

ZAD HOLDING COMPANY Q.P.S.C.
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2020

ZAD HOLDING COMPANY Q.P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

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Independent auditor's report on review of interim condensed consolidated financial statements to the Shareholders of Zad Holding Company Q.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Zad Holding Company Q.P.S.C. (the "Company") as at 30 June 2020, the interim condensed consolidated statements of income, profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements. The Board of Directors of the Company is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 - "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the 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 of qualified conclusion

As fully explained in note 8 of these interim condensed consolidated financial statements, receivable from the Government of Qatar includes compensation amounting to QR 68,368,576 in respect of subsidized flour sold during earlier years as per the provisions of the compensation agreement that was in force until 13 December 2007. The quantification of the claim in respect of subsidized flour is still under discussion with the Government of Qatar. We have been 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 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. The Company has been unable to demonstrate to us that the right to set off exists. Accordingly, we have been unable to obtain confirmation that the set off is appropriate.





**Independent auditor's report on review of interim condensed consolidated financial statements
to the Shareholders of Zad Holding Company Q.P.S.C. (Continued)**

Qualified conclusion

Based on our review, with the exception of the matter described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as on 30 June 2020 are not prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting".

For Morison & Kuriachan Kuriakose Chartered Accountants
(Formerly known as Menon Chartered Accountants and Partners)

Kuriachan V. Kuriakose

Auditor's registry number: 254

Licensed by QFMA: External Auditor's license No: 120178

13 August 2020

Doha, Qatar



ZAD HOLDING COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

In Qatari Riyals

	Note	30 June 2020	31 December 2019
		(Reviewed)	(Audited)
ASSETS			
Non-current assets			
Property, plant, and equipment		319,797,704	303,011,738
Right of use assets	5	75,329,679	47,669,468
Investment properties	6	532,424,610	535,894,689
Investment securities	7	1,100,908	1,523,256
Retention and other receivables		15,084,330	11,915,042
Goodwill		19,704,770	19,704,770
Total non-current assets		963,442,001	919,718,963
Current assets			
Due from Government of Qatar	8(a)	91,856,956	78,840,635
Due from related parties	9(b)	14,245,547	16,554,914
Inventories		159,238,159	121,477,744
Accounts, retention, and other receivables		422,888,408	375,716,561
Investment in commodities		622,045,513	543,876,259
Cash and bank balances	10	25,765,497	85,890,476
Total current assets		1,336,040,080	1,222,356,589
Total assets		2,299,482,081	2,142,075,552

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ZAD HOLDING COMPANY Q.P.S.C.

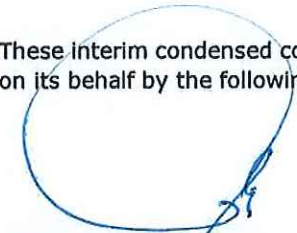
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2020

In Qatari Riyals

	Note	30 June 2020 (Reviewed)	31 December 2019 (Audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	11	236,997,200	236,997,200
Legal reserve		563,120,753	563,120,753
Capital reserve		15,000,000	15,000,000
Retained earnings		628,493,039	722,920,086
Total equity		1,443,610,992	1,538,038,039
Non - current liabilities			
Other non - current liabilities		31,202,554	30,290,921
Lease liability		9,835,650	8,412,497
Due to Government of Qatar	8(d)	47,591,581	47,591,581
Total non - current liabilities		88,629,785	86,294,999
Current liabilities			
Accounts payable, retention and other payables		380,960,084	224,737,153
Lease Liability		3,379,569	2,947,207
Due to related parties	9(c)	5,665,760	4,846,449
Islamic financing - current	12	377,235,891	285,211,705
Total current liabilities		767,241,304	517,742,514
Total liabilities		855,871,089	604,037,513
Total equity and liabilities		2,299,482,081	2,142,075,552

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on 13 August 2020.



Talal Mohammed J M Al Thani
Vice Chairman



Tarique Mohammad
Chief Executive Officer



ZAD HOLDING COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

In Qatari Riyals

	Note	For the six month period ended 30 June	
		2020 (Reviewed)	2019 (Reviewed)
Operating revenue	13	615,493,147	693,190,074
Compensation from Government of Qatar for sale of subsidized flour		<u>46,563,154</u>	<u>49,901,613</u>
Total revenue		662,056,301	743,091,687
Operating cost		<u>(507,851,111)</u>	<u>(576,291,248)</u>
Gross profit		154,205,190	166,800,439
Other income	14	43,313,777	34,921,401
General and administrative expenses		(40,641,766)	(43,714,010)
Selling and distribution expenses		(36,485,633)	(33,058,043)
Net of impairment/loss on financial assets		(7,003,878)	(5,326,887)
Finance costs		<u>(6,367,117)</u>	<u>(4,572,619)</u>
Profit for the period		<u>107,020,573</u>	<u>115,050,281</u>
Total comprehensive income for the period		<u>107,020,573</u>	<u>115,050,281</u>
Earnings per share			
Basic and diluted earnings per share	15	<u>0.45</u>	<u>0.49</u>



The attached notes on pages from 09 to 17 form an integral part of these interim condensed consolidated financial statements.

**ZAD HOLDING COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020**

In Qatari Riyals

	Share Capital	Legal Reserve	Capital Reserve	Retained Earnings	Total Equity
Balance at 1 January 2019 (Audited)	236,997,200	563,120,753	15,000,000	718,494,333	1,533,612,286
Profit for the period	-	-	-	211,152,177	211,152,177
Contribution to social and sports fund	-	-	-	(5,278,804)	(5,278,804)
Dividends paid (Note 16)	-	-	-	(201,447,620)	(201,447,620)
Balance at 31 December 2019 (Audited)	236,997,200	563,120,753	15,000,000	722,920,086	1,538,038,039
Profit for the period	-	-	-	107,020,573	107,020,573
Dividend paid (Note 16)	-	-	-	(201,447,620)	(201,447,620)
Balance on 30 June 2020 (Reviewed)	236,997,200	563,120,753	15,000,000	628,493,039	1,443,610,992



ZAD HOLDING COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

In Qatari Riyals

	Note	For the six month period ended 30 June	
		2020 (Reviewed)	2019 (Reviewed)
Cash flows from operating activities			
Profit for the period		107,020,573	115,050,281
<i>Adjustments for:</i>			
Net impairment loss on investment securities	7	422,348	-
Loss/(profit) on sale of commodities	14	37,741	(7,944,427)
Depreciation of property, plant and equipment		30,181,694	39,895,185
Depreciation on right of use assets	5	3,786,137	1,819,544
Depreciation Investment properties	6	3,470,079	3,272,299
Finance costs		6,369,117	4,572,619
Provision for employees' end of service benefits		2,623,875	2,892,115
Dividend income	14	-	(469,492)
Net movement in provision for doubtful debts		(3,082,909)	(16,552,849)
Islamic finance income	14	(120,907)	(399,003)
Loss on sale of investment securities	7	-	5,285,062
		<u>150,707,748</u>	<u>147,421,334</u>
<i>Change in:</i>			
- Inventories		(37,760,415)	(11,162,724)
- Contract asset		-	(958,748)
- Due from Government of Qatar - net		(13,016,321)	(7,141,733)
- Accounts, retention and other receivables		(47,240,766)	14,851,593
- Due from and to related parties - net		3,128,678	(385,278)
- Accounts payable, retention and other payables		<u>40,068,900</u>	<u>14,064,265</u>
Cash generated from operating activities		95,887,824	156,688,709
Finance costs paid		(6,445,814)	(3,890,102)
Zakat fund contribution paid		(12,100,000)	(11,600,000)
Employees' end of service benefits paid		<u>(1,798,289)</u>	<u>(724,225)</u>
Net cash generated from operating activities		<u>75,543,721</u>	<u>140,474,382</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(74,709,382)	(12,384,114)
Proceeds from disposal of property, plant and equipment		222,152	1,826,756
Acquisition of commodity		(78,206,995)	-
Acquisition of investment securities		-	(28,453,852)
Proceeds from sale of investment securities		-	23,168,790
Dividend received	14	-	469,492
Islamic finance income received		<u>156,218</u>	<u>315,092</u>
Net cash used in investing activities		<u>(152,538,007)</u>	<u>(15,057,836)</u>



ZAD HOLDING COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

In Qatari Riyals

	Note	For the six month period ended 30 June	
		2020 (Reviewed)	2019 (Reviewed)
Cash flows from financing activities			
Islamic financing movement - (net)		92,024,186	86,948,101
Lease liability paid		(2,071,263)	-
Dividends paid		(73,083,616)	(200,313,751)
Net cash used in financing activities		<u>16,869,307</u>	<u>(113,365,650)</u>
Net (decrease)/increase in cash and cash equivalents			
		(60,124,979)	12,050,896
Cash and cash equivalents at beginning of the period		<u>85,890,476</u>	<u>124,758,851</u>
Cash and cash equivalents at end of the period		<u>25,765,497</u>	<u>136,809,747</u>



ZAD HOLDING COMPANY Q.P.S.C.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020**

1. REPORTING ENTITY

Zad Holding Company Q.P.S.C. (the "Company") was incorporated on 07 July 1969 under commercial registration No. 27 as a Qatari Shareholder Company by Emiri Decree No. 45 of 1969 and by Concession law No. 12 of 1969. The interim condensed consolidated financial statements as at and for the six month period ended 30 June 2020 comprise that of the Company and its subsidiaries (together referred as the "Group").

The Group's main activities are import of wheat, production of different kinds of flour, manufacturing and marketing of pasta and bakery products. Further, the Group earns income from sales of certain types of grain and related commodities. In addition to the above, the Group is engaged in the activities of contracting for building, investing, establishing, and managing of industrial projects, activities in real estate, selling and rental of heavy equipment, manufacturing and supply of ready mix concrete and asphalt, crushing services, providing transport services, and investment in financial instruments.

2. BASIS OF PREPARATION

a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" and have been presented in Qatari Riyals ("QR"), which is the Group's functional and presentation currency.

These interim condensed consolidated financial statements do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2019. In addition, results for the six month period ended 30 June 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

b) Judgments and estimates

In preparing these interim condensed consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019.



ZAD HOLDING COMPANY Q.P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

In Qatari Riyals

4. OPERATING SEGMENTS

Information about reportable segments

Revenue / profit	Investment & managed services		Trading, manufacturing, distribution & services		Contracting, real estate & others		Total
	For the six months period ended 30 June		For the six months period ended 30 June		For the six months period ended 30 June		
	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	
External revenue	-	-	538,254,759	520,830,536	77,238,388	172,359,538	615,493,147
Other Income	83,997	9,538,463	21,551,471	9,185,911	21,678,309	16,197,027	43,313,777
Inter-segment revenue	-	-	83,031,770	50,638,434	24,268,947	60,971,665	107,300,717
Compensation from Government of Qatar	-	-	46,563,154	49,901,613	-	-	46,563,154
Total revenue	83,997	9,538,463	689,401,154	630,556,494	123,185,644	249,528,231	812,670,795
Segment (loss) / profit	(32,071,878)	(26,160,175)	115,848,606	93,045,087	23,243,845	48,165,369	107,020,573
Assets and Liabilities	Investment & managed services		Trading, manufacturing, distribution & services		Contracting, real estate & others		Total
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020
Current assets	630,303,691	593,374,244	545,978,190	494,665,136	159,809,515	134,317,209	1,336,091,396
Non - current assets	32,306,069	31,033,316	170,535,141	174,098,516	760,549,475	714,587,131	963,390,685
Total assets	662,609,760	624,407,560	716,513,331	668,763,652	920,358,990	848,904,340	2,299,482,081
Current liabilities	565,668,944	358,841,177	153,618,031	118,344,806	47,954,329	40,320,458	767,241,304
Non - current liabilities	17,172,580	15,272,925	62,896,797	63,171,644	8,560,408	8,086,503	88,629,785
Total liabilities	582,841,524	374,114,102	216,514,828	181,516,450	56,514,737	48,406,961	855,871,089



5. LEASES

Details pertaining to leasing arrangements, where the Group is lessee are presented below:

Net carrying amounts of right-of-use assets

	2020	2019
The carrying amounts of right-of-use assets are		
Land	65,282,809	39,808,543
Vehicles	9,755,118	7,713,809
Buildings	291,752	147,116
	<u>75,329,679</u>	<u>47,669,468</u>

	2020	2019
Additions to right-of-use assets		
Land	27,519,570	3,581,981
Vehicles	3,926,779	10,490,320
Buildings	-	294,231
	<u>31,446,349</u>	<u>14,366,532</u>

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets for the six months period ended, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss.

	2020	2019
Land	1,622,846	85,371
Vehicles	1,885,470	1,174,535
Buildings	277,821	559,638
Total	<u>3,786,137</u>	<u>1,819,544</u>

	2020	2019
<i>The maturity analysis of lease liabilities is as follows</i>		
Within one year	3,985,462	3,400,824
Two to five years	3,220,314	6,932,721
More than five years	8,120,611	3,007,193
	15,326,387	13,340,744
Less finance charges component	(2,111,168)	(1,981,034)
	<u>13,215,219</u>	<u>11,359,704</u>

Present value of minimum lease payments due

	2020	2019
Within one year	3,379,570	2,947,207
Two to five years	7,015,440	6,074,716
More than five years	2,820,209	2,337,781
	<u>13,215,19</u>	<u>11,359,704</u>

	2020	2019
Non-Current liabilities	9,835,650	8,412,497
Current liabilities	3,379,569	2,947,207
	<u>13,215,219</u>	<u>11,359,704</u>

6. INVESTMENT PROPERTIES

The movement during the period / year were as follows:

	Land	Buildings	2020 Total	2019 Total
Cost				
As at 1 January	454,015,300	169,941,949	623,957,249	623,957,249
As at 30 June /31 December	<u>454,015,300</u>	<u>169,941,949</u>	623,957,249	623,957,249
Accumulated depreciation				
As at 1 January	-	88,062,560	88,062,560	84,340,768
Depreciation	-	3,470,079	3,470,079	3,721,792
As at 30 June /31 December	<u>-</u>	<u>91,532,639</u>	91,532,639	88,062,560
Net book value				
As at 30 June 2020	<u>454,015,300</u>	<u>78,409,310</u>	532,424,610	-
As at 31 December 2019	<u>454,015,300</u>	<u>81,879,389</u>	-	535,894,689

Investment properties comprise a number of residential and commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of one to-five years, with annual rents indexed to consumer prices. Subsequent renewals are negotiated with the lessees and historically the average renewal period was one year.

The Management has used the services of an independent evaluator to calculate the fair value of investment properties as at 31 December 2019 amounting to QR 700.70 million. The valuation is based on transaction for the similar asset in the same locality. Management does not expect a significant change in fair value of investment properties during the current period due to constant yield and stable forecast on market condition.

Investment properties amounting to QR 90.3 million (2019: QR 90.3 million) of the group are mortgaged against Islamic financing facility (Note 12).

7. INVESTMENT SECURITIES

- a) Investment securities comprise of investment in shares of a listed company classified as fair value through profit and loss.

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Investment in equity instruments		
Quoted - Note 7 (b)	<u>1,100,908</u>	<u>1,523,256</u>

- b) **Investment in quoted equity instruments**

The movement during the period / year were as follows:

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Balance at beginning of the period / year	1,523,256	1,715,499
Additions during the period / year	-	28,453,852
Disposals during the period / year	-	(23,168,790)
Loss on sales	-	(5,285,062)
Fair value adjustments	(422,348)	(192,243)
Balance at the end of the period / year	<u>1,100,908</u>	<u>1,523,256</u>

8. DUE FROM AND DUE TO GOVERNEMENT OF QATAR**a) Due from Government of Qatar**

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
<i>Compensation due from Government of Qatar</i>		
Balance at beginning of the period / year	138,799,675	138,136,165
Cash received during the period / year	(33,546,834)	(107,379,380)
Compensation for sale of subsidized flour	<u>46,563,155</u>	<u>108,042,890</u>
Compensation due from Government of Qatar	151,815,996	138,799,675
Loan from Government of Qatar – Note 8 (c)	<u>(59,959,040)</u>	<u>(59,959,040)</u>
Net due from Government of Qatar – Note 8 (b)	<u>91,856,956</u>	<u>78,840,635</u>

b) This includes compensation receivable amounting to QR 68,368,576 (2019: QR 68,368,576) relating to the period up to 31 December 2007 and was computed based on the term of a subsidy agreement dated 25 May 1993.

c) A loan amounting to QR 40,000,000 was provided by the Government of Qatar on 5 June 1994 according to decision taken by the cabinet of ministers in the year 1991. The loan was repayable in equal semiannual installments for 10 years commencing three years after the receipt of the loan. It carries interest at a variable rate of 2% over the Qatar Central bank lending rate. In addition, the Group is required to pay an additional 1% annual rate of interest if it fails to make payment on the due dates. However, the Group has made a provision for the interest on the loan amounting to QR 19,959,040.

The interest amount has been computed on the loan balance net of the amount due from Government of Qatar on account of the compensation for subsidized flour. As the amount receivable in respect of compensation for subsidized flour has exceeded the loan balance since beginning of the year 2006, no interest has been accrued for the subsequent period. The amount of claims under previous compensation agreement and the loan are under review by the Government of Qatar.

d) Due to Government of Qatar

Due to Government of Qatar amounting to QR 47,591,581 as at 30 June 2020 (2019: QR 47,591,581) represents the compensation received from the Government of Qatar in order to maintain the strategic wheat stock as required by the Government of Qatar. Since the repayable terms and conditions have not been agreed with the Government of Qatar, the compensation is considered as long term.

9. RELATED PARTY BALANCES AND TRANSACTIONS

The Group enters into transactions with companies, entities and individuals that fall within the definition of a related party as referred in International Accounting Standard (IAS) No. 24 Related Party Disclosures. Related parties comprise of Company's shareholders, directors, key management personnel, entities in which the shareholders have controlling interest, affiliates, and other related parties.

a) Compensation of key management personnel

The remuneration of directors and members of key management during the period are as follows:

	For the six month period ended 30 June	
	2020 (Reviewed)	2019 (Reviewed)
Key management remuneration	7,668,205	8,928,538
Post - employment benefits	229,327	229,327
	7,897,532	9,157,865

b) Due from related parties

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Dandy Company Limited WLL, Qatar	14,033,255	16,342,622
Seven Brothers Holding Company WLL, Qatar	212,292	212,292
	14,245,547	16,554,914

c) Due to related parties

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Qatar Detergent Company WLL, Qatar	3,961,633	4,066,234
Aayan Leasing Company Qatar WLL, Qatar	1,704,127	780,215
	5,665,760	4,846,449

10. CASH AND BANK BALANCES

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Cash in hand	2,237,124	1,582,620
Cash at banks	23,528,373	84,307,856
	25,765,497	85,890,476

ZAD HOLDING COMPANY Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019****11. SHARE CAPITAL**

- a) The authorized share capital amounting to QR 236,997,200 as at 30 June 2020 represents 236,997,200 ordinary shares of QR 1 each.

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Issued and fully paid share capital – listed at Qatar Exchange	<u>236,997,200</u> 236,997,200	<u>236,997,200</u> 236,997,200

12. ISLAMIC FINANCING

Islamic financing is presented in the condensed consolidated statement of financial position as follows:

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Islamic financing – current	<u>377,235,891</u> 377,235,891	<u>285,211,705</u> 285,211,705

Islamic financing is secured against corporate guarantee, first degree mortgage over certain investment properties (Note 6), and assignment of rental proceeds from pledged investment properties.

13. OPERATING REVENUE

	For the six month period ended 30 June	
	2020 (Reviewed)	2019 (Reviewed)
Sale of manufactured and traded products	543,412,131	510,362,305
Contracting and other related services	11,795,101	95,244,364
Building materials and logistics	26,264,694	48,681,686
Rental income	<u>34,021,221</u>	<u>38,901,719</u>
	615,493,147	693,190,074
<u>Timing of revenue recognition:</u>		
Products and services transferred over time	45,816,322	134,146,083
Products transferred at a point in time	<u>569,676,825</u>	<u>559,043,991</u>
	615,493,147	693,190,074



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14. OTHER INCOME

	For the six month period ended 30 June	
	2020 (Reviewed)	2019 (Reviewed)
Dividend income	-	469,492
Islamic finance income	120,907	399,003
(Loss)/gain on sale of commodities	(37,741)	7,944,427
Others*	<u>43,230,611</u>	<u>26,108,479</u>
	<u>43,313,777</u>	<u>34,921,401</u>

* Others include QAR 21,055,734/- income in connection with the Court of Cassation verdict, given in favour of the Company and QAR 13,781,466 pertaining to reversal of excess provision.

15. EARNINGS PER SHARE

a) Basic earnings per share

The basic earnings per share is computed by dividing the profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	For the six month period ended 30 June	
	2020 (Reviewed)	2019 (Reviewed)
Profit attributable to ordinary shareholders of the Company	<u>107,020,573</u>	<u>115,050,281</u>
Weighted average number of ordinary shares outstanding	<u>236,997,200</u>	<u>236,997,200</u>
Basic earnings per share	<u>0.45</u>	<u>0.49</u>

b) Diluted earnings per share

There were no potentially dilutive shares outstanding at any time during the period. Therefore, the diluted earnings per share is equal to the basic earnings per share.

16. DIVIDEND

During the period, the Company declared a dividend of QR 8.5 per share totalling to QR 201.45 million (2019: QR 8.5 per share totalling to QR 201.45 million).

17. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at period end the Group has contingent liability and capital commitments amounting to QR 266.86 million (2019: QR 200.98 million).



18. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are based on unobservable market data.

All the quoted investments are classified under Level 1 fair value hierarchy into which the fair value measurement are categorized.

During the period ended 30 June 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of the financial assets and liabilities carried at amortized cost approximates their carrying amount, hence not included in the above fair value hierarchy.

19. IMPACT OF COVID

On 11 March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a global pandemic. As a result, economic uncertainties have arisen and consumer spending has reduced thereby affecting international trade. Whilst these events have had a limited impact on the Company's operations to date, these would have an increased implication on the Company's results of operations if the weakened economic environment continues. Given the uncertainty related to the duration and effect of this pandemic, the impact on the Company's financial statements cannot be currently estimated. The spread of COVID 19 pandemic may impact the operations of the Company for short-term. The possible short-term impact will not change in management's going concern assessment or business strategy.

20. COMPARATIVE FIGURES

	For the six month period ended 30 June 2019	
	(From)	(To)
General and administrative expenses	76,772,053	(43,714,010)
Selling and distribution expenses	-	(33,058,043)

