

ZAD HOLDING COMPANY (Q.S.C.)
DOHA – STATE OF QATAR

INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION TOGETHER WITH
REVIEW REPORT FOR THE
SIX MONTHS ENDED JUNE 30, 2013

**ZAD HOLDING COMPANY (Q.S.C.)
DOHA – STATE OF QATAR**

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To
The Board of Directors
Zad Holding Company (Q.S.C.)
Doha – State of Qatar

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Zad Holding Company (Q.S.C.)**, (the “Company”) and its subsidiaries (together referred to as the “Group”) Doha-State of Qatar, as at June 30, 2013 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard-34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- As explained in note 9 to the interim condensed consolidated financial information, an amount of QR.68,368,576 as at June 30, 2013 (2012: QR.68,368,576) is receivable as a compensation from Government of Qatar in respect of subsidized flour sold during earlier years as per the provisions of the compensation agreement that was enforced until December 13, 2007. The quantification of the claim in respect of subsidized flour still under discussion with the Government of Qatar. We were unable to obtain assurance that this amount will be recovered in full. Further, the loan from Government of Qatar amounting to QR.59,959,040 as at June 30, 2013 (2012: QR.59,959,040) has been netted off against the amount due in respect of the subsidies to arrive at the net outstanding balance due from the Government of Qatar amounting to QR.86,854,396 as at June 30, 2013 (2012: QR.87,367,631). The Group was unable to demonstrate to us that the right of set off exists. Accordingly, we were unable to obtain assurance that the set off is appropriate.



MEMBER OF THE

FORUM OF FIRMS

TAGI is a full member of the Forum of Firms. The Forum conducts its business through its executive arm, the Transnational Auditors Committee (TAC), which is also a committee of the International Federation of Accountants (IFAC). www.ifac.org/forum_of_firms.

- The Group has recognized leased lands as “rights to use lands” under investment properties in the interim condensed consolidated statement of financial position and the fair value of these leased lands have been measured and incorporated in the books of accounts based on the management estimation amounting to QR.179,833,646 as at June 30, 2013 (2012:QR.179,833,646). The fair value of leased lands “right to use lands” were not based on the valuations by an independent valuer or not supported by any appropriate market evidences.

Qualified Conclusion

Based on our review, with the exception of the matters described in preceding paragraphs, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard-34, *Interim Financial Reporting*.

Emphasis of Matter

Without further qualifying our conclusion, we draw attention to note 12(b) to the interim condensed consolidated financial information, the Group is in the process of listing of 8,464,132 shares of the Company at a par value of QR.10 each to the shareholders of an acquired subsidiary during the year 2011. The financial positions and operating results of the acquired subsidiary have been consolidated with this interim condensed consolidated financial information without listing of the Company’s shares.

TALAL ABU-GHAZALEH & CO.



Hazim Al Surkhi
(Licence No. 119)
Doha, August 05, 2013

**ZAD HOLDING COMPANY (Q.S.C.)
DOHA – STATE OF QATAR**

EXHIBIT "A"

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (REVIEWED)
AS AT JUNE 30, 2013**

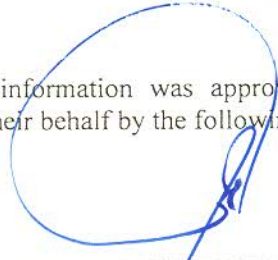
	Note	June 30, 2013 (QR.) (Reviewed)	Dec. 31, 2012 (QR.) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment and capital work in progress	-4-	123,604,178	118,717,371
Investment properties	-5-	1,104,258,661	1,099,222,350
Goodwill	-6-	19,704,770	19,704,770
Investment in subsidiary-Al Heer Development Co.		200,000	200,000
Advance for purchase of land	-7-	28,345,069	25,853,195
Available-for-sale financial assets	-8-	245,296,273	260,656,521
Due from Government of Qatar	-9(b)-	68,368,576	68,368,576
Retentions receivable		11,515,670	10,858,488
Other assets		724,217	772,689
Total Non-Current Assets		1,602,017,414	1,604,353,960
CURRENT ASSETS			
Inventories	-10-	135,979,687	143,563,329
Excess of revenue over billings		15,745,577	5,173,445
Due from Government of Qatar	-9(b)-	18,485,820	18,999,055
Accounts, retentions and other receivables		124,172,862	183,518,861
Due from related party- Dandy Company Limited		711,826	311,378
Assets classified as held for sale	-11-	-0-	2,723,902
Cash in hand and at banks		96,792,157	77,132,579
Total Current Assets		391,887,929	431,422,549
Total Assets		1,993,905,343	2,035,776,509
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(Continued)

This interim condensed consolidated financial information was approved by the Board of Directors on August 05, 2013 and was signed on their behalf by the following.



Sh. Nassar Bin Mohammad Bin Jabor Al-Thani
Chairman



Sh. Talal Bin Mohammad Bin Jabor Al-Thani
Vice Chairman

THE ACCOMPANYING NOTES 1 TO 22 CONSTITUTE AN INTEGRAL PART OF THIS
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

**ZAD HOLDING COMPANY (Q.S.C.)
DOHA – STATE OF QATAR**

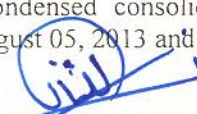
EXHIBIT "A"

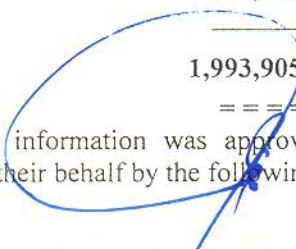
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (REVIEWED)
AS AT JUNE 30, 2013**

(Continued)

	Note	June 30, 2013 (QR.) (Reviewed)	Dec. 31, 2012 (QR.) (Audited)
EQUITY AND LIABILITIES			
EQUITY			
Share capital-Listed		130,810,680	130,810,680
Share capital-Unlisted		84,641,320	84,641,320
Total share capital	-12-	215,452,000	215,452,000
Legal reserve	-13-	563,120,132	563,120,132
Capital reserve		15,000,000	15,000,000
Fair value reserve		129,399,555	179,861,051
Retained earnings		343,415,946	339,208,852
Total Equity – Exhibit D		1,266,387,633	1,312,642,035
NON-CURRENT LIABILITIES			
Employees' end of service benefits		10,926,568	9,951,114
Due to Government of Qatar	-9(e)-	47,591,581	47,591,581
Interest bearing borrowings		209,713,151	193,141,987
Total Non-Current Liabilities		268,231,300	250,684,682
CURRENT LIABILITIES			
Accounts, retentions and other payables		332,827,199	285,641,009
Due to related parties	-14-	40,185,290	44,086,890
Interest bearing borrowings		86,273,921	142,721,893
Total Current Liabilities		459,286,410	472,449,792
Total Liabilities		727,517,710	723,134,474
Total Equity and Liabilities		1,993,905,343	2,035,776,509
		=====	=====

This interim condensed consolidated financial information was approved by the Board of Directors on August 05, 2013 and was signed on their behalf by the following.


 Sh. Nassar Bin Mohammad Bin Jabor Al-Thani
 Chairman


 Sh. Talal Bin Mohammad Bin Jabor Al-Thani
 Vice Chairman

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