

**TABUK AGRICULTURAL
DEVELOPMENT COMPANY "TADCO"
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)**

**FOR THE THREE-MONTHS
PERIOD ENDED 31 MARCH 2021 AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the three months period ended 31 March 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE SHAREHOLDERS OF TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO" (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statement of Tabuk Agricultural Development Company "TADCO", a Saudi Joint Stock Company ("the Company") and its Subsidiaries (collectively referred to as "the Group"), including the interim condensed consolidated statement of financial position as at 31 March 2021 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and a summary of significant accounting policies and other explanatory notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. 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 audit 2410 related to review engagement, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim consolidated financial statements consists of making inquiries, primarily to the persons responsible for financial and accounting matters, and applying analytical and other review procedures. The review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, 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 explained in Note 8 to the interim condensed consolidated financial statements, related to investments in Associate Companies, we did not provided with the financial statements of Gulf Technical Company for Sustainable Energy.

As a result of this matter, we were unable to determine whether any adjustments might have been found necessary to include in the accompanying interim condensed consolidated statement of financial position as at 31 March 2020, including the interim condensed consolidated statement of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows.

Qualified Conclusion

Based on our review, and except for the matters described in the Basis for Qualified Conclusion paragraph nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.


Emphasis of matter

- As indicated in Note 2 to the interim condensed consolidated financial statements, the group financial statements includes the financial statement of Masader Agricultural Feed Mill Ltd Company "Subsidiary Company", in which the statutory procedures to transfer ownership of assets and all operation activities to the Company, in accordance with the signed agreement between the establishment owner (one of the shareholders) and the Company have not been completed and our opinion is not modified in respect of this matter, which total assets of Masader Agricultural Feed Mill Ltd. Company included in these financial statements amount to SAR 56.6 million, and total liabilities amount to SAR 11.9 million, net shareholder's equity amount to SAR 44.6 million, revenues amount to SAR 2.4 million, and the total expenses amount to SAR 3.2 million. This condensed consolidated interim financial statements as on March 31, 2021 is the first condensed interim consolidated financial statements issued by the Group for the three months ending on that date.

Other statutory and regulatory requirements

The accumulated losses of the Group as of 31 March 2021 exceeded 35% of share capital, which requires the Group, in accordance with the instructions of the Capital Market Authority for listed companies on the Saudi Stock Exchange which accumulated losses exceeds 35%, to announce the amount of accumulated losses, their percentage of capital, and the main reasons that led to these losses. In subsequent date of these consolidated financial statements, the group increased the capital and resolved to use the statutory reserve in amortizing the accumulated losses (note 17).

For Dr. Mohamed Al-Amri & Co.

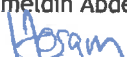

Jamal M. Al-Amri
Certified Public Accountant
Registration No. 331





20/05/2021(G)
08/10/1442(H)

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 31 March 2021
(Expressed in Saudi Riyals)

	Note	31 March 2021 (UNAUDITED)	31 December 2020 (AUDITED)
ASSETS			
Non-Current assets			
Property, plant and equipment, net	(5)	259,433,348	265,844,599
right-of-use assets, net		163,571	136,309
Intangible assets, net		17,100	9,619
Biological assets, net	(6)	13,572,732	13,901,351
Capital work-in-progress, net	(7)	61,573,414	57,198,332
Investment	(8)	16,232,334	16,700,896
Total Non-current assets		350,992,499	353,791,106
Current assets			
Inventories, net	(9)	27,980,119	34,348,359
Biological assets, crops	(6)	32,373,043	17,881,191
Prepayments and other debit balances, net		23,993,322	24,008,863
Murabaha investments - short term	(10)	5,000,000	5,000,000
Due from related parties	(11)	9,561,227	5,165,109
Property, plant, and equipment held for sale		1,658,937	1,658,937
Accounts receivable, net		13,467,271	19,547,166
Cash and cash equivalents		2,924,421	4,174,564
Total current assets		116,958,340	111,784,189
Total assets		467,950,839	465,575,295
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		241,767,000	241,767,000
Statutory reserve		68,019,821	68,019,821
Other reserves		1,858,734	1,858,734
Accumulated changes in other comprehensive income		1,018,879	1,018,879
Accumulated losses		(88,358,925)	(86,545,066)
Equity attributable to the shareholders of the Parent		224,305,509	226,119,368
Non-controlling interest		14,215,340	13,149,944
Total Equity		238,520,849	239,269,312
Non-current Liabilities			
Long term borrowings - Non-current		12,644,561	12,527,119
Employee benefit obligations		11,478,033	11,178,598
Lease obligations - Non-current		11,796	133,846
Deferred revenue - government grants		526,192	643,634
Total Non-current Liabilities		24,660,582	24,483,197
Current Liabilities			
Dismantling provision		2,150,000	2,150,000
Provision for guarantee loan related to associate		18,033,952	20,194,852
Bank facilities		6,780,584	6,845,910
Long term loans - current		10,498,610	10,392,220
Lease obligations - current		-	11,796
Accounts payable		54,884,292	51,293,825
Due to related parties	(11)	40,673,997	41,212,165
Accruals and other credit balances		38,722,227	33,089,461
Dividends payable to shareholders		23,074,629	23,081,694
Zakat	(16)	9,951,117	13,550,863
Total current Liabilities		204,769,408	201,822,786
Total Liabilities		229,429,990	226,305,983
Total Shareholders' equity and liabilities		467,950,839	465,575,295

Finance Manager
Name: Hosameldin Abdelbaky Mokhtar
Signature: 

Chief Executive Officer
Name: Fahad A alsemaih
Signature: 

Chairman of Board of directors
Name: Yousif Abdullah Abaulaziz Alrajhi
Signature: 

The accompanying notes from (1) to (19) form an integral part of these condensed consolidated financial statements

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"


(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three-months period ended 31 March 2021

(Expressed in Saudi Riyals)

		<i>For the three-month period ended 31 March 2021</i>	<i>For the three-month period ended 31 March 2020</i>
Revenue - net	(14)	21,452,941	34,664,674
Cost of revenue		(17,454,938)	(27,241,102)
Impairment in the value of crops		-	(937,332)
GROSS PROFIT		3,998,003	6,486,240
Selling and distribution expenses		(4,343,482)	(5,160,779)
General and administrative expenses		(5,168,191)	(5,382,661)
OPERATING LOSS		(5,513,670)	(4,057,200)
Share of results of Associate		(468,562)	(136,124)
Gains from murabaha investments - short term	(10)	8,630	57,040
Finance costs		(171,072)	(64,682)
Other income - net	(16)	5,437,292	236,438
NET LOSS FOR THE PERIOD BEFORE ZAKAT		(707,382)	(3,964,528)
Zakat	(16)	(636,505)	(861,217)
NET LOSS FOR THE PERIOD		(1,343,887)	(4,825,745)
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified subsequently in profit or loss:			
Actuarial gains from re-measuring of employee benefits obligation		-	-
Total other comprehensive loss for the period		(1,343,887)	(4,825,745)
Basic loss per share from net loss for the period	(12)	(0,08)	(0,21)
Profit (loss) of the period attributable to:			
Shareholders of the parent company		(1,909,282)	(5,079,005)
Non-controlling interest		565,395	253,260
		(1,343,887)	(4,825,745)
Comprehensive (loss) / profit attributable to:			
Shareholders of the parent company		(1,909,282)	(5,079,005)
Non-controlling interest		565,395	253,260
		(1,343,887)	(4,825,745)

Finance Manager
Name: Hosameldin Abdelbaky Mokhtar
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Chief Executive Officer
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The accompanying notes from (1) to (19) form an integral part of these condensed consolidated financial statements

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
For the three-months period ended 31 March 2021
(Expressed in Saudi Riyals)

	Share Capital	Statutory Reserve	Other reserves	Accumulative changes in other comprehensive income items	Accumulated losses	Equity attributable to the shareholders of the parent company	Non-controlling interest	Total equity
Balance as at 1 January, 2020 (Audited)	450,000,000	68,019,821	1,858,734	2,530,873	(242,445,826)	279,963,602	11,096,256	291,059,858
Net Loss for the period	-	-	-	-	(5,079,005)	(5,079,005)	253,260	(4,825,745)
Other comprehensive items for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(5,079,005)	(5,079,005)	253,260	(4,825,745)
Adjustments for investments in a subsidiary	-	-	-	-	97,012	97,012	-	97,012
Change in non-controlling interest	-	-	-	-	-	-	(612,520)	(612,520)
Capital Reduction (Note 1)	(208,233,000)	-	-	-	208,233,000	-	-	-
Balance at 31 March, 2020 (Unaudited)	241,767,000	68,019,821	1,858,734	2,530,873	(39,194,819)	274,981,609	10,736,996	285,718,605
Balance as at 1 January, 2021 (Audited)	241,767,000	68,019,821	1,858,734	1,018,879	(86,545,066)	226,119,368	13,149,944	239,269,312
Net profit for the period	-	-	-	-	(1,909,282)	(1,909,282)	565,395	(1,343,887)
Other comprehensive (loss) income items for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(1,909,282)	(1,909,282)	565,395	(1,343,887)
Adjustments for investments in a subsidiary	-	-	-	-	95,423	95,423	(38,170)	57,253
Change in non-controlling interest	-	-	-	-	-	-	538,171	538,171
Balance at 31 March, 2021 (Unaudited)	241,767,000	68,019,821	1,858,734	1,018,879	(88,358,925)	224,305,509	14,215,340	238,520,849

The accompanying notes from (1) to (19) form an integral Part of these condensed consolidated financial statements


TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the three-months period ended 31 March 2021
(Expressed in Saudi Riyals)


	<i>For the three-month period ended 31 March 2021</i>	<i>For the three-month period ended 31 March 2020</i>
Cash flows from operating activities:		
Net Loss for the period before Zakat	(707,382)	(3,964,528)
Adjustments to reconcile profit (loss) to cash flows from operating activities:		
Depreciation of property, plant and equipment	6,901,369	7,916,380
Amortization of biological assets	311,346	61,813
Employees defined benefit obligations - additions	422,539	34,116
Share of results from investments in associate	468,562	(1,735,541)
Zakat provision reversal (note 16)	(4,236,251)	-
Provision of guarantee loan related to associate - paid during the period	(2,160,900)	-
Adjustments for investments in subsidiaries	57,253	-
Changes in operating assets and liabilities		
Inventories	6,368,240	528,070
Accounts receivable	6,079,895	2,921,522
Due from related parties	(4,396,118)	(2,088,176)
Prepayments and other debit balances	15,541	(436,196)
Biological Assets	(13,317,891)	(8,855,876)
Accounts payable	3,590,467	(101,302)
Due to related parties	(538,168)	18,291,671
Accruals and other credit balances	5,632,766	1,588,170
Employees defined benefit obligations Paid	(123,104)	(502,868)
Obligations of lease contracts	(133,846)	(154,951)
Net cash resulted from operating activities	4,234,318	13,502,304

The accompanying notes from (1) to (19) form an integral Part of these condensed consolidated financial statements

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the three-months period ended 31 March 2021
(Expressed in Saudi Riyals)

	<i>For the three-month period ended 31 March 2021</i>	<i>For the three-month period ended 31 March 2020</i>
<u>Cash flows from investing activities:</u>		
Murabaha investments - short term	-	(6,192)
Net change in projects work in progress	(4,375,082)	(354,975)
Purchase of property, plant, and equipment	(490,118)	(208,875)
Net change in Biological Assets	(1,156,688)	(393,818)
Right - of - use assets	(27,262)	149,940
net change in intangible assets	(7,481)	5,359
Net cash used in investing activities	(6,056,631)	(808,561)
<u>Cash flow from financing activities</u>		
Net change in long term loans	106,390	5,583,785
Banking facilities	(65,326)	(5,603,962)
Change in non - controlling interest	538,171	(612,520)
Dividends paid	(7,065)	(1,892)
Previous periods adjustments	-	97,012
Net cash resulted from (used in) financing activities	572,170	(537,577)
Net change in Cash and cash equivalents during the period	(1,250,143)	12,156,166
Cash and cash equivalents beginning of the period	4,174,564	2,065,629
Cash and cash equivalents end of the period	2,924,421	14,221,795
<u>Non - cash transactions</u>		
Capital Reduction	-	208,233,000

Finance Manager
Name: Hosameldin Abdelbaky Mokhtar
Signature: 

Chief Executive Officer
Name: Fahad A alsemaih
Signature: 

Chairman of Board of directors
Name: Yousif Abdullah Abaulaziz Alrajhi
Signature: 

The accompanying notes (1) through (19) form an integral part of these condensed consolidated financial statements.

1. ORGANIZATION AND ACTIVITIES FOR THE COMPANY AND ITS SUBSIDIARY

Tabuk Agricultural Development Company "TADCO" ("the Company") is a Saudi joint stock Company established in accordance with commercial Registration No 3550005403 issued in Tabuk on 15 Shaaban 1404H (corresponding to 16 May 1984). The Group operates under Royal Decree No. (M / 11) dated 22 March 1983.

The company's capital is SAR 450 million, divided into 45 million shares, with a nominal value of SAR 10. On 18 March 2020, the capital was reduced to SAR 241,767,000, with a nominal value of SAR 10, to cover the Company's accumulated losses.

The principal activities of the Group are mixed farming (Mixed production between crops and animals without specialized production (crops and livestock), livestock support activities, concentrated animal feed manufacturing, management and leasing of owned or leased properties (residential and non-residential).

The outbreak of novel coronavirus ("COVID-19") since early 2020, spread globally caused disruptions to businesses and economic activity globally including the Kingdom of Saudi Arabia, are seeking to take precautionary and preventive measures to limit the spread of the virus and mitigate its effects, and one of the most important precautionary measures taken to limit its spread is to limit contact with close gatherings between people to the maximum degree, including preventing gatherings in the workplace and shopping. Sometimes we even enforce a complete curfew. These measures, despite their importance, have affected the business environment and the general outcome of society and have a tangible effect on the economic sectors in general, and it is likely that it will lead to a tangible decrease in economic activities during the coming period, and the group's management believes that there are no negative effects on the results of the group's business since the beginning of the period up to the date of the financial statements.

The accompanying financial statements include the accounts of the following branches:

Branch of Tabuk Agricultural Development Company registered in Riyadh operating under Commercial Registration No. 1010439522 issued on 19 Safar 1437 H corresponding to 1 December 2015. The branch activity is in agricultural and livestock production, manufacturing and marketing of their products, operating in the field of agricultural marketing by the import and export of agricultural, plant, livestock and fish products and their by-products.

Branch of Tabuk Agricultural Development Company registered in Dammam operating under Commercial Registration No. 2050107496 issued on 19 Safar 1437 H corresponding to 1 December 2015. The branch activity is in agricultural and livestock production, manufacturing and marketing of their products, operating in the field of agricultural marketing by the import and export of agricultural, plant, livestock and fish products and their by-products.

Branch of Tabuk Agricultural Development Company registered in Jeddah operating under Commercial Registration No. 4030286243 issued on 19 Safar 1437H, corresponding to 1 December 2015. The branch activity is in agricultural and livestock production, manufacturing and marketing of their products, operating in the field of agricultural marketing by the import and export of agricultural, plant, livestock and fish products and their by-products.

Factory of Tabuk Agricultural Development Company for Cork registered in Tabuk operating under Commercial Registration No. 3550033016 issued on 2 Rabi` Al Thani 1435 H corresponding to 2 February 2014. The branch activity is to produce packaging materials for agricultural products and their by-products.

North Factory for extracting and packing oils registered in Tabuk operating under Commercial Registration No. 3550033015 issued on 2 Rabi` Al Thani 1435 H corresponding to February 2, 2014. The branch activity is in the production and processing of olives, marketing of their products and by-products, and import and export of their products.

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 31 March 2021 (UNAUDITED)
(Expressed in Saudi Riyals)

1. ORGANIZATION AND ACTIVITIES FOR THE COMPANY AND ITS SUBSIDIARY (Continued):

Branch of Tabuk Agricultural Development Company registered in Khamis Mushait operating under commercial registration No. 5855069210 issued on 19 Safar 1437 H corresponding to 1 December 2015. The branch activity is in agricultural and livestock production, manufacturing and marketing of their products, operating in the field of agricultural marketing by the import and export of agricultural, plant, livestock and fish products and their by-products

Plantation of Tabuk Agricultural Development Company registered in Tabuk operating under Commercial Registration No. 3550033301 issued on 24 Rabi 'Al Thani 1435 H corresponding to 24 February 2014. The branch activity is to produce seedlings of forest, ornamental, aromatic and medicinal fruits, marketing their products and by-products, and import and export their products.

The financial period starting from 1 January 2021 and ended 31 March 2021. The Group's financial period begins at the beginning of January of each calendar period and ends at the end of December of the same period.

The head office of the Company is located in the Tabuk region, and the board of directors may establish branches, offices or agencies inside and outside the Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1 Statement of commitment

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" "IAS 34" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. They should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020. In addition, results for the interim period ended 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

2.2 Going concern assessment

The accumulated losses of the group as on 31 March 2021 exceeded 35% of the capital, which requires the Group in accordance with the instructions of the Capital Market Authority for listed companies on the Saudi Stock Exchange, whose accumulated losses exceeds 35%, to announce the amount of accumulated losses, their percentage of capital, and the main reasons that led to these losses. In addition, current liabilities has exceeded current assets by SAR 88 million.

During the year 2020, the Group reduced its capital from SAR 450,000,000 to SAR 241,767,000, to reduce the Group's accumulated losses.

On 15 October 2020, the Group submitted an application to the Saudi Capital Market Authority to approve the capital increase of SAR 100 million through offering right issue shares, and subsequently the Group received the approval of the Capital Market Authority on the Group's request to increase the capital by offering shares amounted SAR 150 million. All capital subscription has been covered (note 17).

2. BASIS OF PREPARATION (Continued)

2.3 Functional and presentation currency

The interim condensed consolidated financial statements are presented in Saudi Riyals ("SAR"), which is the functional and presentational currency of the Group.

2.4 Basis of Preparation

The interim condensed consolidated financial statements have been prepared on a historical cost basis except:

- Murabaha investments - short term
- Recognition of employee defined benefit obligations at the present value of future liabilities using the expected credit unit method.
- Biological assets that can be reliably measured at fair value has been measured at fair value, and if they are not reliably measured at fair value, they are measured at cost.

2.5 Basis for consolidating financial statements

Basis for consolidation and equity accounting

A- Subsidiary Companies

The interim condensed consolidated financial statements include the financial statements of the Group and the Companies controlled by the Group and its subsidiaries as at the reporting date. Control is achieved when the Group has:

- Power and control over the investee.
- Exposure, or rights, to variable returns from its transactions with the investee.
- The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls the investee if facts and circumstances indicate the existence of changes in one or more of the three elements of control.

When the Group has less than a majority of the voting rights of the investee, it has control over the investee company when the voting rights are sufficient to give it the practical ability to unilaterally direct the relevant activities of the investee. The Group considers all relevant facts and circumstances in assessing whether it has control over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- Any other facts and circumstances that indicate that the company has or does not have the current ability to direct relevant activities at the time of decision-making, including voting patterns in previous shareholder meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date it ceases to control the subsidiary

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for in the consolidated statement of changes in equity.

Profits or losses and each component of other comprehensive income are attributed to the shareholders of the company and to the non-controlling interest. The total comprehensive income of the subsidiaries is distributed among the shareholders of the company and the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

If the company loses control over a subsidiary, it de-recognizes related assets (including goodwill), liabilities, non-controlling equity and other components of equity, while any resulting gain or loss is recognized in profits or losses.

2. BASIS OF PREPARATION (Continued)

2.5 Basis for consolidating financial statements

Basis for consolidation and equity accounting (continued)

A- Subsidiary Companies (continued)

Any investment retained is recorded at fair value. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All assets, liabilities, equity, revenues, expenses and cash flows related to intercompany operations are completely eliminated on consolidation.

B- Associate companies

Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method, after initially being recognized at cost.

Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. If the share in the investee is reduced to zero, a liability is recognised only to the extent that there is an obligation to fund the investee's operations or any payments have been made on behalf of the investee. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in the other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate and joint venture are eliminated to the extent of the interest in the associate or joint venture. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group.

When necessary, adjustments are made to bring the accounting policies of the associate or joint venture in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the loss as 'Share of profit of an associate and a joint venture' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control of the joint venture, the group measures and recognizes any retained investments at fair value. Any difference between the carrying value of the associate or joint venture upon loss of joint influence or control and the fair value of the remaining investments and the proceeds on disposal of these investments is recognized in the consolidated statement of profit or loss.

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 31 March 2021 (UNAUDITED)
(Expressed in Saudi Riyals)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Basis for consolidating financial statements

Basis for consolidation and equity accounting (continued)

B- Associate companies (continued)

Equity method (Continued)

The accompanying consolidated financial statements include the financial statements of the Company and its following subsidiaries, which are set out below, and collectively referred to as "the Group":

<u>Company Name</u>	<u>Commercial Registration No.</u>	<u>Legal Status</u>	<u>Country</u>	<u>Ownership proportions</u>	
				<u>2019</u>	<u>2020</u>
Horizon Food Ltd Co	2051220421	Limited Liability Company	KSA	50%	50%
Masader Agricultural Feed Mill Ltd Co*	4030325647	Limited Liability Company	KSA	60%	60%
Tabuk Agricultural Company for Marketing	3550123534	A closed joint stock company one person	KSA	100%	100%
Tabuk Agricultural Company for Nursery and Landscape	3550123535	A closed joint stock company one person	KSA	100%	100%

*The group assigned all its shares in the Fine Flour Mills Company "a Subsidiary Company" number of 750 shares to a related party with its rights and obligations in exchange for establishing a new company (Masader Agricultural Feed Mill Ltd Co) with a capital of SAR 1,250,000, provided that the Group will own 60% of the capital, with an amount of SAR 750,000. The commercial registration for the Subsidiary was issued on 24 February 2020, and the Group's management is working with the management of the Subsidiary to complete the procedures for transferring the ownership of the assets and transferring all financial and operational processes to the Subsidiary in accordance with the agreement signed between the owner of the establishment (one of the Shareholders) and the Company, in which the total assets of the Masader Agricultural Feed Mill Ltd. Company in these consolidated financial statements amount to SAR 56.6 million, total liabilities amount to SAR 11.9 million, net shareholder's equity amount to SAR 44.6 million, revenues amount to SAR 2.4 million, and the total expenses amount to SAR 3.2 million.

3. USING IMPORTANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparing the company's interim condensed consolidated financial statements requires management to use judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, revenues and expenses, the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

The significant estimates used by management in applying the company's accounting policies, methods of calculation, and significant sources of estimation uncertainties were similar to those shown in the annual financial statements for the year ending in 31 December, 2020.

4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and calculation methods applied in the preparation of the interim condensed consolidated financial statements are consistent with those used in preparing the annual financial statements of the company for the year ended 31 December, 2020.

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5. PROPERTY, PLANT, AND EQUIPMENT - NET

	<u>Lands</u>	<u>Buildings and constructions*</u>	<u>Machinery and equipment**</u>	<u>Wells and irrigation equipment</u>	<u>Cars and Trucks</u>	<u>Bearer Plants</u>	<u>Furniture and fixture</u>	<u>Total</u>
<u>Cost</u>								
1 January, 2021 (audited)	43,220,600	326,907,965	156,777,461	191,893,643	24,274,142	62,283,755	12,797,185	818,154,751
Additions	-	-	79,760	-	384,913	-	25,445	490,118
31 March, 2021 (Unaudited)	<u>43,220,600</u>	<u>326,907,965</u>	<u>156,857,221</u>	<u>191,893,643</u>	<u>24,659,055</u>	<u>62,283,755</u>	<u>12,822,630</u>	<u>818,644,869</u>
<u>Accumulated depreciation</u>								
1 January , 2021 (audited)	-	199,763,342	114,763,563	171,163,727	21,037,564	34,976,934	10,605,022	552,310,152
Depreciation for the period	-	2,248,255	2,143,909	1,244,237	266,920	887,935	110,113	6,901,369
31 March, 2021 (Unaudited)	<u>-</u>	<u>202,011,597</u>	<u>116,907,472</u>	<u>172,407,964</u>	<u>21,304,484</u>	<u>35,864,869</u>	<u>10,715,135</u>	<u>559,211,521</u>
<u>Net book value</u>								
31 March, 2021 (Unaudited)	<u>43,220,600</u>	<u>124,896,368</u>	<u>39,949,749</u>	<u>19,485,679</u>	<u>3,354,571</u>	<u>26,418,886</u>	<u>2,107,495</u>	<u>259,433,348</u>
31 December, 2020 (audited)	<u>43,220,600</u>	<u>127,144,623</u>	<u>42,013,898</u>	<u>20,729,916</u>	<u>3,236,578</u>	<u>27,306,821</u>	<u>2,192,163</u>	<u>265,844,599</u>

*Buildings and constructions include cold storages with a net book value of SAR 43 million, and are mortgaged in favor of the Agricultural Development Fund as a guarantee for the loan granted to the Group.

** Machinery and equipment includes the assets of the Masader Agricultural Feed Mill Ltd Co. (Subsidiary Company), whose net book value as at 31 March 2021 amount to SAR 33.01 million and is mortgaged in favor of the Saudi Industrial Development Fund as a guarantee for the loan granted to the Group.

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6. BIOLOGICAL ASSETS - NET

	<u>Herd of sheep</u>	<u>Crops</u>	<u>Total</u>
Biological assets classified as at 31 March, 2021			
Biological assets - Non-current	13,572,732	-	13,572,732
Biological assets - Current	1,173,961	31,199,082	32,373,043
	<u>14,746,693</u>	<u>31,199,082</u>	<u>45,945,775</u>
Biological assets classified as at 31 December, 2020			
Biological assets - Non-current	13,901,351	-	13,901,351
Biological assets - Current	-	17,881,191	17,881,191
	<u>13,901,351</u>	<u>17,881,191</u>	<u>31,782,542</u>

7. CAPITAL WORK-IN-PROGRESS - NET

	<u>31 March 2021</u>	<u>31 December 2020</u>
Capital projects, net	22,144,612	20,699,457
Civil construction	4,420,483	5,373,615
Immature horticultural projects	25,283,747	23,306,608
Other	9,724,572	7,818,652
Total	<u>61,573,414</u>	<u>57,198,332</u>

8. INVESTMENT

	<u>31 March 2021</u>	<u>31 December 2020</u>
Investment in Associates (8-1)	15,819,534	16,288,096
Investment in equity instruments (8-2)	412,800	412,800
Total	<u>16,232,334</u>	<u>16,700,896</u>

8.1 Investment in Associate

	<u>Percentage of participation</u>	<u>31 March 2021</u>	<u>31 December 2020</u>
Eastern Asia Company for Agricultural Investment *	28.57%	15,819,534	16,288,096
Gulf Technical Company for Sustainable Energy (Under liquidation)**	50%	-	-
Rakha for Agricultural Investment and Development (Under liquidation)***	50%	-	-
		<u>15,819,534</u>	<u>16,288,096</u>

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8. INVESTMENT (Continued)

8.2 Investments in equity instruments

Investments in equity instruments represent the Group's investments in equity of unlisted companies that are evaluated based on available information that could lead to changes in assumptions and policies and have an impact on determining the fair value of these investments. Investment in equity instruments are as follows:

	31 March 2021	31 December 2020
The National Company for Seed Production and Trade	412,800	412,800
Potato Cooperative Society	-	-
Wheat Cooperative Society	-	-
Total	412,800	412,800

* The Eastern Asia Company for Agricultural Investment was incorporated on 7 May 2013, and it is a closed Saudi joint stock Company registered in the Kingdom of Saudi Arabia with a capital of SAR 70,000,000. The Company was established for the purpose of agricultural investment and the establishment of agricultural projects for the production of crops, grains, rice, barley, fruits, olives, fodder, all agricultural products and field crops, establishment, management and maintenance of factories for food industries and the establishment of livestock and poultry production projects, and the establishment and management of factories for dairy products, meat and feed. During the year 2020, the Company issued its financial statements for the years 2017, 2018, and 2019, and accordingly the Company reversed the impairment provision of SAR 13 million and used the equity method to recognize the value of the investment, the net equity of the company as of 31 December, 2020 amounted to SAR 55.4 million.

** The group owns a 50% shares in the Gulf Technical Company for Sustainable Energy (under liquidation) amounting to SAR 250,000, and an impairment loss was recognized for the full value of the investment, and the necessary legal procedures are taken to liquidate the Company.

*** Because the Company incurred accumulated losses which exceeded the value of that investment, the Group recognized losses of the total value of the investment in Jannat Agricultural Investment Company, a limited liability company, (under liquidation) amounting to SAR 17,500,000. The group also has guarantee obligations against loans to others, whereas, Tabuk Agricultural Development Company is one of the partners of Jannat Agricultural Investment Company, that contributes 67% in Rakha for Agricultural Investment and Development Company (an Egyptian joint stock company). The Group has guaranteed the equivalent of its investment share of 18.85% of a loan belonging to Rakha for Agricultural Investment and Development Company for the benefit of the Saudi Development Fund, amount to SAR 100 million. On 24 October 2016, the Saudi Development Fund notified Jannat Agricultural Investment and Development Company that, from that date, the loan owed by Rakha for Agricultural Investment and Development Company is considered to have been implicitly transferred to the guarantors of the loan with a fine and the performance, and demand of the guarantor partners to quickly repay the obligations of the partners, and accordingly a provision for the full value has been formed, to meet the obligation. During the year 2020, the ownership of 17,288 shares of Rakha for Agricultural Investment and Development Company was transferred to the Group's ownership, which represents 21.61% of the Company's shares. The shareholder's deficit of Rakha for Agricultural Investment and Development Company reached 285.3 million Egyptian pounds as on 31 December 2020.

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9. INVENTORY - NET

	31 March 2021	31 December 2020
Feed	4,197,508	7,508,275
Pills	-	958,914
Seeds	378,911	434,662
Foodstuffs	763,607	1,584,641
Trees	5,558,499	7,692,721
Fertilizers and chemicals	1,041,938	1,617,164
Meat	6,677,038	4,725,336
Spare parts and other consumables	13,458,758	13,922,786
Total	32,076,259	38,444,499
Less: slow moving Provision	(4,096,140)	(4,096,140)
Total	27,980,119	34,348,359

10. MURAHABA INVESTMENTS - SHORT TERM

Short-term murabaha is represented in Islamic murabaha funds at local banks, which amount to SAR 5,000,000 as at 31 March 2021 (as at 31 December 2020: SAR 5,000,000) and the Group generated profits of SAR 8,630 for the period (31 March 2020: SAR 57,040).

11. DUE FROM RELATED PARTIES

Related party transaction

a) Transactions with related parties mainly represent financing services that are carried out on mutually agreed terms and approved by the management, which are as follows:

<u>Name</u>	<u>Relation</u>
Horizon Food Ltd Co	Subsidiary
Ahmed Hussein Al-Omari EST	Another related party
Ahmed bin Mohammed Al-Arfaj	Non-controlling equity
Gulf Technical Company for Sustainable Energy	Non-controlling equity
Ahmed Hussein Al-Omari	Non-controlling equity individuals
Rakha for Agricultural Investment and Development	Associate

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11. DUE FROM RELATED PARTIES (Continued)

b) Transactions with related parties in the financial statements as of 31 March are summarized below:

<u>Due from related party</u>		Nature of transaction	Opening Balance 1 January, 2021	Transaction during the period		Closing balance 31 March, 2021
Related party				Debit	Credit	
Rakha for Agricultural Investment and Development *	Finance		3,062,234	-	-	3,062,234
Ahmed bin Mohammed Al-Arfaj	Withdrawals		-	272,137	-	272,137
Ahmed Hussein Al-Omari EST	Finance		2,102,875	4,123,981	-	6,226,856
			5,165,109	4,396,118	-	9,561,227
<u>Due to related party</u>						
Related party		Nature of transaction	Opening Balance 1 January, 2021	Transaction during the period		Closing balance 31 March, 2021
				Debit	Credit	
Ahmed bin Mohammed Al-Arfaj	Finance		13,488,984	-	-	13,488,984
Ahmed Hussein Al-Omari	Finance		27,723,181	538,168	-	27,185,013
			41,212,165	538,168	-	40,673,997

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12. BASIC LOSS PER SHARE FROM NET LOSS FOR THE PERIOD

	31 March 2021	31 March 2020
Net loss for the period	(1,909,282)	(5,079,005)
Weighted average number of shares	24,176,700	24,176,700
Basic loss per share from net loss for the period	(0.08)	(0.21)

13. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

The Group's activities are exposed to a variety of financial risks: market risk (including currency risk, fair value of interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the fluctuations of financial markets and the Group's management attempts to mitigate the potential adverse effects on the Group's financial performance.

Financial Risk Management Framework

The high management is implemented risk management under policies approved by the Board of Directors. Top management identifies, evaluates and hedges for financial risks in close collaboration with the Group's operating units. The most important types of risk are credit risk, currency risk or fair value and cash flow interest rates.

Board of Directors has overall responsibility for establishing and overseeing the Group's risk management framework. Executive management team is responsible for developing and monitoring the Group's risk management policies, where the team conducts regular meetings. Any changes or matters relating to policy compliance shall be reported to the Board through the management.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and activities of the Group. The Group aims through training, management standards, and procedures to develop a responsible and constructive control environment so that all employees are aware of their roles and obligations.

Board of Directors oversees compliance by management with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The financial instruments included in the statement of consolidated financial position include accounts receivable, prepayments, other debit balances, accounts payable, accruals and other payables balances. The methods of evidence used are disclosed in the policy statement for each item.

The offsetting between the financial assets and liabilities were comprised and the net amounts included in the interim condensed consolidated financial statements when there is a legally enforceable right to offset those amounts and when the Group has an intention to settle them on a net basis or to sell the assets to settle the liability simultaneously.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk includes three types of risk: interest rate risk, currency risk and other price risk.

13- FINANCIAL INSTRUMENT AND RISK MANAGEMENT (Continued)

Interest rate risk

Interest rate risk is the risk that the value of financial instruments or the associated cash flows will fluctuate due to changes in interest rates.

The following are the loans obtained by the Group and carry a variable interest rate according to the prevailing market rates of interest

	Book value as at 31 March 2021 (Un Audited)	Book value as at 31 December 2020 (Audited)
<u>Financial instruments with variable interest rate</u>		
Loans and bank facilities	30,449,947	30,408,883

The table below reflects the potential impact of a change in 100 basis points on interest rates at the balance sheet date on profit or loss, with all other variables held constant.

	<u>Profit / (loss) in 31 March 2021</u>		<u>Profit / (loss) in 31 December 2020</u>	
	Decrease in base points related to interest rates 100 basis points	Increase in base points related to interest rates 100 basis points	Decrease in base points related to interest rates 100 basis points	Increase in base points related to interest rates 100 basis points
Loans	304,499	(304,499)	304,089	(304,089)

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group did not undertake significant transactions in currencies other than Saudi Riyals and US Dollar during the period. While Saudi Riyal is pegged against US Dollar, however, the management monitors the currency risk and believes that it is not materially exposed to currency risk in case of transactions in other foreign currencies.

Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group has established procedures to manage exposure to credit risk, including assessing the creditworthiness of customers and credit approvals, allocating credit limits, monitoring the aging of receivables and following them up on a permanent basis.

Trade receivables are interest free and often have a credit period in line with industry standards. Usually guarantees are not required, as are letter of credits, but they can be used under certain circumstances in some markets, especially in less developed markets. The Group has no concentration of credit risk as the customer base is distributed on both the economic and geographic levels.

For the purposes of this analysis, receivables are classified into portfolios based on homogeneous receivables. Each portfolio is then evaluated for impairment using the expected credit loss model in accordance with the provisions under IFRS 9. The calculation is based on a provision matrix in which actual historical data are adjusted appropriately for future projections and prospects.

13- FINANCIAL INSTRUMENT AND RISK MANAGEMENT (Continued)

Credit risk (continued)

The Group reviews the recoverable amounts for each commercial debt on an individual basis at the end of the reporting period to ensure that there is adequate provision for the non-recoverable amounts. In addition, impairment analysis is also performed at each reporting date based on facts and circumstances existing at that date to determine expected credit losses due to the time value of money and credit risk.

Collateralized receivables are excluded for the purposes of this analysis as there is no credit risk involved. Loss rates are based on actual experience of credit losses over the past periods. Loss rates are then appropriately adjusted to reflect differences between current and historical economic conditions and the Group's view of economic conditions over the expected life of receivables.

The following is the maximum exposure to credit risk that can affect the Group at the reporting date:

	<u>31 March</u> <u>2021</u>	<u>31 December</u> <u>2020</u>
Current Assets		
Cash and cash equivalent	2,924,421	4,174,564
Accounts receivable, net	13,467,271	19,547,166
Due from related parties	9,561,227	5,165,109
Murabaha investments - short term	5,000,000	5,000,000
	<u>30,952,919</u>	<u>33,886,839</u>
The aging of Accounts receivable as at the reporting date are as follows:		
Less than 3 months	10,772,152	12,081,281
More than 3 month and less than 6 months	2,147,145	3,772,419
More than 6 months and less than a period	955,472	4,013,129
More than a period	5,452,954	5,540,789
Total receivables before subtracting provision	<u>19,327,723</u>	<u>25,407,618</u>
Less:		
Expected credit loss provision	(5,860,452)	(5,860,452)
Accounts receivable, net	<u>13,467,271</u>	<u>19,547,166</u>

Other financial assets

Other financial assets consists of bank deposits, investments in unquoted shares, receivables from invested companies under equity method or joint ventures. The risks arising from these financial assets are limited and there are no guarantees held for these parties due to the fact that the counterparties are companies invested in by equity method. The recognized banks and financial institutions have a high credit rating set by international credit rating agencies.

Capital management

The Group manages its capital to ensure its continuity and maximize return to stakeholders by improving the balance between debt and equity. When managing capital, the Group's objective is as follows:

- 1) Safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to others stakeholders
- 2) Providing an adequate return for the shareholders.

13- FINANCIAL INSTRUMENT AND RISK MANAGEMENT (Continued)

	<u>31 March</u> <u>2021</u>	<u>31 December</u> <u>2020</u>
Financial Assets		
At amortized cost		
Prepayments and other debit balances, net	23,993,322	24,008,863
Murabaha investments - short term	5,000,000	5,000,000
Due from related parties	9,561,227	5,165,109
Accounts receivable, net	13,467,271	19,547,166
Cash and cash equivalents	<u>2,924,421</u>	<u>4,174,564</u>
Financial liabilities		
At amortized cost		
Long term loans - current	10,498,610	10,392,220
Accounts payable	54,884,292	51,293,825
Accruals and other credit balances	38,722,227	33,089,461
Dividends payable to shareholders	<u>23,074,629</u>	<u>23,081,694</u>

Fair value of financial instrument

For the purposes of financial reporting, the Group used the fair value hierarchy categorized at levels 1, 2 and 3 based on the inputs used in the valuation techniques as follows.

- **Level 1:** Quoted prices (unadjusted) in an active market for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation of each publicly traded investment is based on the marketing closing price at that date minus the discount if the guarantee is restricted.

14. SEGMENT REPORTING

The information provided to the decision-maker in charge of operations with the aim of allocating resources and assessing the performance of sectors on the types of goods or services provided. The Group's management decided to organize the Group according to the differences in the internal financial reporting structure. The operating sectors of the Company are as follows:

Operational sector

Feeds
Vegetables
fruit
Grains
Other products
Meat

Activities

Manufacturing Feed
Planting Vegetables
Planting seasonal fruits
Grain trading
Production of olive oil, honey
Selling frozen meat

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14- SEGMENT REPORTING (Continued)

31 March 2021	Feeds	Vegetables	Fruits	Grain	Other products	meat	Total
Revenue	6,534,564	-	1,446,522	1,076,100	991,730	11,404,025	21,452,941
Depreciation and amortization	4,002,030	-	1,156,030	859,997	792,571	402,087	7,212,715
Net comprehensive loss for the period	(2,190,000)	-	(434,777)	(323,441)	(298,082)	1,902,413	(1,343,887)
Total assets	240,905,745	-	65,377,595	48,635,863	44,822,670	68,208,966	467,950,839
Total liabilities	107,273,966	-	33,813,010	25,154,258	23,182,091	40,006,665	229,429,990
31 March 2020							
Revenue	19,600,181	2,712,215	1,475,786	2,677,841	924,950	7,273,701	34,664,674
Depreciation and amortization	4,222,829	1,167,590	635,316	1,152,792	398,184	401,482	7,978,193
Net comprehensive loss for the period	(2,977,543)	(912,896)	(496,730)	(901,326)	(311,328)	774,078	(4,825,745)
Total assets	253,005,693	65,802,005	35,804,559	64,968,030	22,440,531	61,538,248	503,559,066
Total liabilities	99,058,077	28,209,806	15,349,679	27,852,275	9,620,422	37,750,203	217,840,462

15. CONTINGENT LIABILITIES

The company has a contingent liability for the uncovered portion of bank letters of guarantee estimated at SAR 3.9 million (December 31, 2020: SAR 3.9 million).

16. ZAKAT STATUS

16.1 Zakat status for the Parent Company

The Group submitted its zakat return for the years 2019 & 2020 and did not pay its due. Final assessments were issued for the years from 2014 to 2018 which included zakat differences amounted of SAR 2,971,851 and an objection was made to Zakat, tax and custom Authority. A final decision has not been issued regarding the objection. Final assessment was also issued for the years from 2010 to 2014 which included zakat differences of SAR 706,732 and the objection was made to Zakat, tax and custom Authority. A final decision has not been issued regarding the objection. The group reverse the provision for the years from 2007 to 2009 of SAR 4,236,251 which included in other income in interim condensed consolidated statement of profit or loss and other comprehensive income due to the cancellation of debts by Zakat, tax and custom Authority.

16.2 Zakat status for the subsidiary companies.

16.2.1 Horizon Food Ltd Co.

The Company submitted all the zakat declarations for all previous years up to 2020 and the certificate under issuing.

16.2.2 Masader Agricultural Feed Mill Ltd company.

The company is in the process to submit their Zakat return

16.2.3 Tabuk Agricultural Company for Marketing.

The company is in the process to submit their Zakat return

16.2.4 Tabuk Agricultural Company for Nursery and Land Scape

The company is in the process to submit their Zakat return

17. SUBSEQUENT EVENTS

- On May 2, 2021, the subscription of the capital increase was completed through offering rights issue shares for a number of 15 million shares, and an amount of SAR 150 million is collected.
- On May 3, 2021, the Group's Board of Directors resolved to use all of the Group's statutory reserve balance to amortize part of the accumulated losses as at December 31, 2020 amounting to SAR 86.5 million.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

19. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 20 May, 2021.