



ANNUAL REPORT  
2012



Sheikh Hamad bin Khalifa Al Thani  
Emir of QATAR



Sheikh Tamim bin Hamad bin Khalifa Al-Thani  
Crown Prince of Qatar



**QG**™  
MEDICAL DEVICES



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## CHAIRMAN MESSAGE

Dear Shareholders

Qatari German Medical Devices represents a leading manufacturer of Medical Devices in the Middle East. QG boasts a state of art production facility designed by reputable innovative technology providers from Germany, Italy and Switzerland. Our vision as a local Qatari manufacturer is connected to the State of Qatar 2030 vision, during which we take it upon ourselves to contribute to the development and support of the manufacturing sector in Qatar. We are ensuring to fulfill this vision by maintaining high quality products which will impact in developing the health care space in the GCC and MENA region in general.

QG Medical Devices is a leading medical devices manufacturer in the healthcare industry worldwide, by continuing to introduce innovative and superior medical devices which guarantee better patient care.

“Patient Care Centre of Innovation” is our slogan. We have committed ourselves to enhance our knowledge and research, to be perceived as a Qatari primary manufacturer and provider of medical devices leading the improvement and development in the GCC.

The healthcare space in the GCC and MENA region continues to gain global attention. GCC healthcare spend is growing at double digits, driven by an increasing population, higher disease burden, and increasing income levels. To maintain pace with demand, governments are expanding and bolstering the healthcare infrastructure, resulting in an increased need for medical technology and devices.

The regional medical device market is set to grow at 5% CAGR over the next 5 years. QG is well placed to supply the GCC and international markets

We are currently focusing on advancing our strategy, innovation, operating efficiency and talent management programs, which we believe will provide a strong platform for future success. My sincere thanks are extended to our esteemed shareholders for their trust and support during the years, where we ensure that our intention is to pay all the efforts for the continuous development and perpetual growth of the company.

*Chairman*  
*Abdulaziz Bin Nasser Al Khalifa*

## CEO MESSAGE



Dear Shareholders

I am happy to write my first message to you as Chief Executive Officer.

These are exciting times for Qatar. Our very own homeland has transformed being a small country with rich oil and gas resources to a global force that makes both financial and political headlines. All of these are made possible by the impeccable leadership of the Emir and the Heir Apparent, who adopted Qatar National Vision 2030 into our ways of doing business as the guideline to shape our future.

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QG has adopted the same inspiration. We are rapidly becoming a global player, whereby we expanded our export markets to more than 20 countries all over the globe. As the only medical device manufacturer in Qatar, we have taken it as our mission to put our country's foothold in every continent via our innovative products and complete customer satisfaction in quality, delivery and response.

In 2012 we have put in place all of the vital elements to carry out this mission, whereby we made senior-level appointments to CFO and Chief Marketing Officer positions, strengthened our sales and quality teams, reoriented our focus towards the markets where our patented flagship products are designed for and found the right business partners in each. As the result of these efforts, sales revenue grew by more than 80% compared to 2011. We will continue to see the fruits of our efforts in 2013, which will be another year of rapid growth, whereby we develop new and profitable markets and continue to increase our market share in existing ones.

*CEO*  
*Emre Anlar*

## BOARD OF DIRECTORS



### MR. ABDULAZIZ BIN NASSER AL-KHALIFA

Chairman of the Board of Directors, appointed by Qatar Development Bank (QDB)

Mr. Abdulaziz Bin Nasser Al-Khalifa has joined QG in March 2011

Mr. Abdulaziz is currently an Executive Director Strategic Planning and Control at Qatar Development Bank (QDB).

Other senior positions held previously by Mr. Abdulaziz include

- ♣ Business Development and Strategy at Shell Company
- ♣ Head of Planning at Qatar General Electricity and Water Corporation

Mr. Abdulaziz is also a very active member of the Qatar business community. In addition to his post as at QDB and Chairman of QGMD, Mr. Abdulaziz holds the following key positions

- ♣ Board Member in College of North Atlantic
- ♣ Member in the Committee of Building Knowledge Base Economy for Qatar

Mr. Abdulaziz holds an MBA and a Bachelor in Electric Engineering.



MRS. FAREEDA ALI ABULFATH

Vice-Chairman, Non-Independent Member appointed by Qatar National Bank (QNB)

Mrs. Fareeda is currently the Chief Credit Officer at Qatar National Bank (QNB) covering local and international branches, subsidiaries and affiliates.

Other senior positions held by Mrs. Fareeda include:

- ✿ Qatar National Bank Group Credit Committee, Member
- ✿ Qatar National Bank Retail Credit Committee, Member
- ✿ Qatar National Bank Group Risk Committee, Member
- ✿ Commercial International Bank-Dubai, Board Member representing QNB

Mrs. Fareeda holds an MBA and a Bachelor in Administration & Economics.



DR. SAIF ALI AL-HAJARI

Dr. Saif Ali Al-Hajari actively served as the Vice Chair of Qatar Foundation since November 1995 till November 2011 and played significant role in its establishment. During his tenure, Dr. Al-Hajari has been a key participant in and contributor to the development and realization of Education City. His presence in the capacity of Chair or Member on numerous educational, communities, environmental, and corporate boards, locally and internationally, on behalf of the Qatar Foundation has been welcomed and valued. Additional management roles have included serving as Managing Director during organizational development.

The following are some of the titles held by Dr. Saif:

- ✿ Founder and Chair of the Friends of the Environment Center (FEC)
- ✿ Vice Chair of Al-Shafallah Center for Children with Special Needs
- ✿ General Supervisor at Al-Noor Institute for the Blind
- ✿ Chair of the Board of Governors of Qatar Music Academy (QMA) and Qatar Philharmonic Orchestra (QPO)
- ✿ Chair of the National Sports and Environment Committee

Dr. Saif holds a PHD in Hydrogeological Sciences and a Bachelor in Geology & Marine Sciences.

## BOARD OF DIRECTORS



MR. ABDULLA HASSEN AL-EMADI

Non-Executive Board Member, representative of Qatar Fund 8

Mr. Abdulla is currently the Head of Investment Potfolios' Section at Qatar State Portfolio Unit – Qatar Central Bank. Other senior positions held previously by Mr. Abdulla include:

- ♣ Listed Companies Operations at Qatar Exchange
- ♣ Finance Department at Qatar University

Mr. Abdulla holds an MBA and a Bachelor in Financial Management.



MR. AHMAD AL-ASMAKH

Non-Executive Board Member, representative himself

Mr. Ahmad is currently the First secretary at the cabinet of the Ministry of External Affairs .

Other senior positions held by Mr. Ahmad include:

- ♣ Managing Director at Dlala Holding

Mr. Ahmad holds a Bachelor of Science in History.



MR. SALEH BIN ALI AL MAHANADI

Non-Executive Board Member, representative of Red Crescent

Mr. Saleh is currently the Secretary General of Qatar Red Crescent. Throughout the past three decades, Mr. Saleh Al-Muhannadi served in key positions as a trusted leader and a strategic thinker. Having started his career as a military leader, Mr. Saleh Al-Mohannadi has a strong passion toward peace making and preserving human dignity in times of peace and war.

Other senior positions held previously by Mr. Saleh include:

- ✿ A member of the board of trustees in the Independent Schools Education System.
- ✿ Represented the State of Qatar in Hugo Agreements in Japan in 2005.
- ✿ A member of the Permanent Emergency Committee from 2005-2007.
- ✿ Represented the State in the United Nation Conference addressing Anti-Personal Mine.

Mr. Saleh's academic credentials are in Aircraft Engineering



MR. SALEH MAJED AL-KHULAIFI

Non-Executive Board Member, representative himself

Mr. Saleh is currently the General Manager at Bedaya Center – Qatar Central Bank.

Other senior positions held by Mr. Saleh include:

- ✿ Steering Committee member at the Supreme Council of ICT Investment Fund
- ✿ Vice President of Communication at Carnegie Mellon University in Qatar

Mr. Saleh holds a Bachelor of Science in Business Administration and a Master in Technology Entrepreneurship from University College of London.

## MANAGEMENT TEAM



**EMRE ANLAR**

Chief Executive Officer



**NASR HUSSEN**

Chief Financial Officer



**ENG. HAZEM AL-SHARIF**

Chief Technical Officer



**DR. MOATAZ EBISI**

Chief Sales & Marketing Officer



**HASSAN HALABI**

Internal Audit & Compliance Manager  
Board Secretary



## OUR VISION

QG Medical Devices was set up with a vision to revolutionise international patient care safety standards around the world.

Through our innovation in every aspect of product development and disposal, our responsibility for the wellbeing of healthcare personnel and our commitment to raising the quality of patient care – we are determined to contribute back to our communities by raising awareness about healthcare safety where ever we are in the world.

## OUR MISSION

To introduce cutting edge solutions to the medical devices industry whereby Patient and Medical Staff Care are the core of our innovation

To provide the international health community with safe, effective, and efficient medical devices of the highest quality.

To provide the international health community with safe, effective, and efficient medical devices of the highest quality.

Continued R&D and investment to produce innovative medical devices for the benefit our patients and medical staff, and the community as a whole.

*“Patients are our priority and long prosperous health is our objective.”*

# WE SERVE



QATAR

KUWAIT

OMAN

BAHRAIN

JORDAN

SYRIA

LEBANON

EGYPT

YEMEN

IRAN

IRAQ

KSA

LIBYA

SUDAN

PAKISTAN

GERMANY

SPAIN

PORTUGAL

RUSSIA

BRAZIL

SOUTH AFRICA

CYPRUS

# QG PRODUCTS



# Q SAFE

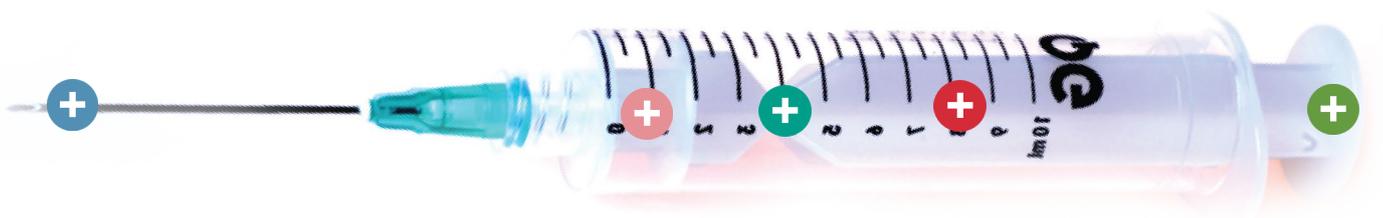


- + Optimized needle tipping technology for low penetration force
- + Minimal discomfort
- + Material clarity assures clear scale to ensure dosage control
- + Type II reuse prevention features according to ISO 7886-4
- + Reduced exposure to bare needle-stick
- + Medical grade compatible with all medication (except Para-aldehyde)
- + Latex-free, pyrogen free, non-toxic
- + Reuse Prevention features
- + Pack end lock for security

## OTHER BENIFITS OF Q SAFE

- + Reduced disposal content by approx. 40%
- + Biocompatible product compliant with medical grade
- + Packaging designed to ensure fiber free peeling
- + Optimized sterilization ensures glycol free residue

# Q JECT



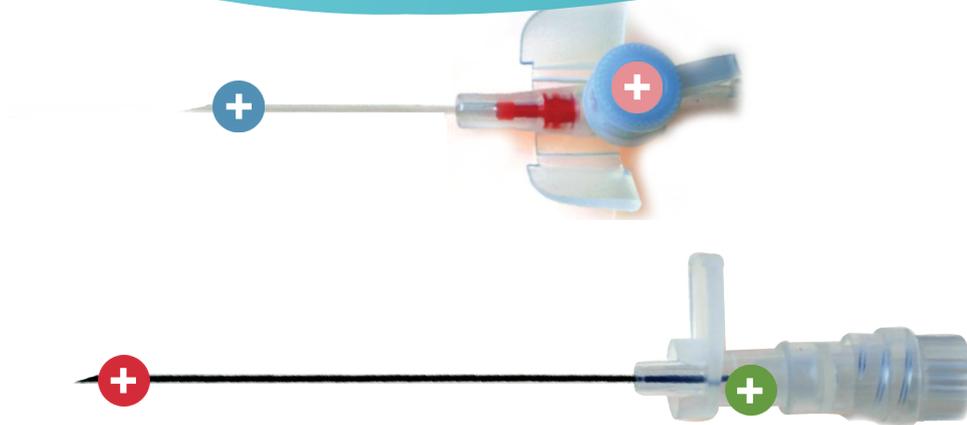
- + Optimized needle tipping technology for low penetration force
- + Minimal discomfort
- + Manufactured as per ISO-7886 - 1
- + Lower Lock
- + Lower Slip
- + Innovated design ensures better plunger retention due to excellent end lock
- + Semi Safety features
- + High Clarity Barrel with perfect readable printed Scale



## OTHER BENIFITS OF Q JECT

- + Biocompatible product compliant with medical grade
- + Packaging designed to ensure fiber free peeling
- + Optimized sterilization ensures glycol free residue

# Q FLOW



- + Q Flow offers a non-invasive route of drug delivery
- + Bigger inside wall for better flow
- + Safe Blood Stopper
- + Minimised patient discomfort and risk of perforation
- + Minimal irritation and risk of venous vessel inflammation
- + Universal Colour Coding
- + Various sizes for all uses
- + Instant confirmation of Correct vascular access
- + Avoids blood spillage
- + Manufactured as per ISO-7886 - 1

## OTHER BENIFITS OF Q FLOW

- + Biocompatible product compliant with medical grade
- + Packaging designed to ensure fiber free peeling
- + Optimized sterilization ensures glycol free residue

## Q NEED



- + Smoother insertion diameter
- + Minimal discomfort
- + Manufactured as per ISO-7886 - 1
- + Optimized tipping technology achieving bonding force of needle and minimal penetration force
- + Universal colored transparent Standard hub

### OTHER BENIFITS OF Q JECT

- + Biocompatible product compliant with medical grade
- + Packaging designed to ensure fiber free peeling
- + Optimized sterilization ensures glycol free residue

VALIDATION  
&  
ACCREDITATIONS



## QUALITY CERTIFICATIONS

Qatari German Company for Medical Devices (QG) is certified for ISO 13485:2003; Quality Management System Standard Required for Medical Devices, ISO 9001:2008; the generic Quality Management System Standards.

QG manufactures medical devices according to established Quality Management System. All the documentations, processes, procedures, instructions and the records are reviewed by the certifying body during the audit process to assess the adequacy and compliance. These certifications are subjected to periodic checks and under the close monitoring of the certifying body. In addition, a trained team of internal auditors are periodically reviewing the functions of the Manufacturing, Quality Control, Material & Resource Management and Training processes. QG maintains and control system documentation and records including those of product and process conformity as required by the management system standard.

All of QG products are certified for CE Mark in compliance to European Medical Device Directive MDD/93/42/EEC including its amendments.

QG perform all of its operations in compliance with GMP rules.

QG products registered and approved by Health Authorities in various countries and the registrations are maintained and renewed periodically.



Compliance with the health authorities regulatory bodies in each market. Such as:

[SABS in South Africa](#), [GCC/Qatar](#), [Brazil](#)



## QG & THE ENVIRONMENT

QG innovative solutions consider the importance of health-care waste management as an integral part of the health-care industry. Adequate waste management processes benefit the community as a whole.

# CORPORATE GOVERNANCE

The OECD defines Corporate Governance as “the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the Board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs.

QG Board of Directors firmly believes that the implementation of a sound corporate governance framework is a matter of vital importance. Consequently, QG is committed to integrating the best practices in corporate governance into the company’s culture and conduct.

Hence, the framework deals with the application scope and the principles of “Restriction or Clarify” the extent to which the company is committed to the governance principle, board of directors, its duties and tasks, the method of its formation, meetings, board of directors rewards, audit committee, internal control and the executive officials and the great controlling shareholders, or the disclosure of any information related to the board members, shareholders rights which include, but not limited to, their access to all

## THE BOARD OF DIRECTORS

The BOD provides overall strategic direction and oversight to the Company, reviewing and approving all company policies through agreed authority matrix. The BOD meets at least six times a year and reviews and approves the annual budget, business plans and all capital expenditures. On a quarterly basis, the BOD reviews, monitors and tracks the financials, budget analysis, business development and achievements. The BOD’s responsibility is also to ensure the implementation of a framework of control covering Internal Audit, Compliance, Risk Management and Financial Control.

## BOARD COMPOSITION

The BOD composition reflects the ownership structure: a minimum of seven members, including the Chairman. One member is assigned by Qatar Development Bank “QDB” as per the AOA of the Company, while the remaining six members are elected by shareholders at the General Assembly meeting.

During 2012 two General Assemblies took place, first Assembly was held on 7th of May 2012, four members of the BOD were elected for a three year period ending 2015. The second General Assembly was held on 19th of December 2012, three members were elected to complete the BOD for the remaining period ending 2015

Among the seven Board members, all are non-executives and five are independent. In accordance with the Qatar Financial Market Authority (QFMA) code, none of the members holds a managerial or full time position with the Company.

## BOARD SECRETARY

The Secretary of the Board is entrusted to record, coordinate and register all meetings of the Board, along with maintaining custody of records, reports and other materials sent to and received by the Board. The Secretary's functions also include the distribution of information and coordination among members of the Board and between the Board and its stakeholders. The Secretary is also entrusted to ensure the timely access of members of the Board to all minutes of meetings, information, documents and records relating to the Company.

## BOARD COMMITTEES

To appropriately manage its duties, the BOD has delegated certain functions to three specialized Board committees that perform functions on its behalf to support an efficient conduct of the various duties of the BOD duties. These committees include:

- *Audit Committee "AC"*
- *Nomination Committee "NC"*
- *Remuneration Committee "RC"*

MEMBERS	BOARD OF DIRECTORS	BOARD COMMITTEES		
		AC	NC	RC
	Mrs. Fareeda Abulfath	M	M	
	Dr. Saif Al-Hajri			C
	Mr. Saleh BI-Muhandai		M	M
	Mr. Abdulla El Emadi	C	C	
	Mr. Ahmad Al-Asmakh		M	M
	Mr. Saleh Majed Al-Khulaifi	M		M

C- Chairman

M- Members

## AUDIT COMMITTEE

QG has established an Audit Committee. In addition to that, a comprehensive term of references has been prepared and adopted by the Board in line with QFMA requirements. No member of the AC was an employee of the external auditors within the last 2 years. The audit committee reviews significant accounting and reporting issues, including complex or unusual transactions. The committee also assesses their impact on the financial statements of QG. In accordance with QG's transparency and corporate governance regulations, the Internal Audit and Compliance functions report directly to the AC.

## NOMINATION COMMITTEE

The Nomination Committee follows a formal process for declaration by Directors on inter alia shareholding, other mandates, profession, employment of relatives, qualifications, experience and other interests. Such information would be required to allow a Nomination Committee to assess the independence of the candidate as well as the assessment of the “Fit and Proper” criteria (as per Annex 1 of the QFMA Code of Governance) considering inter alia:

- *Knowledge and experience*
- *Professional Technical & Academic Qualification*
- *Personality*

## REMUNERATION COMMITTEE

The Remuneration Committee terms and references are formally documented and adopted by the Board on August 13, 2012. Currently QG does not provide the Board Members any remuneration. A remuneration policy should be prepared to govern the remuneration of the senior management.

Once the Company decides to provide the Board members remuneration, then the policy will be adopted by the shareholders in the General Assembly and made to the public.

## MEETINGS FOR THE BOARD

The Board of Directors’ meetings is held on a regular basis. According to QG’s Articles of Association, the BOD meets at least six times a year. Meetings may be held at the request of the Chairman or at least two of the members. The BOD met seven times during 2012, with the Chairman of the BOD presiding over all the meetings.

## SEGREGATION OF DUTIES

A balance between the roles and responsibilities of the BOD and Management is achieved through segregation of duties. The BOD provides overall strategic direction and oversight through the review and approval of major strategic initiatives, policies and objectives. In contrast, day-to-day management of QG is entrusted to the CEO.

## SENIOR MANAGEMENT TEAM

The CEO is aided by a seasoned and experienced executive management team. The Chief Financial Officer, Chief Sales & Marketing, Chief Technical Officer and the Supply Chain department all reports directly to the CEO. As for the Internal Audit and Compliance Manager reports directly to the BOD and maintains a dotted reporting line to the CEO.

## INTERNAL AUDIT

QG’s Internal Audit Department (IAD), headed by the Internal Audit Manager, reports to the BOD and Audit Committee. In 2012, the department was established to meet QG’s objectives and other regulatory requirements. The IAD aims to execute a comprehensive audit methodology covering all the company processes in order to streamline the processes and ensure proper control within the company.

## INTERNAL AUDIT (continued)

IAD implements audits that conform with auditing standards and guidelines issued by various professional audit institutions, including conducting a quality assurance exercise at least once every five years.

IAD conducts regular meetings with the process owners in order to ensure periodic review of current operations, examine and evaluate corporate governance compliance, review the main regulatory requirements and ensure an appropriate segregation of duties. In addition to that, the IAD introduced comprehensive policies and procedures to the company and in the process of covering all the company processes.

IAD takes a value-add approach that extends beyond the traditional role of undertaking audit assignments to verifying compliance with policies and procedures. It actively supports management in identifying ways to improve business processes and enhance efficiency. It also proactively identifies gaps and weakness, and makes recommendations to mitigate risks, thus enabling the Company to further enhance risk management controls and governance processes

IAD classifies each issue noted during any audit as low, medium or high risk, depending on its potential impact on assets and the risk exposure identified. Targeted actions and deadlines are tracked and assessed with periodic status updates provided to the AC and BOD and are also held with the CEO and concerned executive management to discuss the implementation of audit recommendations across the Company. During 2012, IAD reviewed its own policy and procedures to ensure alignment with corporate governance requirements.

## COMPLAIANCE

In 2012 QG added a Compliance Manager to its payroll, who played a key role in providing sound oversight and governance that, contributes to enhanced client / shareholder confidence and loyalty.

The approach during 2012 on corporate governance issues included three key elements. First: the production of annual corporate governance report, as mandated by QFMA. Second: the production of company annual report, as stated in the AOA of the company and as per QFMA. Third: initiating the drafting process of a Corporate Governance Manual for various stakeholders, as mandated by QFMA

## COMMUNICATIONS WITH STAKEHOLDERS AND INVESTORS

Transparency and full disclosure are the cornerstones of QG's communications efforts. The BOD values clear, comprehensive and timely communications with shareholders. This is achieved through interim financial updates and its annual report. All financial results and disclosures comply with generally accepted international accounting standards (GAAP) and regulatory requirements.

At the General Assembly meetings, the Chairman of the BOD presents shareholders with detailed information and data on the company's performance, its achievements during the previous year and an outlook of major business plan objectives for the coming year.

QG keeps QE and QFMA and other regulatory bodies updated on matters and developments that may affect share price performance

# SHAREHOLDERS PROFILE

## SHAREHOLDERS

As of 31 December 2012, QG had 1,754 shareholders, pensions' funds, insurance companies, government, small and medium enterprises and retail investors from Qatar, Saudi Arabia, Jordan and others.

## SHAREHOLDER'S CONTACT

QG maintains an open and transparent relation with the investors. An independent investor relation personnel is available to serve the primary contact with shareholders and financial analysts. In addition to that, the CEO and CFO are available to address shareholders' concerns and to share information related to QG's operations and financials in line with the disclosure rules of QE and QFMA.

## SHAREHOLDER'S RIGHTS

The AOA of the company guarantee respect of shareholders rights and principles in terms of:

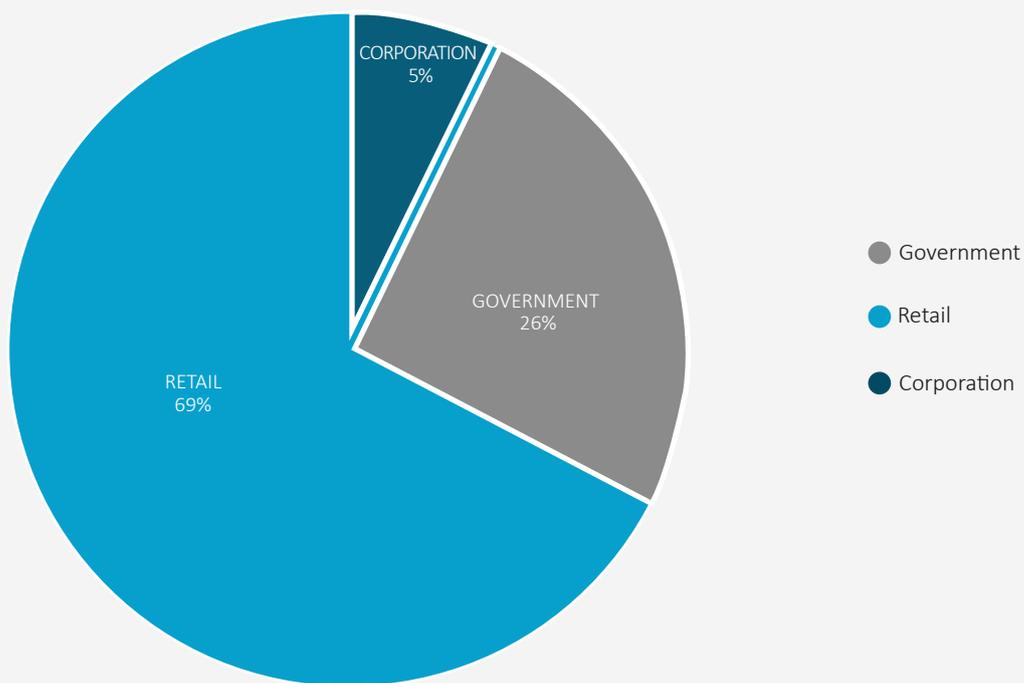
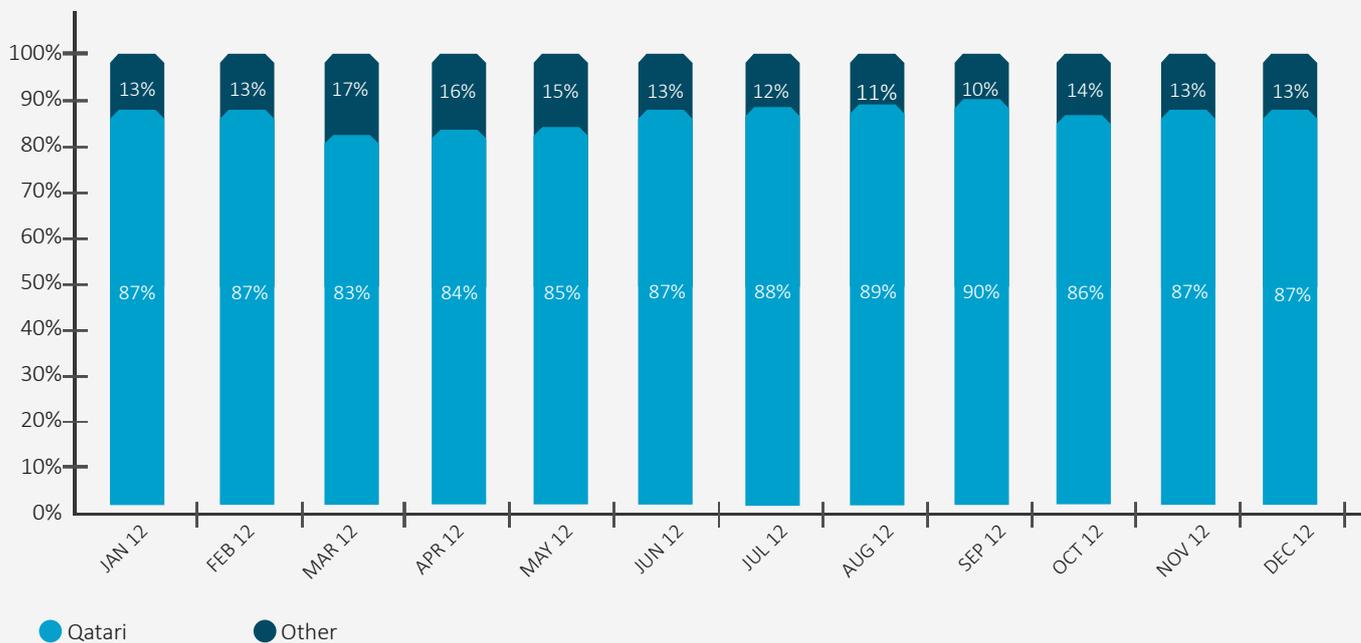
- Access to information and shareholders' records
- Attending general assemblies through private invitation for each shareholder
- Equitable treatment
- Practice of voting rights
- Election and dismissal of Board members
- Disclosure of capital structure and major transactions.

## ANNUAL GENERAL ASSEMBLY

QG AOA clearly mentions the right of shareholders to call annual (AGA) and extraordinary (EGA) meetings for the shareholders and the right to add, discuss, decide and raise questions with respect to any items on the agenda of the general assembly

On 7 May 2012, QG held its Annual General Assembly to approve the financial statements for the year 2011 and other items on the agenda as follows:

- Approve the Auditor's Report on the company's Financial Statements for the period ended 31/12/2011
- Approve the Company's Financial Statements for the period ended 31/12/2011
- Elect new Board members for the coming 3 years period.
- Absolve the Board members from any liability for the financial year ended 31 December 2011
- Appoint Suhaila & Kuriakos as External Auditors for the year 2012 and determine their fees.



## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C.

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Qatari German Company for Medical Devices Q.S.C (the Company) which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of 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 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 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 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.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### OPINION

We have audited the accompanying financial statements of Qatari German Company for Medical Devices Q.S.C (the Company) which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information

In our opinion, except for the effect of such adjustments, if any, as might have been determined, had we received the above documents, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Furthermore, in our opinion, as required by Law No. 5 of 2002 stating Qatari Commercial Companies Law, we have obtained all the information and explanations necessary for our audit, proper books of account have been maintained by the Company, and the contents of the Board of Director's report which relate to the financial statements are in agreement with the Company's books of account. To the best of our knowledge and belief, no violations of above mentioned laws or of the articles of association of the Company have occurred during the year which would have had a material effect on the business of the Company or on its financial position.

PLACE: DOHA, QATAR  
DATE: 11 FEB 2012

SOHILA MOHAMMED HASAN  
REG. NO: 214

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

ASSETS	NOTE	As at 31-12-2012 QAR	As at 31-12-2011 QAR
<b>Non-current assets</b>			
Property, plant & equipment	4	165,926,948	143,270,603
Investment property	5	22,876,734	22,876,734
Intangible assets	6	27,799,673	27,799,673
Advance against purchase of property, plant & equipment	7	429,498	14,320,416
<b>Total non-current assets</b>		<b>217,032,853</b>	<b>208,267,426</b>
<b>Current assets</b>			
Inventory	8	15,613,897	10,475,798
Trade and other receivables	9	7,044,873	1,889,193
Cash and cash equivalents	10	406,813	3,835,732
<b>Total current assets</b>		<b>23,065,583</b>	<b>16,200,723</b>
<b>Total assets</b>		<b>240,098,436</b>	<b>224,468,149</b>

SHAREHOLDER'S EQUITY & LIABILITIES	NOTE	As at 31-12-2012 QAR	As at 31-12-2011 QAR
<b>Shareholder's equity</b>			
Share Capital	11	193,944,687	200,951,800
Legal reserve	12	115,500,000	115,500,000
Revaluation reserve		30,343,120	30,343,120
Accumulated loss		51,427,996	51,791,442
<b>Total shareholders' equity</b>		<b>(3,326,429)</b>	<b>3,317,238</b>

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

SHAREHOLDER'S EQUITY & LIABILITIES	NOTE	As at 31-12-2012 QAR	As at 31-12-2011 QAR
Non-current liabilities			
Provision for employees' end of service benefits	13	582,934	617,339
Borrowings	14	32,330,032	19,357,822
Total non-current liabilities		32,912,966	19,975,161
Current liabilities			
Borrowings	15	10,283,649	2,145,495
Trade and other payables	16	2,957,135	1,395,693
Total current liabilities		13,240,784	3,541,188
Total liabilities		46,153,750	23,516,349
Total shareholders' equity and liabilities		240,098,436	224,468,149

The accompanying notes on pages 7 to of these financial statements 30 form an integral part.

The report of the independent auditor is set forth on pages 1 and 2

Authorised for issue by the Board of Directors on 10 February 2013.

ABDULAZIZ NASSER M. N. AL-KHALIFA  
CHAIRMAN OF THE BOARD OF DIRECTORS

FAREEDA ALI ABUL FATH  
VICE CHAIRMAN

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI  
GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

	NOTE	As at 31-12-2012 QR	As at 31-12-2011 QR
Revenue	16	13,749,337	7,538,590
Direct cost	17	(11,987,848)	(6,822,517)
Gross profit		1,761,489	716,073
Other income	18	191,643	297,586
Employee costs	19	(3,306,399)	(2,634,352)
Other Operating Expense	20	(3,661,584)	(4,266,684)
Gain on revaluation of investment property		-	9,866,850
Intangible assets written off		-	(1,967,459)
Depreciation		(398,368)	(666,822)
Profit/(loss) from operating activities		1,761,489	1,345,192
Finance cost	21	(1,593,894)	(955,003)
Profit / Loss for the year		(7,007,113)	390,189
Other comprehensive income		-	-
Total comprehensive income for the year		(7,007,113)	390,189
Basic earnings per share		22	(0.607)

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

	Share capital QR	Legal reserve QR	Revaluation reserve QR	Accumulated loss QR	Total QR
Balance as on 31 December 2010	115,500,000	30,304,101	52,175,667	2,581,843	200,561,611
Profit for the year	–	–	–	390,189	390,189
Transfer to legal reserve	–	39,019	–	(39,019)	–
Transfer from Revaluation reserve	–	–	(384,225)	384,225	–
Balance as on 31 December 2011	115,500,000	30,343,120	51,791,442	3,317,238	200,951,800
Loss for the year	–	–	–	(7,007,113)	(7,007,113)
Transfer from Revaluation reserve	–	–	(363,446)	363,446	–
Balance as on 31 December 2012	115,500,000	30,343,120	115,500,000	(3,326,429)	193,944,687

The accompanying notes on pages 7 to 30 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 and 2

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI  
GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

CASH FLOWS FROM OPERATING ACTIVITIES:	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Total comprehensive income for the year Adjustment for:	(7,007,113)	390,189
Depreciation	1,613,989	1,659,381
Advance against purchase of property, plant and equipment written off	–	899,814
Intangible assets written off	–	1,967,459
Fair value adjustments for investment properties	–	(9,866,850)
Provision for employees' end of service benefits	296,946	129,908
Finance cost	1,593,894	955,003
Operating profit before working capital changes	(3,502,285)	(3,865,096)
Increase in inventory	(5,138,099)	(775,952)
(Increase)/decrease in trade and other receivables	(5,138,099)	726,428
Increase in trade and other payables	1,561,442	238,232
Cash used in operating activities	(12,234,622)	(3,676,388)
Employees end of service benefits paid	(331,351)	(29,252)
Net cash used in operating activities (A)	(12,565,973)	(3,705,640)

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

CASH FLOWS FROM INVESTING ACTIVITIES	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Purchase of property, plant and equipment	(274,228)	(313,901)
Additions to intangible assets	–	(410,557)
Advance against purchase of property, plant and equipment	(10,105,189)	(3,402,547)
Net cash used in investing activities (B)	(10,379,417)	(4,127,005)
CASH FLOWS FROM FINANCING ACTIVITIES	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Net movement in borrowings	22,967,271	1,362,159
Finance cost	(1,593,894)	(955,003)
Net cash generated from financing activities (C)	21,373,377	407,156
Net decrease in cash and cash equivalents (A+B+C)	(1,572,013)	(7,425,489)
Cash and cash equivalents at the beginning of the year	1,699,077	9,124,566
Cash and cash equivalents at the end of the year (Note 10)	127,064	1,699,077

The accompanying notes on pages 7 to 30 form an integral part of these financial statements.

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# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

## 1. GENERAL INFORMATION

Qatari German Company for Medical Devices Q.S.C (the Company) is a Qatari Shareholding Company incorporated in Doha, Qatar by virtue of Emiri Decree no. 39 issued on 15 October 2000, under the Commercial Registration no. 23349 and is currently listed on Qatar Exchange. The registered address of the Company is P.O Box 22556, Doha, Qatar and principal place of business is Doha.

The principal activity of the Company is to manufacture single use disposable syringes.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

### 2.1 Basis of preparation

The financial statements have been prepared under the historical cost basis. The financial statements are presented in Qatari Riyals (QAR), unless otherwise stated, and all values are rounded to the nearest QAR. The principal accounting policies adopted are set out below

### 2.2 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards, the applicable provisions of the Articles of Association of the Company and the relevant provisions of Law No. 5 of 2002 stating Qatari Commercial Companies' Law.

### 2.3 Adoption of new and revised International Financial Reporting Standards

The following new and revised Standards including amendments thereto and Interpretations which became effective for the current reporting period have been adopted. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

#### *IFRS 7: Financial Instruments-Disclosures (Disclosure for transfer of financial instruments)*

The IASB issued an amendment to IFRS 7 on 7 October 2010. The amendment provides enhanced disclosures for transferred financial assets that are derecognized in their entirety and transferred assets that are not derecognized in their entirety. The effective date is for annual periods beginning on or after 01 July 2011.

#### *IAS 12: Deferred Tax – Recovery of Underlying Assets*

IAS 12- Income Taxes, has been amended to provide a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40- Investment Property, will normally, be through sale. The following standards, amendments thereto and Interpretations have been issued prior to 31 December 2012 but have not been applied in these financial statements as their adoption are effective in future reporting periods. It is anticipated that their adoption in the relevant reporting periods will have impact only on disclosures within the financial statements.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

### 2.3 Adoption of new and revised International Financial Reporting Standards (CONTINUED)

#### *IFRS 1: Government Loans – Effective 1 January 2013*

IFRS 1- First-time Adoption of International Financial Reporting Standards, has been amended to address how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRSs. The amendments mirror the requirements for existing IFRS preparers in relation to the application of amendments made to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance in relation to accounting for government loans.

#### *IFRS 7: Financial Instruments-Disclosures (Disclosures about offsetting of financial assets and financial liabilities) – Effective January 1, 2013*

The amendments to IFRS 7- Financial Instruments, introduce additional disclosures designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

#### *IFRS 9: Financial Instruments - Effective 1 January 2015*

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but amendments to IFRS 9 mandatory effective date of IFRS 9 and transition disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.

#### *IFRS 10: Consolidated Financial Statements and IAS 27: Separate Financial Statements - Effective 1 January 2013*

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that address the accounting for consolidated financial statements. It also addresses the issue raised in SIC-12, Consolidation- Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including Special Purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27.

#### *IFRS 11: Joint Arrangements - Effective 1 January 2013*

IFRS 11 replaces IAS 31 – Interests in Joint Ventures and SIC-13 Jointly-controlled entities – Non-monetary contributions by ventures. IFRS 11 removes the option to account for jointly controlled entities (JCEs') using proportionate consolidation. Instead, JCEs' that meet the definition of a joint venture must be accounted for using the equity method.

#### *IFRS 12: Disclosure of Interests in Other Entities – Effective 1 January 2013*

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

### 2.3 Adoption of new and revised International Financial Reporting Standards (CONTINUED)

#### *IFRS 1: Government Loans – Effective 1 January 2013*

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# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

### 2.7 Property, plant and equipment

Intangible assets include cost incurred on patents and know-how. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and are recognized as an expense in the period in which the expenditure is incurred

Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each reporting period end.

Assets that have an indefinite useful life are not amortized. These are tested for impairment annually at each reporting date and when circumstances indicate that the carrying value of the assets may be impaired.

The patents and know-how have an indefinite useful life and are tested for impairment annually.

### 2.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

#### *Company as a lessee*

Lease in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognized as an expense in the statement of comprehensive income on a straight line basis over the period of the lease.

### 2.9 Inventory

Inventories are valued at lower of cost and net realizable value. Cost is determined on a weighted average cost basis and comprises direct materials and, wherever applicable, direct labor costs and those overheads that have been incurred in bringing them to their present location and condition. Net realizable value represents the estimate of selling price in the ordinary course of business, less all estimated costs to completion and costs necessary to make the sale.

Costs incurred in bringing each item to its present location and condition is accounted for as follows:

Raw materials	-	purchase cost
Finished goods	-	cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

### 2.13 Impairment of Financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that a financial asset or a group of financial assets is impaired, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. Impairment losses are written off to the statement of comprehensive income or if previously a provision was made, it is written off against the provision.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of previously recognized impairment loss is recognized in the statement of comprehensive income.

### 2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposits.

### 2.15 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognized in the statement of comprehensive income, net of any reimbursement.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions are not recognized for future operating losses.

### 2.16 Provision for employee's end of service benefits

Provision for employees' end of service benefits is made in accordance with the Qatari Labor Law, and is based on current remuneration and periods of service at the end of the reporting period

### 2.17 Annual leave and leave passage

An accrual is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period.

### 2.18 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost using the effective interest rate method. Difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowing costs are recognized in statement of comprehensive income in the period in which they are incurred. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right prior to the reporting date to defer settlement of the liability for at least 12 months after the reporting date.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

### 2.19 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for services rendered in the ordinary course of the Company's activities. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognized based on the following specific recognition criteria:

#### *Sale of goods*

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods

#### *Rental income*

Revenue from rental income is recognized as and when it is accrued.

## 3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimating 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 discussed below:

### a) DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Management assigns useful lives and residual values to property, plant and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life.

### b) IMPAIRMENT OF INTANGIBLE ASSETS

Impairment of intangible assets is determined using a combination of factors to ensure that there is no impairment in the value of the intangible asset at each statement of financial position date.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS<sub>(CONTINUED)</sub>

#### c) FAIR VALUE OF INVESTMENT PROPERTIES

An external, independent valuation company, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued, values the Company's investment property. The fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

#### d) IMPAIRMENT OF ASSETS

Assessments of net recoverable amounts of property, plant and equipment and all financial assets other than trade and other receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

#### e) IMPAIRMENT OF TRADE RECEIVABLES

The management regularly undertakes a review of the recovery status of amounts due from either third parties or related parties. Such review is made based on variety of factors, including the overall quality and aging of the receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances, Based on the review, assumptions are made regarding the extent of impairment allowance required.

#### f) INVENTORY PROVISION

The Company reviews the carrying amounts of the inventories at each reporting date and assesses the likely realization proceeds taken into account, the age of inventory, estimated future demand for various items in the inventory, and physical damage etc. Based on the assessment, adequate provisions are made.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 4. PROPERTY, PLANT & EQUIPMENT

	Leasehold land	Buildings	Machinery and equipment	Motor vehicles	Furniture, fixtures and equipment	Computer and Software	Capital work in-progress	Total
	QR	QR	QR	QR	QR	QR	QR	QR
<b>COST</b>								
As at 31 Dec 2010	27,296,000	49,296,743	64,014,532	264,000	941,896	264,351	191,725	142,269,247
Additions during the year	–	–	171,523	–	46,089	96,289	–	313,901
Transfers	–	4,836,704	8,607,633	–	181,825	47,693	(191,725)	13,482,130
Transfer to investment properties	(7,235,690)	–	–	–	–	–	–	(7,235,690)
Disposals during the year	–	–	–	–	(9,709)	–	–	(9,709)
As at 31 Dec 2011	20,060,310	54,133,447	72,793,688	264,000	1,160,101	408,333	–	148,819,879
Additions during the year	–	–	–	78,500	76,116	119,612	–	274,228
Transfers from advances against purchase of property, plant & equipment	–	–	23,996,106	–	–	–	–	23,996,106
Written off during the year	–	–	–	–	(208,239)	(15,922)	–	(224,161)
As at 31 Dec 2012	20,060,310	54,133,447	96,789,794	342,500	1,027,978	512,023	–	172,866,052

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

## 4. PROPERTY, PLANT & EQUIPMENT (Continued)

	Leasehold land	Buildings	Machinery and equipment	Motor vehicles	Furniture, fixtures and equipment	Computer and Software	Capital work in-progress	Total
	QR	QR	QR	QR	QR	QR	QR	QR
ACCUMULATED DEPRECIATION								
As at 31 Dec 2010	–	1,651,329	1,112,978	249,200	695,645	190,452	–	3,899,604
Charge for the year	–	751,809	685,247	14,798	138,349	69,178	–	1,659,381
Adjustment for disposal of assets	–	–	–	–	(9,709)	–	–	(9,709)
As at 31 Dec 2011	–	2,403,138	1,798,225	263,998	824,285	259,630	–	5,549,276
Charge for the year	–	712,519	664,115	5,233	137,792	94,329	–	1,613,989
Adjustment for disposal of assets	–	–	–	–	(208,239)	(15,922)	–	(224,161)
As at 31 Dec 2012	–	54,133,447	2,462,340	269,231	753,838	338,037	–	6,939,104
NET BOOK AMOUNT								
2012	20,060,310	51,017,790	94,327,454	73,269	274,140	173,986	–	165,926,948
	20,060,310	51,730,309	70,995,463	2	335,816	148,703	–	143,270,603

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 4. PROPERTY, PLANT & EQUIPMENT (Continued)

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for services rendered in the ordinary course of the Company's activities. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

4.1 During the year 2007, the Company had revalued its assets by an independent valuer. The increase due to revaluation was added to cost of the assets and subsequently, the revaluation reserve thereof is classified as a separate component of the shareholder's equity.

4.2 Leasehold land represents the value of the property and right to use the leased land, on which the buildings are erected.

4.3 Machinery and equipment costing QAR 10,005,505 have not been depreciated till date, since these assets have not been put to use.

4.4 Depreciation for the period has been allocated in the statement of comprehensive income as follows:

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Direct cost	1,215,621	992,559
Indirect cost	398,368	666,822
<b>Total</b>	<b>1,613,989</b>	<b>1,659,381</b>

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 5. INVESTMENT PROPERTIES

	Land and building QR
Carrying value as at 31 December 2010	5,774,194
Fair value changes	9,866,850
Transferred from property, plant and equipment	7,235,690
Carrying value as at 31 December 2011	22,876,734
Carrying value as at 31 December 2012	22,876,734

The Company has carried out a valuation of leasehold land (property right to use) in which the buildings are erected, as at 31 December 2011. The valuation was done by Al Haque Rental and Real-estate Office, a certified valuer, specialized in valuation of real estate and similar activities. The valuation has been carried out with reference to market evidence of transaction prices for similar properties and/ or discounted cash flows coupled with market and other evidences.

### 6. INTANGIBLE ASSETS

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Opening balance	14,320,416	25,299,813
Current year advance payments	10,105,189	3,402,547
Transfer to property, plant & equipment	(23,996,107)	(13,482,130)
Advances written off during the year	–	(899,814)
Closing Balance	429,498	14,320,416

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 6. INTANGIBLE ASSETS (Continued)

6.1 During the year ended December 31, 2007 the Company acquired the full rights for the use of the patents and know how without any limitations from Mr. Seikmann on a further payable amount of Euro 900,000. This payment has been made in January 2008 by taking a loan from Qatar National Bank. The patents now belong to the Company with full rights. All the expenses related to development and acquisition of patents and know-how have been included in the cost of patents and know-how.

6.2 The patents now belong to the Company and have an infinite life. The management of the Company believes that there has been no impairment on the cost of the patents and know-how as of the reporting date.

### 7. ADVANCE AGAINST PURCHASE OF PROPERTY, PLANT & EQUIPMENT

7.1 During the year 2009, the Board of Directors took a decision to expand the operations of the Company by introducing a new product line. Accordingly plant and machinery, factory premises and other necessary infrastructures were modified. Some of those machineries and equipment received are under commissioning as of the reporting date. The expansion plan is substantially complete as at the reporting date.

7.2 All the capital expenditures incurred for purchase of machineries and other directly attributable expenses have been classified in this account.

The movement in this account is as follows:

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Opening balance	14,320,416	25,299,813
Current year advance payments	10,105,189	3,402,547
Transfer to property, plant & equipment	(23,996,107)	(13,482,130)
Advance written off during the year	–	(899,814)
Closing Balance	429,498	14,320,416

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

8. INVENTORY

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Raw materials	10,680,751	6,525,280
Finished goods	1,643,764	1,112,020
Spare parts	3,035,621	2,759,245
Consumables	253,761	79,253
	15,613,897	10,475,798

9. TRADE & OTHER RECEIVABLES

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Trade receivables	6,273,883	1,563,105
Pre-payments	416,302	289,837
Advance to suppliers	319,667	26,627
Other receivables	35,021	9,624
	7,044,873	1,889,193

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 9. TRADE & OTHER RECEIVABLES (Continued)

An age analysis of trade receivables that were past due but not impaired is as follows:

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Outstanding for 31- 60 days	213,800	499,704
Outstanding for 61- 90 days	1,284,854	14,840
Outstanding for 91- 120 days	1,151,594	566,248
Outstanding for more than 120 days	1,903,269	293,480
	4,553,517	1,374,272

Trade receivables which were neither past due nor impaired are QAR 1,720,366 (Previous year: QAR 188,833)

### 10. CASH & CASH EQUIVALENTS

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Cash in hand	20,000	4,004
Cash at bank:	–	–
Current and call accounts	386,813	809,689
Fixed deposit account	–	3,022,039
	4,553,517	3,835,732

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 10. CASH & CASH EQUIVALENTS (CONTINUED)

Cash and cash equivalents at the end of the year as shown in the statement of financial position, can be reconciled to the related items in the statement of cash flows as follows:

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Cash and cash equivalents	406,813	3,835,732
Bank overdraft	(279,749)	(2,136,655)
	127,064	1,699,077

### 11. SHARE CAPITAL

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Issued and fully paid	115,500,000	115,500,000

Ordinary shares of 11,550,000 (2011: 11,550,000 ) of QAR 10 each

The authorized capital of the Company comprises of 11,550,000 shares of QAR 10 each

### 12. LEGAL RESERVE

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Opening and closing balance	30,343,120	30,343,120

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 12. LEGAL RESERVE (Continued)

In accordance with Law No.5 of 2002 stating Qatari Commercial Companies' Law and the Articles of Association, the Company is required to establish a statutory reserve by transferring 10% of net profit for each year until the reserve equals 50% of the paid-up capital. This is not available for distribution except as stipulated by the Law. During the year, no transfer to the said reserve has been made since the Company has incurred a loss.

### 13. PROVISION FOR EMPLOYEES END OF SERVICE BENEFIT

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Opening balance	617,339	516,683
Provision for the year	296,946	129,908
Paid during the year	(331,351)	(29,252)
Closing balance	582,934	617,339

### 14. BORROWINGS

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
NON-CURRENT LIABILITY:		
Term loan	32,330,032	19,357,822
CURRENT LIABILITY:		
Documentary credit facility / Trust receipt loan – QNB	661,889	–
Documentary credit facility / Trust receipt loan – QDB	9,061,680	–

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 14. BORROWINGS (Continued)

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
CURRENT LIABILITY: (CONTINUED)		
Bank Overdraft	279,749	2,136,655
Credit card payable	36,090	8,840
Interest payable to bank	244,241	–
	42,613,681	21,503,317

14.1 The Company has entered into a loan agreement for refinancing its existing facilities with Qatar Development Bank, a related party, for an amount of QAR 32.6 million term loan and QAR 9 million revolving loan, on 23 February 2012, to finance the establishment of industrial plant at Abu Hamour. The Company has also entered into a pledge agreement on 29 February 2012, to pledge all the assets of the Company for the purpose of this loan facility. The interest rate for the total loan facility is 3.5% per annum and the repayment commences after 3 years grace period. In addition, the Company has pledged these assets as a secondary mortgage for the facility availed from Qatar National Bank, for an amount of QAR 19 million.

14.2 The Company has entered into a loan agreement with Qatar National Bank, a related party, on 10 August 2011 for an overdraft facility of QAR 2 million and document credit facility of QAR 16 million. The interest rates for these facilities are 8% per annum.

### 15. TRADE & OTHER PAYABLES

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Trade payables	2,310,466	891,135
Dividend payable	215,891	216,166

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 15. TRADE & OTHER PAYABLES (Continued)

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Accrued expenses	132,966	93,141
Other payables	297,812	195,251
	2,957,135	1,395,693

### 16. REVENUE

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Sales	13,749,337	7,538,590

### 17. DIRECT COST

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Cost of sales	11,987,848	6,822,517

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI  
GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

18. OTHER INCOME

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Rent	180,000	205,000
Interest	11,643	92,586
	191,643	297,586

19. EMPLOYEE COSTS

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Salaries and wages	2,731,838	1,992,368
End of service benefits	129,980	87,196
Other employee costs	444,581	554,788
	3,306,399	2,634,352

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 20. OTHER OPERATING EXPENSES

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Legal and professional fees	392,857	464,804
Patent and renewal costs	108,212	61,978
Selling and Marketing Expenses	2,031,137	514,436
Rent	135,090	–
Conveyance	100,733	15,681
Repairs and maintenance	376,809	849,543
Utilities	242,648	563,681
Office and miscellaneous Expenses	269,073	241,812
Staff related factory expenses written off	–	1,542,786
Foreign exchange loss	5,025	11,963
	3,661,584	4,266,684

### 21. FINANCE COST

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Bank charges and commission	372,278	7,897
Interest	1,221,616	947,106
	1,593,894	955,003

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 22. BASIC AND DILUTED EARNINGS PER SHARE

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Profit / Loss of the year	(7,007,113)	390,189
Weighted average number of shares	11,550,000	11,550,000
Earnings per share of QAR 10 each	(0.607)	0.034

### 23. RELATED PARTY DISCLOSURES

Related parties include the shareholders, key management personnel, fellow subsidiaries, associates, joint ventures, directors and entities which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence. Balances and transactions between the Company and its related parties are described below. Transactions with related parties were entered into on arm's length basis.

During the period, the Company had transactions in the ordinary course of business with some of its shareholders. These transactions were substantially on the same terms, including interest rates, as those prevailing in comparable transactions with unrelated parties

The transactions with related parties during the year are as follows:

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Interest	1,221,616	7,897
Bank charges and commission	372,278	947,106
	1,593,894	955,003
Management allowance & fees Personnel Remuneration,	2,022,109	771,333

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 23. RELATED PARTY DISCLOSURES(Continued)

The compensation of key management for the year is shown below:

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Short-term benefits	1,952,747	671,454
Post-employment benefits	69,363	99,879
	2,022,109	771,333

The following balances were outstanding at the end of the year:

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
Due to related parties included in borrowings (Note 14)	42,613,681	21,503,317

### 24. FINANCIAL INSTRUMENTS

The net carrying amount of the financial assets and financial liabilities as at the reporting date are classified as follows :

	Loans and Receiv- ables 2012 QR	Loans and Receiv- ables 2011 QR	At amortized cost 2012 QR	At amortized cost 2011 QR
<b>FINANCIAL ASSETS</b>				
Trade and other receivables (excluding prepayments) (Note 9)	6,593,550	1,589,732	–	–

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 24. FINANCIAL INSTRUMENTS (Continued)

	Loans and Receiv- ables 2012 QR	Loans and Receiv- ables 2011 QR	At amortized cost 2012 QR	At amortized cost 2011 QR
<b>FINANCIAL ASSETS (Continued)</b>				
Cash and cash equivalents (Note10)	406,813	3,835,732	–	–
Total	7,000,363	5,425,464	–	–
<b>FINANCIAL LIABILITIES</b>				
Borrowings (Note 14)	–	–	42,613,681	21,503,317
Trade and other payables (Note 15)	–	–	2,957,135	1,395,693
Total	–	–	45,570,816	22,899,010

### 25. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while providing maximum return to stakeholders through the optimization of the debt and equity balance and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy on capital risk management remains unchanged from the previous year.

The capital structure of the Company consists of equity as presented in the balance sheet. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

## 26. FINANCIAL RISK MANAGEMENT

In accordance with Law No.5 of 2002 stating Qatari Commercial Companies' Law and the Articles of Association, the Company is required to establish a statutory reserve by transferring 10% of net profit for each year until the reserve equals 50% of the paid-up capital. This is not available for distribution except as stipulated by the Law. During the year, no transfer to the said reserve has been made since the Company has incurred a loss.

### 26.1 FINANCIAL RISK FACTORS (CONTINUED)

Risk management is carried out by the Company's management. The management identifies and evaluates financial risks on regular basis to minimize the adverse impact over the Company's operation.

#### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity risk. The Company's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, when revenue or expense are denominated in a different currency from the Company's functional currency which is QAR. The Company manages the risks through regular monitoring of the currency markets to determine appropriate action to minimise the exposure to the foreign currency risks.

Financial assets and financial liabilities are denominated in QAR or SAR both pegged with USD and in USD except for the following:

	Year ended 31-12-2012 QR	Year ended 31-12-2011 QR
TRADE RESCIVEABLE		
Euro	61,267	129,978
TRADE PAYABLE		
Euro	263,648	63,608

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

## 26. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 26.1 FINANCIAL RISK FACTORS (CONTINUED)

#### (a) *Market risk* (CONTINUED)

- Foreign currency risk (CONTINUED)

At the reporting date, if the above mentioned currencies had been weaker or stronger against QAR by 1%, loss for the year would have been higher or lower by QAR 15,627 (Previous year profit would be higher or lower by QAR 9,111)

- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's bank borrowings.

As of the reporting date, the company has bank borrowings from related parties, as disclosed in Note 14. If the interest rate had strengthened by 1% against the effective rate with all other variables held constant, net loss for the year would have been higher by QAR 426,137 (2011 : profit for the year would have been lower by QAR 215,033).

The analysis is prepared assuming the amount of liability outstanding as on the reporting date was outstanding for the whole year.

#### (b) *Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company deals only with highly reputed local and international banks. In respect of major customers, credit risk is managed by assessing the credit quality of these major customers, taking into account their financial position, past experience and other factors including regular follow up.

Of the trade receivables balance at the end of the year, QAR 5,124,619 (2010: Nil) is due from one customer (considering customers with more than 10% of total balance).

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

## 24. FINANCIAL RISK MANAGEMENT (Continued)

### 26.1 FINANCIAL RISK FACTORS (Continued)

#### (c) Liquidity risks

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Company manages the liquidity risk through risk management framework for the Company's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available to meet its commitments for liabilities as they fall due.

The table below analyses the Company's remaining contractual maturity for its financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	one year Less than one year	1 to 2 years Between one and two years	2 to 5 years Between two and five years	5 years More than five years	Total
AT 31 DeCeMber 2012					
Borrowings (Note 14)	10,283,649	–	13,957,835	18,372,197	42,613,681
Trade and other payables (Note 15)	2,957,135	–	–	–	2,957,135
	13,240,784	–	13,957,835	18,372,197	45,570,816
AT 31 DeCeMber 2012					
Borrowings (Note 14)	2,145,495	–	19,357,822	–	21,503,317
Trade and other payables (Note 15)	1,395,693	–	–	–	1,395,693
	3,541,188	–	19,357,822	18,372,197	22,899,010

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 27. FAIR VALUE

The fair value of a financial instrument is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length basis transaction. The fair values of the financial assets and liabilities approximate their net book amounts as reflected in these financial statements.

### 28. COMMITMENT AND CONTINGENCIES

Except the ongoing service commitments in the normal course of business against which no loss is expected and those specifically mentioned below, there has been no other known contingent liability or capital commitment on the Company's account

#### 28.1 OPERATING LEASE ARRANGEMENTS

The Company had entered into a lease agreement for the land at Abu hamour on 01 July 2001. The lease has a life of 30 years. The Company does not have an option to purchase the leased property at the expiry of the lease period.

	As at 31-12-2012 QR	As at 31-12-2011 QR
ease that expires not later than 1 year	11,527	11,527
ease that expires later than 1 year but not later than 5 years	46,108	46,108
ease that expires later than 5 years	155,615	167,142
	213,250	224,777

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

### 28. COMMITMENT AND CONTINGENCIES (Continued)

#### 28.2 CONTINGENT LIABILITY

As of the reporting date following contingent liabilities were outstanding;

	As at 31-12-2012 Qr	As at 31-12-2011 Qr
Letter of credit	–	1,184,773
Letter of credit of usance	307,840	9,486,892
Guarantees (Tender, Performance and miscellaneous)	1,514,467	744,699
	213,250	213,250

#### 28.3 CAPITAL COMMITMENTS

As of the reporting date, there is no capital commitment on the Company's account.

### 29. SEGMENT INFORMATION

For management purpose, the company is organized into one primary segment and operates in the State of Qatar.

#### 29.1 CAPITAL COMMITMENTS

Previous year figures with respect to non-current assets, current assets, non-current liability, current liability and other operating costs have been reclassified/ regrouped as follows as it is considered that the revised classification/ grouping, which has been adopted in the current accounting period, more fairly presents the state of affairs/ results of operations.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.S.C. (CONTINUED)

## 29. SEGMENT INFORMATION (Continued)

### 29.1 COMPARATIVE FIGURES (Continued)

	Amount QR	Reclassified from QR	Reclassified from QR
<b>ADVANCE AGAINST PURCHASE OF PROPERTY, PLANT AND EQUIPMENT (NOTE 7 - DISCLOSED UNDER NON-CURRENT ASSETS)</b>			
Advanced written off during the year	(899,814)	–	(899,814)
Transfer to property, plant & equipment	899,814	14,381,944)	(13,482,130)
<b>CURRENT ASSETS</b>			
Trade and other receivables	1,889,193	–	1,889,193
Accounts receivable	1,563,105	1,563,105	–
Prepayments and other debit balances	326,088	326,088	–
<b>NON-CURRENT LIABILITY</b>			
Borrowings	19,357,822	–	19,357,822
Term loan- non-current portion	19,357,822	19,357,822	–
<b>CURRENT LIABILITY</b>			
Borrowings	2,145,495	–	2,145,495
Due to bank	2,145,495	2,145,495	–
	4,266,684	–	4,266,684
Other general and administrative expences	3,740,285	3,740,285	–
Selling and Marketing Expences	514,436	514,436	–
Foreign exchange loss	11,963	11,963	–