

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.
(A Saudi Joint Stock Company)
THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH AND NINE MONTH PERIODS
ENDED SEPTEMBER, 31, 2014 TOGETHER WITH INDEPENDENT
ACCOUNTANTS LIMITED REVIEW REPORT

THE INTERIM FINANCIAL STATEMENTS (Unaudited)
FOR THE THREE MONTH AND NINE MONTH PERIODS
ENDED SEPTEMBER 30, 2014 TOGETHER WITH INDEPENDENT
ACCOUNTANTS LIMITED REVIEW REPORT

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.
(A Saudi Joint Stock Company)
THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2014
TOGETHER INDEPENDENT ACCOUNTANTS LIMITED REVIEW REPORT

| <u>Index</u> | <u>Page</u> |
|--|--------------------|
| Independent Accountants Limited Review Report | B |
| Interim Balance Sheet (Unaudited) | 1 |
| Interim Statement of Income (Unaudited) | 2 |
| Interim Statement of Cash Flows (Unaudited) | 3 |
| Interim Statement of Changes in Shareholders' equity (Unaudited) | 4 |
| Notes to Interim Financial Statements (Unaudited) | 5-12 |

INDEPENDENT ACCOUNTANTS LIMITED REVIEW REPORT

Shareholders Of
Wafrah For Industry And Development Co.
(A Saudi Joint Stock Company)

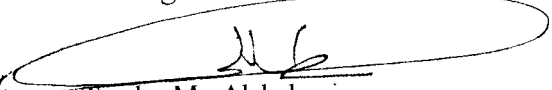
Scope of examination

We have examined the accompanying interim balance sheet of **Wafrah For Industry And Development Co. (A Saudi Joint Stock Company)** as of September 30,2014 and the related interim statements of income for the three month and nine month periods ended September 30,2014 and the interim cash flows and interim changes in shareholders ' equity for nine months period then ended , and the notes from (1) to (1٥ which are an integral part of these interim financial statements which have been prepared by the Company's management and submitted to us together with all the information and explanations which we requested . These financial statements are the responsibility of the Company's management .

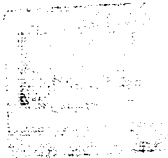
Our examination was limited for the interim financial statements and was conducted in accordance with the Saudi Organization for Certified Public Accountants standard on interim financial statements . The limited examination consists principally of analytical procedures applied to financial data and inquiries of the Company's personnel responsible for financial and accounting matters . It is substantially less in scope than an audit in accordance with generally accepted auditing standards , the objective of which is the expression of an opinion regarding the financial statements taken as a whole . Accordingly , we do not express such an opinion .

Conclusion

Based on our limited review , we are not aware of any material modifications that should be made to the interim financial statements to be in conformity with generally accepted accounting principles in the Kingdom of Saudi Arabia .


Tarek M. Alshabani
Certified Public Accountant
License No. 388

Date :
21/10/2014 G
27/12 /1435 H
No.1686 / 2014



WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.
(A Saudi Joint Stock Company)
INTERIM BALANCE SHEET (UNAUDITED)
AS OF SEPTEMBER 30,2014
(ALL AMOUNT IN SAUDI RIYALS)

| <u>ASSETS</u> | <u>Note</u> | <u>Un-audited</u> <u>30/09/2014</u> | <u>Un- audited</u> <u>30/09/2013</u> |
|--|--------------------|--|---|
| Current Assets | | | |
| Cash and bank balances | (4) | 19,216,358 | 22,284,516 |
| Accounts receivable | | 36,537,499 | 36,691,213 |
| Inventory | (5) | 19,800,679 | 21,262,235 |
| Prepayments and other assets | (6) | 19,880,296 | 46,361,052 |
| Total current assets | | 95,434,832 | 126,566,016 |
| Non-Current Assets | | | |
| Investments in companies | (7) | 17,050,000 | 17,050,000 |
| Investments in securities available for sale | | 4,488,700 | 15,815,234 |
| Projects under progress | (8) | 49,924,270 | 12,041,698 |
| Deferred expenses | | 382,264 | 202,693 |
| Property and equipment , net | (9/1) | 78,387,427 | 43,425,446 |
| Unused Property and equipment , net | (9/2) | 898,657 | 14,327,736 |
| Total non-current assets | | 151,131,318 | 102,862,807 |
| Total assets | | 246,566,150 | 229,461,823 |
| <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u> | | | |
| Current Liabilities | | | |
| Accounts payable | | 3,400,894 | 340,074 |
| Oversubscribed payable | | 3,285,800 | 3,285,800 |
| Accrued expenses and other liabilities | (10) | 1,997,433 | 1,296,248 |
| Accrued dividends | (11) | 1,282,765 | -- |
| Current portion from long-term loan | (12) | 1,000,000 | -- |
| Accrued zakat | | 1,772,880 | 2,163,163 |
| Total current liabilities | | 12,739,772 | 7,085,258 |
| Non-Current Liabilities | | | |
| Long-term loans | (12) | 14,974,000 | -- |
| End of Service Benefits | | 5,081,411 | 4,698,872 |
| Total Non-Current Liabilities | | 20,055,411 | 4,698,872 |
| Shareholders' Equity | | | |
| Paid-up capital | (1) | 200,000,000 | 200,000,000 |
| Statutory reserve | | 7,199,061 | 6,487,501 |
| Unrealized profit (loss) from Investments in security available for sales | | 1,252,730 | 940,345 |
| Retained earnings | | 5,319,176 | 10,249,847 |
| Total Shareholders' equity | | 213,770,967 | 217,677,693 |
| Total liabilities and shareholders' equity | | 246,566,150 | 229,461,823 |

Finance Manager

Ezzat Rajaa Abdul Aziz

General Manager

Eng.Ibrahim Mohamad Al Daghrir

Authorized Member

Dr.Turki mosoud AL Haider

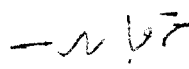
(The accompanying notes from (1) to (16) are an integral part of these statements)

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.**(A Saudi Joint Stock Company)****INTERIM STATEMENT OF INCOME (UNAUDITED)****FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30 , 2014****(ALL AMOUNT IN SAUDI RIYALS)**

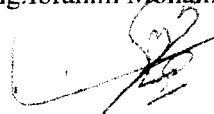
| | Note | FOR THE THREE MONTH PERIOD ENDED IN 30 SEPTEMBER | | FOR THE NINE MONTH PERIOD ENDED IN 30 SEPTEMBER | |
|---|------|---|---------------------------------|--|-----------------------------------|
| | | Un-audited | Un-audited | Un-audited | Un-audited |
| | | From 1/7/2014 To | From 1/7/2013 To | From 1/1/2014 to 30/9/2014 | From 1/1/2013 to 30/9/2013 |
| Sales | (13) | <u>30/09/2014</u> 20,504,419 | <u>30/09/2013</u> 20,343,325 | <u>69,301,088</u> | <u>67,270,142</u> |
| Cost of sales | | (14,283,041) | (12,520,933) | (42,731,554) | (41,114,296) |
| Depreciations | | <u>(1,339,448)</u> | <u>(1,187,217)</u> | <u>(3,922,084)</u> | <u>(3,994,752)</u> |
| Gross operation profit | | 4,881,930 | 6,635,175 | 22,647,450 | 22,161,094 |
| General and administrative expenses | | (2,261,842) | (1,821,364) | (6,411,515) | (5,406,642) |
| Selling and distributing expenses | | <u>(3,877,872)</u> | <u>(3,137,212)</u> | <u>(13,520,856)</u> | <u>(10,143,554)</u> |
| Net operating profit | | (1,257,784) | 1,676,599 | 2,715,079 | 6,610,898 |
| Other income | | <u>2,449,088</u> | <u>38,420</u> | <u>2,797,465</u> | <u>451,615</u> |
| Net profit for the year before zakat | | 1,191,304 | 1,715,019 | 5,512,544 | 7,062,513 |
| Zakat provision | | <u>(665,937)</u> | <u>(717,920)</u> | <u>(1,772,879)</u> | <u>(2,163,136)</u> |
| Net profit for the period | | 525,367 | 997,099 | 3,739,665 | 4,899,377 |
| Earnings per share : | | | | | |
| From net operating profit | (14) | <u>(0,06)</u> | <u>0,08</u> | <u>0,14</u> | <u>0,33</u> |
| From net profit | (14) | <u>0,03</u> | <u>0,05</u> | <u>0,19</u> | <u>0,24</u> |

Finance Manager

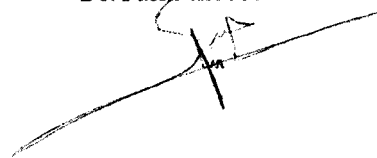
Ezzat Rajaa Abdul Aziz


General Manager

Eng. Ibrahim Mohamad Al Daghrir


Authorized Member

Dr. Turki mosoud AL Haider



(The accompanying notes from (1) to (16) are an integral part of these Interim financial statements)

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
(ALL AMOUNT IN SAUDI RIYALS)

| | FOR THE NINE MONTH PERIOD ENDED IN 30 SEPTEMBER | |
|--|--|---|
| | Un-audited From 1/1/2014 To 30/09/2014 | Un-audited From 1/1/2013 To 30/09/2013 |
| <u>Cash Flows from Operating Activities :</u> | | |
| Net profit for the period | 3,739,665 | 4,899,377 |
| Adjustments to reconcile net profit to net cash (used in) | | |
| Provided by operating activities : | | |
| Depreciations for the period | 4,930,235 | 4,976,969 |
| Amortizations for the period | -- | 20,869 |
| Gains from selling of property and equipment | (245,235) | 105,181 |
| Zakat provision for the period | 1,772,879 | 2,163,136 |
| End of Service Benefits | 666,994 | 675,466 |
| Total | 10,864,538 | 12,840,998 |
| Changes in assets and liabilities : | | |
| Accounts receivable | (4,606,629) | (9,767,665) |
| Inventory | 402,495 | (1,266,601) |
| Prepayments and other assets | (13,942,308) | (6,830,247) |
| Accounts payable | 361,914 | (1,278,233) |
| Accrued expenses and other liabilities | (46,242) | 146,821 |
| End of Service Benefits paid during the period | (386,079) | (533,857) |
| Zakat paid during the period | (1,661,046) | (2,705,116) |
| Net cash (used in) provided by operating activities | (9,013,357) | (9,393,900) |
| <u>Cash Flows from Investing Activities :</u> | | |
| Net change in securities available for sale investments | 11,638,920 | -- |
| Purchase of property and equipment | (2,955,036) | (1,630,914) |
| Projects under progress | (8,803,221) | (5,071,556) |
| Deferred expenses | (368,040) | (203,487) |
| Proceeds from selling of property and equipment | 245,250 | 24,850 |
| Net cash used in investing activities | (242,127) | (6,881,107) |
| <u>Cash Flows from Financing Activities :</u> | | |
| Dividends | (8,892,235) | -- |
| Long – term Loans | 15,974,000 | -- |
| Net cash used in financing Activities | 7,081,765 | -- |
| Net decrease in cash and banks balances | (2,173,719) | (16,275,007) |
| Cash and banks balances at beginning of the period | 21,390,077 | 38,559,523 |
| Cash and banks balances at end of the period | 19,216,358 | 22,284,516 |
| <u>NON-CASH ITEM</u> | | |
| Unrealized profit from Investments in security | | |
| Available for sales | (229,349) | 1,581,333 |
| Accrued dividends | 1,282,765 | -- |

Finance Manager
Ezzat Rajaa Abdul Aziz

General Manager
Eng. Ibrahim Mohamad Al Daghrir

Authorized Member
Dr. Turki Mosoud AL Haider

(The accompanying notes from (1) to (16) are an integral part of these Interim financial statements)

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.**(A Saudi Joint Stock Company)****INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)****FOR THE PERIOD ENDED SEPTEMBER 30, 2014****(ALL AMOUNT IN SAUDI RIYALS)****FOR THE NINE MONTH PERIOD
ENDED IN 30 SEPTEMBER**

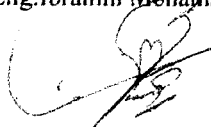
| | Un-audited From 1/1/2014 To 30/09/2014 | Un-audited From 1/1/2013 To 30/09/2013 |
|---|---|---|
| Paid-up capital | 200,000,000 | 200,000,000 |
| Statutory reserve | 7,199,061 | 6,487,501 |
| Unrealized profit (loss) from Investments in security | -- | -- |
| Available for sales | | |
| Beginning of the period | 1,482,080 | (640,988) |
| Net movement during the period | (229,350) | 1,581,333 |
| End of the period | 1,252,730 | 940,345 |
| Retained earnings : | | |
| Beginning of the period | 11,754,511 | 5,350,470 |
| Dividends to Shareholders | (10,000,000) | -- |
| Dividends to the Board of Directors | (175,000) | -- |
| Net profit for the period | 3,739,665 | 4,899,377 |
| End of the period | 5,319,176 | 10,249,847 |
| Total Shareholders' Equity | 213,770,967 | 217,677,693 |

Finance Manager

Ezzat Rajaa Abdul Aziz

**General Manager**

Eng. Ibrahim Mohamad Al Daghrir

**Authorized Member**

Dr. Turki mosoud AL Haider



(The accompanying notes from (1) to (16) are an integral part of these Interim financial statements)

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.

(A Saudi Joint Stock Company)

NOTES TO INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30 , 2014

(ALL AMOUNT IN SAUDI RIYALS)

1- ACTIVITIES

Wafrah for Industry and Development CO. is a Saudi Joint Stock Company founded according to the commercial registration No. 1010076996 issued in Riyadh dated 24/10/1410 H (corresponding to 19/05/1990) . The paid up capital of the Company is 200 Millions Saudi Riyals comprising of 20 million shares at a par value of Saudi Riyals 10 per share .

The company is engaged taking advantage of seasonal agricultural surplus especially for those of a perishable nature , and are marketed to the consumers after subjecting them to varying degree of agricultural treatment , production processes and manufacturing services . They are also involved in marketing of food products , investment on land property as well as in creation , maintenance , operation and ownership of industrial projects .

The accompanying interim financial statements represents Company's financial statement and it's branch as follow .

| <u>Branch Name</u> | <u>Commercial registration No.</u> | <u>Activity</u> |
|--|--|-------------------------------------|
| Wafrah for Industry and Development CO. Jeddah | 4030108227 | Marketing of the company's products |
| Wafrah for Industry and Development CO. Dammam | 2050028895 | Marketing of the food products |

The company decided in an extra-ordinary general assembly meeting dated 8/24/1434 H (corresponding 3/07/2013) to amend Article No. (2) of the statute change the name of the Company from a Food Products Company to Wafrah of Industry and Development Company , and the procedures to bring this decision in to effect was completed in the first quarter of 2014 .

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of Company's significant accounting policies :

2-1 Basis Of Preparation

The accompanying financial statements have been prepared on the basis of historical cost in accordance with the accrual concept except for the investment in securities for sale which are evaluated and the difference in re-evaluation is recorded within the statement of charges in shareholders equity , and prepared in accordance with generally accepted accounting principles issued by Saudi Organization for Certified Public Accountants – SOCPA .

The accompanying interim financial statements have been prepared based on the interim financial report standard issued by Saudi Organization of Certified Public Accountants . SOCPA and on the basis of the periods integration where is each consider as a part of financial year . Accordingly the revenue and gain, expenses , loss for the period were recorded in the period .

Items appear in the financial statements for the Company in Saudi Riyals which is the functional currency and disclosure of the Company .

2-2 Use Of Estimates

The preparation of financial statements in accordance with the accepted principles requires the use of estimates and assumptions that may affects the value of restricted assets and liabilities and disclosure of potential assets and liabilities in the date of the financial statements and the value of revenue and expenses were disclosure to the period of the financial statements preparation . Although these estimates and judgments are based on management's best knowledge and events available to the management in the date of the accompanying interim financial statement , It is possible that actual final results differ from these estimated . These estimated and assumptions are reviewed on a continual basis and effects resulting from these accounting change will be disclosed in the year and future period which are affected by it .

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.
(A Saudi Joint Stock Company)
NOTES TO INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30 , 2014
(ALL AMOUNT IN SAUDI RIYALS)

2-3 Cash And Cash Equivalents

Cash and cash equivalents include cash in hand and with banks and other short-term highly liquid investments with maturities of three months or less from the purchase date , if any .

2-4 Accounts Receivable

Accounts receivable are carried at Original invoice amount less provision for doubtful debts is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables . Such provisions are charged to the income statement and reported under " selling and marketing expenses " When an account receivable is uncollectible , it is written-off against the provision for doubtful debts . Any subsequent recoveries of amounts previously written-off are credited against " selling and marketing expenses " in the income statement .

2-5 Inventory

Inventories comprise of finished goods , work in process raw materials , accessories and spare parts which are stated at the lower of cost or estimated net realizable value. Costs include raw materials direct labor and manufacturing overheads appropriate provisions are made for slow moving and redundant inventories, if any .

2-6 Investments

- Investments in subsidiaries : Investments in subsidiaries companies represent shares in companies owned by the company in different percentages , when the percentage does not exceeds 20 % investments are shown at cost . When the percentage ranges between 20 % to 50 % investments are accounted for , using the equity methods , whereas investment accounted for using the methods , when the percentage exceeds 50 % If any .
- Investments in securities held for trading : Investments in securities held for trading are reported in the accompanying interim financial statements at market value . Realized gains or losses on sale of these investments are reported in the statement of income .
- Investments in securities available for sale : Investments in securities available for sale are reported in the accompanying interim financial statements at fair value . Realized gains or losses on sale are recorded in the statement of income , and unrealized gains or losses are reported in the statement of equity section .

2-7 Deferred Charges

Costs that are not of benefit beyond the current period are charged to the interim income statement , while costs that will benefit future periods are capitalized Deferred charges , reported under " Intangible assets " In the accompanying balance sheet , include certain indirect construction costs incurred by the company in relation to setting up its retail outlets . Such costs are amortized over periods which do not exceed five years .

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.
(A Saudi Joint Stock Company)
NOTES TO INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30 , 2014
(ALL AMOUNT IN SAUDI RIYALS)

2/8 Property And Equipment :

Property and equipment are stated at net cost of accumulated depreciation . Depreciation is computed using the straight- line method over the estimated useful lives of the assets based on the following annual percentage rates :

| | | | |
|-----------------------|-----------|-------------------------|------|
| Buildings | 3- 15 % | Motor vehicles | 25 % |
| Furniture and fixture | 2.5 -15 % | Machinery and equipment | 5 % |
| Tools | 5 – 15 % | Artesian wells | 5 % |
| Air conditions | 15 % | Fitting and equipment | 10 % |

2/9 Accounts Payable And Accruals

Liabilities are recognized for amount to be paid for goods and services received , whether or not billed to the company .

2-10 Provisions

Provisions are recognized , when the company has a present legal or constructive obligation as a result of a past event , it is probable that an outflow of resources will be required to settle the obligation , and the amount can be reliably estimated .

2/11 End Of Service Benefits

Benefits payable to the employees at the end of their services are provided in accordance with the guidelines set by the Saudi Arabian Labor Law .

2-12 Borrowings

Borrowings are recognized as equivalent to the proceeds received , net of transaction costs incurred . Borrowing costs that are directly attributable to the acquisition , construction or production of qualifying assets are capitalized as part of those assets . Other borrowing costs are charged to the interim income statement .

2-13 Revenue Recognition

Revenue is recognized when goods are delivered and invoices are issued to customers . Other income is recorded when earned .

2-14 Selling, Distribution, General And Administrative Expenses

Selling and distribution expenses represent expenses resulting from the company's activities in the functions of sales , marketing and distribution . All other expenses are classified as general and administrative expenses . General and administrative expenses contains direct and indirect expenses which are not directly related to selling and marketing expenses , according to the accounting standards .

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.
(A Saudi Joint Stock Company)
NOTES TO INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30 , 2014
(ALL AMOUNT IN SAUDI RIYALS)

2-15 Zakat

Zakat is an obligation payable by the Company . Estimated Zakat is provided for in the accompanying financial statements and charged to the statement of income , in accordance with Zakat standard issued by the Saudi Organization for Certified Public Accountants . Zakat calculation is made quarterly according to the accrual accounting concept . Any differences between Zakat provision and final settlement at the end of the year are settled .

2-16 Dividends

Dividends are recorded in the interim financial statements in the period in which they are approved by the shareholders of the Company .

2-17 Operating Lessees

Rental expenses under operating leases are charged to the interim income statement over the period of the respective lease .

2-18 Transfer Of Foreign Currencies

The accompanying financial statements are denominated in Saudi Riyals . Appropriate exchange rates have been used to translate transactions or balances denominated in foreign currencies . There were no material exchange gains or losses during the period .

3- ADJUSTMENTS RELATED TO THE PERIOD

The company's management has prepared all the adjustments needed to fairly present the financial position and the results of its operations, however the results of its operations for the period ended September 30,2014 and 2013 may not be an accurate indicator of the actual results of the audited yearly financial statement .

4- CASH AND BANK BALANCES

| Cash and banks balances comprised of the following as of | <u>Un-audited</u> | <u>Un-audited</u> |
|---|--------------------------|--------------------------|
| September 30 : | <u>2014</u> | <u>2013</u> |
| Cash at banks | 19,137,862 | 22,183,461 |
| Cash on hand | 78,496 | 101,055 |
| Total | <u>19,216,358</u> | <u>22,284,516</u> |

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.
(A Saudi Joint Stock Company)
NOTES TO INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30 , 2014
(ALL AMOUNT IN SAUDI RIYALS)

5- INVENTORY

| | <u>Un-audited</u> | <u>Un-audited</u> |
|---|-------------------|-------------------|
| | <u>2014</u> | <u>2013</u> |
| Inventory comprised of the following as of September 30 : | | |
| Raw materials | 9,896,115 | 10,678,357 |
| Finished goods | 6,361,396 | 6,957,543 |
| Spare parts | 3,543,168 | 3,626,335 |
| Total | 19,800,679 | 21,262,235 |

6- PREPAYMENTS AND OTHER ASSETS

| | <u>Un-audited</u> | <u>Un-audited</u> |
|--|-------------------|-------------------|
| | <u>2014</u> | <u>2013</u> |
| Prepayments and other assets comprised of the following as of September 30 : | | |
| Advance to suppliers | 17,698,886 | 3,546,103 |
| Employee receivables | 748,827 | 425,822 |
| Other receivables | 512,524 | 181,317 |
| Prepaid rents | 412,630 | 334,195 |
| Operation loans | 232,072 | 303,250 |
| Prepayments | 18,313 | 18,313 |
| Prepaid Insurance | 257,044 | 454,250 |
| LC'S | -- | 41,097,802 |
| Total | 19,880,296 | 46,361,052 |

7- INVESTMENT IN COMPANIES

| | <u>Un-audited</u> | <u>Un-audited</u> |
|---|-------------------|-------------------|
| | <u>2014</u> | <u>2013</u> |
| Investments in companies comprised of the following as of September 30 : | | |
| East Asia Company for Development and Agricultural Investment (Note 7/2) | 10,000,000 | 10,000,000 |
| Jannat for Agricultural Investment (Note 7/3) | 7,050,000 | 7,050,000 |
| Total | 17,050,000 | 17,050,000 |

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.
(A Saudi Joint Stock Company)
NOTES TO INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30 , 2014
(ALL AMOUNT IN SAUDI RIYALS)

7/2 Investment in East Asia Company for Development and Agricultural Investment (Closed Joint Stock Company) represent an investment of 10 % from disclosed company's capital amounted SAR 100 million . Were the paid in capital reached SAR 70 million .

7/3 Investment in Jannat for Agricultural Investment (A Saudi Limited Liabilities Company) represent an investment of 11.1 % from the company's capital which amount to SAR 63 million and the remaining balance of SAR 50,000 represents the company's shares in pre-operating expenses .

8- PROJECTS UNDER PROGRESS

| Projects under progress comprised of the following as of | <u>Un-audited</u> | <u>Un-audited</u> |
|--|--------------------------|--------------------------|
| September 30: | <u>2014</u> | <u>2013</u> |
| Potato production line | 49,924,270 | -- |
| Macaroni production line | -- | 12,041,698 |
| Total | <u><u>49,924,270</u></u> | <u><u>12,041,698</u></u> |

9- PROPERTY AND EQUIPMENT , NET

Property and equipment comprised of the following as of September 30 ,2014 and 2013 :

| | <u>Cost</u> | <u>Accumulated Depreciations</u> | <u>Un-audited N.B.V 2014</u> | <u>Un-audited N.B.V 2013</u> |
|---------------------------------|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 9/1 Used Property and equipment | 233,653,825 | (155,266,398) | 78,387,427 | 43,425,446 |
| Total | <u>233,653,825</u> | <u>(155,266,398)</u> | <u>78,387,427</u> | <u>43,425,446</u> |
| 9/2 Unused production lines | | | | |
| Dates production line | -- | -- | -- | 13,401,021 |
| Pickles production line | 9,352,804 | (8,454,147) | 898,657 | 926,715 |
| Total | <u>9,352,804</u> | <u>(8,454,147)</u> | <u>898,657</u> | <u>14,327,736</u> |
| Total | <u><u>243,006,629</u></u> | <u><u>(163,720,545)</u></u> | <u><u>79,286,084</u></u> | <u><u>57,753,182</u></u> |

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.
(A Saudi Joint Stock Company)
NOTES TO INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30 , 2014
(ALL AMOUNT IN SAUDI RIYALS)

10 - Accrued expenses and other liabilities

Accrued expenses and other liabilities comprised of the following as of September 30 :

| | <u>Un-audited</u> <u>2014</u> | <u>Un-audited</u> <u>2013</u> |
|---|----------------------------------|----------------------------------|
| Accrued expenses salaries and vacations | 913,038 | 904,273 |
| Accrued expenses others | 1,084,395 | 391,975 |
| Total | 1,997,433 | 1,296,248 |

11 - Accrued dividends

The General Assembly approved in its meeting held on 2/6/2014 to distribute a cash dividends by (0.5) half a riyals per share , in addition to disburse 175,000 SR of profit reward for the Board of Directors by 25,000 SR for each member , and the amount was distributed during third quarter and the apparent balance under this item represents the remaining balance of the Shareholders who didn't receive their profits until the preparation date of financial statements .

12 - LONG -TERM LOANS

12-1 Long -term loans comprised of the following as of September 30 :

| | <u>Un-audited</u> <u>2014</u> | <u>Un-audited</u> <u>2013</u> |
|--|----------------------------------|----------------------------------|
| Saudi Industrial Development fund Loan | 15,974,000 | -- |
| Total | 15,974,000 | -- |

12-2 Long -term Loans showed in interim balance sheet as at 30 September are as follows :

| | <u>Un-audited</u> <u>2014</u> | <u>Un-audited</u> <u>2013</u> |
|---|----------------------------------|----------------------------------|
| Current portion under current liabilities | 1,000,000 | -- |
| Non-current portion under non-current liabilities | 14,974,000 | -- |
| Total | 15,974,000 | -- |

12-3 Signed a loan contract with the Saudi Industrial Development Fund on May 9, 2012 for the purpose of funding a project establish and expand the factory producing vegetables, frozen potatoes, the total loan balance as of September 30, 2014 is 15,974,000 Saudi Riyal out of the total of approved loan By 34,000,000 Saudi riyal, and the loan is repayable over a period of 6 years and a semi-annual installments starting from August 1, 2015 and the loan is secured by mortgaging all of the entire plant food for the production of meat and whole plant food to freeze vegetables for the benefit of the Fund as collateral for the loan, the loan agreement containing pledges that include among other things, reduce future capital expenditures to maintain the ratios certain financial.

WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.
(A Saudi Joint Stock Company)
NOTES TO INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30 , 2014
(ALL AMOUNT IN SAUDI RIYALS)

13 - SALES

Sales comprised of the following for the periods ended September 30 as follow :

| | FOR THE SIX MONTH PERIOD ENDED IN 30 JUNE | |
|---------------------------|--|--------------------------|
| | <u>Un-audited</u> | <u>Un-audited</u> |
| | <u>2014</u> | <u>2013</u> |
| Vegetables factory | 33,919,439 | 24,487,096 |
| Pastry factory | 27,168,157 | 35,004,055 |
| Food and meet factory | 7,936,807 | 7,573,037 |
| Breakfast cereals factory | 276,685 | 205,954 |
| Total | <u>69,301,088</u> | <u>67,270,142</u> |

14- NET PROFIT PER SHARE

Earnings per share on net operating income is calculated by dividing net operating for the year by the weighted average number of shares during the year .

Earnings per share on net income is calculated by dividing the net income for the year by the weighted average number of shares during the year .

15- Approving financial statement

Interim financial statements has been Approved by the Board of directors at October 20,2014 G .

16- GENERAL

The figures in these financial statements are rounded to the nearest Saudi riyal .