realised gains on sale of financial assets at fair value through profit or loss	320,499	60,788
Unrealised fair value gains/(losses) on financial assets at fair value through profit or loss	225,196	(602,582)
Other income	<u>2,695,898</u>	<u>1,690,285</u>
	<u>3,241,593</u>	<u>1,148,491</u>
	<u>7,378,013</u>	<u>4,943,775</u>
<b>Expenses</b>		
Staff costs	(648,419)	(1,013,838)
General and administrative expenses	(1,095,074)	(1,026,822)
Directors' attendance fees	(17,317)	(16,364)
Depreciation	(162,091)	(171,492)
Finance costs	(376,302)	(443,603)
Impairment loss on available for-sale-investments	(189,000)	(943,630)
Provision for zakat	<u>(1,143,113)</u>	<u>(1,236,886)</u>
	<u>(3,631,316)</u>	<u>(4,852,635)</u>
<b>Net profit for the year before share of profit from investment in an associate</b>	3,746,697	91,140
Share of profit from investment in an associate	<u>337,955</u>	<u>249,222</u>
<b>Net profit for the year</b>	<u>4,084,652</u>	<u>340,362</u>
<b>Net profit for the year attributable to:</b>		
Shareholders of the Parent Company	2,755,239	183,777
Non-controlling interest	<u>1,329,413</u>	<u>156,585</u>
	<u>4,084,652</u>	<u>340,362</u>
<b>Other comprehensive income/(loss)</b>		
Unrealised fair value gains/(losses) on available-for-sale investments	<u>666,601</u>	<u>(727,200)</u>
Total other comprehensive income/(loss) for the year	<u>666,601</u>	<u>(727,200)</u>
<b>Total comprehensive income/(loss) for the year</b>	<u>4,751,253</u>	<u>(386,838)</u>
<b>Total comprehensive income/(loss) attributable to:</b>		
Shareholders of the Parent Company	3,421,840	(543,423)
Non-controlling interest	<u>1,329,413</u>	<u>156,585</u>
	<u>4,751,253</u>	<u>(386,838)</u>
Basic and diluted earnings per share	<u>13.77 fils</u>	<u>0.92 fils</u>

United Gulf Investment Corporation B.S.C.  
Consolidated statement of changes in shareholders' equity for the year ended 31 December 2012  
(Expressed in Bahrain Dinars)

	Equity attributable to shareholders of the parent company						Non-controlling interest	Total
	Share capital	Statutory reserve	Share premium	Investment fair value reserve	Retained earnings	Total		
At 31 December 2010	20,000,000	1,617,052	116,328	7,595,199	8,079,344	37,407,923	13,221,268	50,629,191
Net profit and total comprehensive (loss)/income for the year	-	-	-	(727,200)	183,777	(543,423)	156,585	(386,838)
Dividends for 2010	-	-	-	-	(1,500,000)	(1,500,000)	(374,902)	(1,874,902)
Transferred to statutory reserve	-	18,378	-	-	(18,378)	-	-	-
At 31 December 2011	20,000,000	1,635,430	116,328	6,867,999	6,744,743	35,364,500	13,002,951	48,367,451
Net profit and total comprehensive income for the year	-	-	-	666,601	2,755,239	3,421,840	1,329,413	4,751,253
Dividends for 2011	-	-	-	-	(1,600,000)	(1,600,000)	-	(1,600,000)
Transferred to statutory Reserve	-	275,524	-	-	(275,524)	-	-	-
At 31 December 2012	<u>20,000,000</u>	<u>1,910,954</u>	<u>116,328</u>	<u>7,534,600</u>	<u>7,624,458</u>	<u>37,186,340</u>	<u>14,332,364</u>	<u>51,518,704</u>

**United Gulf Investment Corporation B.S.C.**  
**Consolidated statement of cash flows for the year ended 31 December 2012**  
**(Expressed in Bahrain Dinars)**

	<u>2012</u>	<u>2011</u>
<b>Operating activities</b>		
Net profit for the year	4,084,652	340,362
Adjustments for:		
Loss on disposal of property, plant and equipment	234	-
Depreciation	2,109,602	1,969,145
Share of profit from investment in an associate	(337,955)	(249,222)
Realised gains on sale of financial assets at fair value through profit or loss	(320,499)	(60,788)
Unrealised fair value (gains)/losses on financial assets at fair value through profit or loss	(225,196)	602,582
Impairment loss on available for-sale-investments	189,000	943,630
Reversal of excess provision	(2,436,896)	(1,396,815)
Bank interest income	(64,516)	(24,735)
Dividend income	(169,413)	(200,408)
Finance costs	376,302	443,603
Changes in operating assets and liabilities:		
Inventories	499,856	130,988
Trade and other payables	(1,650,501)	872,839
Trade and other receivables	233,843	(502,212)
Employees' terminal benefits, net	(58,280)	92,230
Net cash provided by operating activities	<u>2,230,233</u>	<u>2,961,199</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(95,907)	(36,739)
Proceeds on disposal of property, plant and equipment	808	-
Purchase of financial assets at fair value through profit or loss	(9,904,974)	(3,785,988)
Dividends received from investment in an associate	64,488	198,536
Proceeds from sale of financial assets at fair value through profit or loss	9,792,711	4,915,650
Bank interest income received	64,516	24,735
Dividend income received	169,413	200,408
Net cash provided by investing activities	<u>91,055</u>	<u>1,516,602</u>
<b>Financing activities</b>		
Finance costs paid	(376,302)	(443,603)
Net movement in long-term loans	(1,515,000)	(1,515,000)
Dividends paid to non-controlling interest	-	(374,902)
Dividends paid	(1,600,000)	(1,500,000)
Net cash used in financing activities	<u>(3,491,302)</u>	<u>(3,833,505)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,170,014)</b>	<b>644,296</b>
Cash and cash equivalents, beginning of the year	<u>10,441,001</u>	<u>9,796,705</u>
Cash and cash equivalents, end of the year	<u>9,270,987</u>	<u>10,441,001</u>