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SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2023
AND REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2023
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REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

**TO: THE SHAREHOLDERS OF
SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)**

Introduction:

We have reviewed the accompanying condensed interim statement of financial position of **SAUDI FISHERIES COMPANY** (the "Company") as at 30 June 2023, and condensed interim statement of profit or loss and other comprehensive income for the three month and six month periods ended 30 June 2023 the related condensed interim statements changes in shareholders' equity and cash flows for the six month periods then ended, and a summary of significant accounting policies and other explanatory notes, management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements - 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial statements 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 that are endorsed in the Kingdom of Saudi Arabia 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.

Qualified conclusion:

1. As indicated in Note No. (5) and Note No. (19) of the accompanying condensed interim financial statements, which indicate that the company has changed during the current period the accounting policy related to the measurement of investment properties from the cost model to the fair value model. As a result, investment properties appeared in the condensed interim financial position statement as at June 30, 2023 amounting to SR 44.5 million (31 December 2022: SR 31.9 million) (1 January 2022: SR 26.7 million), and the change in fair value appeared in the statement of financial position. Profit or loss and other comprehensive income for the three and six-month periods ended 30 June 2023 amounted to SR 7 million and SR 12.6 million, respectively (2022: SR 1 million and SR 16.2 million, respectively). We were not able to obtain sufficient appropriate evidence and complete our review of the fair value of the investment properties as at 30 June 2023, 31 December 2022 and 1 January 2022, and the change in fair value for the three and six-month periods ended 30 June 2023 and 30 June 2022. Accordingly, we were unable to To determine whether any adjustments to these amounts are necessary.
2. As indicated in Note No. (6) of the accompanying condensed interim financial statements, which indicates the inability of the company's management to reach the fair value of the fish due to the lack of appropriate tools for the inventory process, and accordingly it was shown at a cost of SR 17.2 million as shown On 30 June 2023 (31 December 2022: SR 12.9 million). This constitutes a departure from the requirements of the financial reporting framework. We were unable to access relevant financial information regarding the fair value of fish in the condensed interim statement of financial position as at 30 June 2023 and 31 December 2022 and the change in fair value of fish in the statement of profit or loss and other comprehensive income for the three and six-month periods ended 30 June 2023 Accordingly, we have not been able to implement the actions we deem necessary.



REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS (continued)
SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)

Basis of qualified conclusion

Based on our review, with the exception of the matter stipulated in the previous paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia.

Material Uncertainties Related to Going Concern

We draw attention to Note 2.5 to the accompanying condensed interim financial statements, which states that the Company has an accumulated loss as of 30 June 2023 amounting to SR 177.2 million representing 44.3% of the share capital, in addition to net operating cash outflows of SR 33.8 million and a gross loss of SR 1.2 million for the period ended 30 June 2023. These condition or events indicate the existence of a material uncertainty, which may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion has not been modified in respect of this matter

Other Matter

The annual financial statements for the year ended 31 December 2022 were audited by another auditor who expressed a qualified opinion on those financial statements on 14 Ramadan 1444H (corresponding 05 April 2023). Also, the condensed interim financial statements for the company for the period ended 30 June 2022 were reviewed by another auditor who expressed an unqualified conclusion on those condensed interim financial statements on 02 Safar 1444H (corresponding 29 August 2022).



27 Safar 1445H (12 September 2023)
 Riyadh, Kingdom of Saudi Arabia

AlAzem, AlSudairy, AlShaikh & Partners
For Professional Consulting

Abdullah M. AlAzem
License No. 335

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023
(All amounts in Saudi Riyals unless otherwise stated)

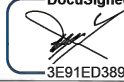
	Note	30 June 2023 (Unaudited)	31 December 2022 (Audited) (Restated)	01 January 2022 (Audited) (Restated)
ASSETS				
Non-current assets				
Property, plant, and equipment		118,926,692	123,117,745	106,021,385
Capital work in progress		33,202,458	32,699,617	57,228,686
Investment properties	5	44,461,839	31,850,909	26,683,805
Right-of-use assets		15,261,940	15,647,412	7,171,453
Investments carried at amortized cost	8	45,333,823	64,509,990	95,084,892
Total non-current assets		257,186,752	267,825,673	292,190,221
Current assets				
Inventories		22,974,095	22,802,894	22,183,419
Biological assets	6	23,378,915	20,664,638	21,860,518
Trade receivables		11,200,820	3,414,657	5,051,454
Prepayments and other receivables	7	20,587,249	8,585,885	14,683,409
Investments carried at FVTPL		33,545	33,545	33,545
Investments carried at amortized cost	8	6,180,760	11,099,000	-
Cash and bank balances		1,754,250	1,853,173	5,332,894
Total current assets		86,109,634	68,453,792	69,145,239
TOTAL ASSETS		343,296,386	336,279,465	361,335,460
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	1	400,000,000	400,000,000	400,000,000
Accumulated losses		(177,162,203)	(172,214,038)	(108,589,286)
Re-measurement of employees' defined benefits		385,947	385,947	(103,627)
TOTAL SHAREHOLDERS' EQUITY		223,223,744	228,171,909	291,307,087
LIABILITIES				
Non-current liabilities				
Long-term borrowings – non-current portion	9	31,885,840	21,885,840	3,304,320
Employees' post-employment benefits		5,185,032	5,838,149	6,935,471
Lease liabilities		12,097,656	13,321,836	4,632,324
Total non-current liabilities		49,168,528	41,045,825	14,872,115
Current liabilities				
Long-term borrowings - current portion	9	2,747,490	2,331,570	1,418,480
Short-term borrowings	9	10,965,473	10,073,467	-
Trade and other payables		26,029,541	29,206,821	30,142,119
Shareholder's compensation to priority right shares		13,414,275	13,414,275	13,424,457
Lease liabilities – current portion		4,359,055	4,176,491	2,599,184
Provision for zakat	11	13,388,280	7,859,107	7,572,018
Total current liabilities		70,904,114	67,061,731	55,156,258
TOTAL LIABILITIES		120,072,642	108,107,556	70,028,373
TOTAL EQUITY AND LIABILITIES		343,296,386	336,279,465	361,335,460

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Authorized member of the Board of
Directors

DocuSigned by:



Chief Executive Officer

DocuSigned by:



Chief Financial Officer

The accompanying notes 1 to 22 form part of these condensed interim financial statements.

SAUDI FISHERIES COMPANY**(A Saudi Joint Stock Company)****CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2023****(All amounts in Saudi Riyals unless otherwise stated)**

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2023 (Unaudited)	2022 (Unaudited) (Restated)	2023 (Unaudited)	2022 (Unaudited) (Restated)
Revenue		15,961,008	12,278,451	27,558,972	29,257,991
Cost of revenue		(17,491,774)	(6,103,553)	(28,789,266)	(32,689,719)
(Loss) / gain on fair value of biological asset		-	(3,372,281)	-	464,533
Gross profit / (loss) for the period		(1,530,766)	2,802,617	(1,230,294)	(2,967,195)
Selling and distribution expenses		(5,834,011)	(5,350,055)	(10,687,469)	(10,956,036)
General and administrative expenses		(5,285,616)	(4,861,754)	(9,643,953)	(9,442,052)
Expected credit loss		-	(258,378)	800,585	(1,099,329)
Provision for impairment on inventory		-	-	(2,783,740)	-
Net change in fair value on investment properties	5	(7,041,202)	1,045,422	12,610,930	16,167,701
Other revenue	13	467,475	476,813	12,666,232	2,221,179
Operating gain / (loss)		(19,224,120)	(6,145,335)	1,732,291	(6,075,732)
Finance revenue		1,110,728	225,018	1,938,891	457,474
Finance cost	14	(788,268)	(69,132)	(1,471,830)	(159,132)
Gain (Loss) before zakat		(18,901,660)	(5,989,449)	2,199,352	(5,777,390)
Zakat	11	(6,597,517)	(994,111)	(7,147,517)	(1,594,111)
Net loss for the period		(25,499,177)	(6,983,560)	(4,948,165)	(7,371,501)
Other comprehensive loss:					
Total comprehensive loss	15	(25,499,177)	(6,983,560)	(4,948,165)	(7,371,501)
Basic and diluted loss per share		(0.64)	(0.17)	(0.12)	(0.18)

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Authorized member of the Board of
Directors

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Chief Executive Officer

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Chief Financial Officer

The accompanying notes 1 to 22 form part of these condensed interim financial statements.

SAUDI FISHERIES COMPANY**(A Saudi Joint Stock Company)****CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY****FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023****(All amounts in Saudi Riyals unless otherwise stated)****For the six-month period ended**
30 June 2022

	Note	Share capital	Accumulated losses	Re-measurement of employees' defined benefits	Total
Balance as at 1 January 2022 (Audited)		400,000,000	(128,627,297)	(103,627)	271,269,076
Impact of restatement due to the change in the accounting policy	19	-	20,038,011	-	20,038,011
Balance as at 1 January 2022 (Audited) (Restated)		400,000,000	(108,589,286)	(103,627)	291,307,087
Total comprehensive loss		-	(7,371,501)	-	(7,371,501)
Balance as at 30 June 2022 (Unaudited)		400,000,000	(115,960,787)	(103,627)	283,935,586

For the six-month period ended
30 June 2023

Balance as at 1 January 2023 (Audited)		400,000,000	(197,419,153)	385,947	202,966,794
Impact of restatement due to the change in the accounting policy	19	-	25,205,115	-	25,205,115
Balance as at 1 January 2023 (Audited) (Restated)		400,000,000	(172,214,038)	385,947	228,171,909
Total comprehensive loss		-	(4,948,165)	-	(4,948,165)
Balance as at 30 June 2023 (Unaudited)		400,000,000	(177,162,203)	385,947	223,223,744

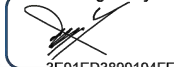
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Authorized member of the Board
of Directors

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Chief Executive Officer

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Chief Financial Officer


The accompanying notes 1 to 22 form part of these condensed interim financial statements.


SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 June 2023
(All amounts in Saudi Riyals unless otherwise stated)

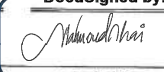
	For the six-month period ended	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before zakat	2,199,352	(5,777,390)
Adjustments for non-cash items		
Depreciation of property, plant and equipment	4,822,809	4,325,521
Depreciation of right-of-use assets	979,109	1,151,176
Provision for employees' post-employment benefits	666,007	1,052,512
Gain on fair valuation of biological asset	-	(464,533)
Provision for impairment on inventory	2,783,740	-
Provision of expected credit loss	(800,585)	258,378
Net change in fair value on investment properties	(12,610,930)	(16,167,701)
Income from investment carried at amortized cost	(1,938,891)	-
Gain from property, plant and equipment sale	(569,565)	-
Finance cost	1,471,830	159,132
Movement in working capital		
Inventories	(2,954,941)	(9,031,312)
Biological assets	(2,714,277)	6,476,316
Trade receivables	(6,985,578)	1,199,870
Prepayments and other receivables	(12,001,364)	6,168,549
Trade and other payables	(3,177,280)	(7,750,985)
Cash used in operations	(30,830,564)	(18,400,467)
Zakat paid	(1,618,344)	(328,678)
Employees' post-employment benefits paid	(1,319,124)	(369,117)
Net cash used in operating activities	(33,768,032)	(19,098,262)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(631,756)	(1,278,327)
Proceed of property, plant and equipment sale	569,565	-
Additions to capital work in progress	(502,841)	(391,376)
Proceed of investments carried at amortized cost	2,033,298	-
Redemption of investments carried at amortized cost	24,000,000	20,000,000
Net cash provided from investing activities	25,468,266	18,330,297
CASH FLOW FROM FINANCING ACTIVITIES		
Short term loans change	892,006	-
Long-term borrowings change	10,415,920	-
Lease liabilities paid	(1,635,253)	(1,861,303)
Finance cost paid	(1,471,830)	-
Unclaimed dividends paid	-	(5,902)
Net cash provided from (used in) financing activities	8,200,843	(1,867,205)
Net change in cash and cash equivalents during the period	(98,923)	(2,635,170)
Cash and cash equivalents at the beginning of the period	1,853,173	5,332,894
Cash and cash equivalents at the end of the period	1,754,250	2,697,724

Non-cash transactions

Transferred from biological assets to inventory	13,894,224	-
Write-off of impairment provision for financial assets	1,150,000	-

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The accompanying notes 1 to 22 form part of these condensed interim financial statements.

SAUDI FISHERIES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023****(All amounts in Saudi Riyals unless otherwise stated)****1. ACTIVITIES**

The Saudi Fisheries Company, (a Saudi Joint Stock Company), was established in accordance to the provisions of the Companies Law issued by the Royal Decree No. M / 6 dated 22 Rabi Al-Awwal 1385H and its amendments, and in accordance with Ministerial Resolution No. 67 of 30 Rabi Al-Thani 1400 H after being licensed under Ministerial Order No. 10 Ramadan 1398 H, which included establishing a fishing Company (a joint stock Company) in which the government participates with 39.99% of the capital, and Ministerial Resolution No. (35) dated 3 Safar 1399 H, which includes the formation of the first board of directors for the Company. The Company's capital amounting to SAR 400,000,000 from 40,000,000 shares, each valued at SAR 10.

The company engages in marine fishing, marine fishing in international waters, marine life fishing (for the investor), marine aquaculture in marine waters, shrimp farming in the seas, wholesale sale of fish and aquaculture, retail sale of fish and other seafood and its products. Under license from the Ministry of Environment, Water and Agriculture No. 7090184811 dated 25/10/1444H corresponding to 16/06/2020.

The Company is registered in the Kingdom of Saudi Arabia ("KSA") and its head office is located in Riyadh under Commercial Registration No. 1010042732 and unified number 7000677091 dated 20 Rabi Al-Awwal 1402H corresponding to 16 January 1981.

The accompanying condensed interim financial statements include the Company's branches as follows:

Location	Commercial Registration No	Date
Jizan	5900001712	22 Dhul Hijjah 1401 H
Jizan	5900129772	16 Muharram 1443 H
Onaizah	1128184612	14 Saffar 1442 H
Dammam	2050145614	21 Shawal 1442 H
Jeddah	4030041385	13 Rabi Al-Awwal 1404 H
Rijal Alma'a- Al-Huraidah	5861023704	18 Rabi Al-Awwal 1424 H

2. BASIS OF PREPARATION**2.1. Statement of compliance**

These Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standard IAS 34 'Interim Financial Reporting' 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") and should be read in conjunction with the Company's last annual Financial Statements as at and for the year ended 31 December 2022.

These financial statements do not include all of the information required for a complete set of Financial Statements, however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual Financial Statements.

The results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

2.2. Basis of measurement

The condensed interim financial information has been prepared on a historical cost basis using the accrual basis of accounting and the going concern concept except for:

- Derivative financial instruments measured at fair value.
- Derivative financial instruments measured at amortized cost.
- Investments property.
- Biological assets.
- Employees benefits obligations, recognition of employee benefit obligations that are recognized at the present value of future liabilities using the expected credit unit method.

2.3. Functional and presentation currency

These financial statements have been presented in Saudi Riyals (SAR) which is the Company's functional and presentation currency. All financial information presented in Saudi Riyals has been rounded to the nearest Saudi Riyal, unless otherwise mentioned.

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

2.4. Significant Accounting Judgements, Estimates, and Assumptions

In preparing these interim condensed financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements except investments property.

2.5. Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to manage liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

The Company has a net operating cash outflow of SAR 33.8 million and a gross loss of SAR 1.2 million for the period ended 30 June 2023, indicating uncertainty regarding the Company's ability to manage liquidity, in addition the Company reported accumulated losses as of 30 June 2023 amounting to SR 177.2 million (31 December 2022: SR 172.2 million) representing 44.3% (December 31, 2022: 43.1%) of the share capital which indicates that a material uncertainty exists. The Company has implemented various measures to enhance its business model and address the uncertainties regarding to Going concern. Management has taken several strategic steps to increase its trade business, improve operational efficiency, and ensure the Company's sustainability.

Key initiatives undertaken by the Company include:

Strategic Partnership: The Company entered into a significant agreement with Oman Fisheries Company, a leading player in the Oman and Gulf seafood industry. This partnership will aid in expanding the Company's trade business and create new market opportunities.

Importing and Supply Deals: The Company has pursued and successfully concluded deals for importing and supplying various Seafood goods, which will enhance its product portfolio and contribute to its overall financial performance.

Farm Productivity and Cost Management: The Company has taken initiatives to improve the productivity of its farms by adopting farming techniques and implementing stringent cost management policies to optimize costs and increase efficiency.

Chain of Stores Upgrades: The Company's management has invested resources in upgrading and modernizing its chain of stores, which will help attract more customers and offer a better shopping experience, ultimately leading to increased revenues.

In light of the above, management is satisfied that the Company has the necessary cash flows, financial resources and support to meet its obligations, and are confident on its ability to continue its operations as a going concern.

Net realizable value estimate of shrimp stock

During the period, the Company while determining the estimate of the NRV has considered the ban on shrimp imports from India imposed by the Kingdom of Saudi Arabia (KSA) that has significantly affected the supply conditions in the market. This ban has led to changes in pricing due to the elasticity of demand for shrimps. Recognizing the economic implications, management has diligently assessed the situation and identified an opportunity to capitalize on the favourable pricing conditions resulting from the ban. Accordingly, by leveraging the economic benefits arising from the ban, the Company aims to optimize its financial position while ensuring compliance with International Financial Reporting Standards (IFRS). The Company has taken the necessary measures to estimate the net realizable value (NRV) of shrimp inventory, factoring in the potential increase in market prices upon imposition of the ban. Continuous monitoring and re-evaluation of the changing dynamics in the market will be captured by the Company on periodic basis to accurately reflect the true economic benefit derived from its shrimp inventory.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023****(All amounts in Saudi Riyals unless otherwise stated)****3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

Except as noted below, the accounting policies applied to these condensed interim financial statements are the same as those applied to the latest annual financial statements for the year ended December 31, 2022.

During the period ended June 30, 2023, the company applied the fair value model for subsequent measurement of its investment properties under International Accounting Standard 40, reflecting the most relevant information, taking into consideration volatility and changes in the fair value of investment properties, which include land. The change in accounting policy was applied retrospectively, as required by International Accounting Standard 8. Consequently, comparative information presented as of December 31, 2022, and January 1, 2022 (the nearest period presented) has been adjusted. The details of the changes in accounting policy are disclosed as follows:

Previously, the company measured investment properties at cost after initial recognition, reduced by any accumulated depreciation (if applicable) and any impairment. Land was not subject to depreciation. Due to the change in accounting policy, investment properties will now be measured at fair value, and any changes in fair value will be recognized in profit or loss. In the case of properties under construction (if applicable), where fair value cannot be reliably measured, they will be measured at cost minus any impairment until fair value becomes reliably measurable or upon substantial completion of construction (whichever is closer). The measurement of fair value for investment properties includes unobservable inputs and key assumptions for fair values.

4. NEW AMENDED STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE:

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2023 and the details of the same has been explained in annual financial statements for the period ended 31 December 2022, but they do not have a material effect on the Company's interim condensed financial statements.

5. INVESTMENT PROPERTIES

The following is a summary of the movement of investment properties as of:

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
Fair value at the beginning of the period/year	31,850,909	26,683,805
Net change in fair value on investment properties	12,610,930	5,167,104
Fair value at the beginning of the period/year	44,461,839	31,850,909

During the current period, the company's management changed the accounting policy related to measuring investment properties from the cost model to the fair value model. As a result, the company's management has amended the comparative figures presented. (Note 19).

As at the condensed interim financial statements preparation dates, the fair value of investment properties for all properties, is determined by independent external experts with appropriate qualifications and experience in real estate valuation. Due to the change in the accounting policy for the subsequent measurement of investment properties, the effective dates of the valuation are January 1, 2022, December 31, 2022, and June 30, 2023, and it is prepared in accordance with the professional standards issued by the Royal Institute of Chartered Surveyors (2020 AD), which are in line with international valuation standards and professional standards issued by the Institute. Royal Chartered Surveyors.

More than one real estate evaluator has been appointed, taking into account the lowest value for each property, based on the instructions of the Capital Market Authority.

SAUDI FISHERIES COMPANY**(A Saudi Joint Stock Company)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023****(All amounts in Saudi Riyals unless otherwise stated)****5. INVESTMENT PROPERTIES (CONTINUED)**

The carrying amount and fair values of the land as of 30 June 2023 is presented below:

Location	Purpose	Book value	Valuation Technique	Fair Value Amount as per Valuation
Al-Khobar (Note 5.1)	Rental	2,100,000	Cost approach	4,931,525
Riyadh	Rental	1,250,000	Market value	4,004,338
Onezah	Capital Appreciation	160,000	Market value	473,100
Abu Arish (Note 5.2)	Rental	3,135,794	Market value	35,052,876
		6,645,794		44,461,839

Taking into considering the valuation technique and key inputs utilized by the valuers, the valuations are categorized at Level 2 of the fair value hierarchy of IFRS 13.

5.1. The lands include a land in Khobar, with a book value of SAR 2.1 million as of 30 June 2023 and 31 December 2022 and were mortgaged to the Saudi Agricultural Development Fund against the borrowings granted to finance the shrimp cultivation and breeding project.

5.2. Title deed of the land document is still not digitized as per the requirements of the regulations. Company is currently in a process of updating the title deed.

5.3 The investment lands included a land in the Dammam area that the Company had previously purchased from the General Organization for Railways on 25 January 2012 for SAR 39.25 million, until the purchase was rejected by the State General Authority for Real Estate, on account of violation of the approved railway protection system.

5.4 The Company excluded the land from its records and all the required documents were submitted to the General Organization of Railways and a cheque for SAR 24.38 million received by the Company after deducting the accumulated dues of the ZATCA of SAR 11.32 million in addition to deducting the amount of SAR 0.16 million for warehouse rent. Subsequently, the Company submitted the documents required to recover the remaining amount of SAR 3.37 million. The impairment of other assets includes a provision for the full value (note 7).

The name and qualifications of the valuer performed evaluation of the investment properties are as follows:

	30 June 2023	31 December 2022
Name of valuer	Adaa Edarah Real Estate Valuation Manassat Real Estate Valuation Rowaj Real Estate Valuation	Ejadah Saudia Real Estate Valuation
Valuer's qualifications	Licensed (TAQEEM).	Licensed (TAQEEM).
License number	1210000876 1210000163 1210000062	1210000003

The valuer is independent to the Company and the valuation conforms to International Valuation Standards. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

(All amounts in Saudi Riyals unless otherwise stated)

6. BIOLOGICAL ASSETS

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
<u>At fair value</u>		
- Shrimps	6,138,936	3,022,858
- Fish	17,239,979	12,897,234
- Raw material	-	4,744,546
	23,378,915	20,664,638

	For the six-month period ended 30 June 2023 (Unaudited)		For the year ended 31 December 2022 (Audited)	
	Shrimps	Fish	Shrimps	Fish
Carrying amount at 1 January	3,022,858	12,897,234	21,860,518	-
Additions due to purchases during the year	904,115	12,534,847	28,439,772	9,883,135
Shared overheads	5,234,821	2,679,264	23,766,748	7,242,974
Transfers to inventories	(3,022,858)	(10,871,366)	(67,452,178)	(4,228,875)
Loss arising from changes in fair value less cost to sell	-	-	(3,592,002)	-
Carrying amount as at	6,138,936	17,239,979	3,022,858	12,897,234

The management of the Company considers the market prices, average weight, tails of shrimps, quality of the shrimps and mortality rates to fair value the biological assets. There is no active market for shrimps, so market price is derived from observable market prices including contracted sales which is considered to be level 2 of the fair value hierarchy of IFRS 13.

The biological assets related to fish amounting to SAR 17.2 million are carried at cost less any accumulated depreciation and impairment losses, if any. Due to the stage of the assets, there is no reliable measurement of their fair value.

The biological assets related to Shrimps amounting to SAR 6.1 million are carried at cost less any accumulated depreciation and impairment losses, if any. Due to the stage of Pre-harvest phase (immature), there is no reliable measurement of their fair value. They are measured at fair value in the Post-harvest stage (mature) stage. There is no depreciation since the Pre-harvest period ranges from 20 to 30 days.

As of 30 June 2023, due to the unavailability of the mechanism to validate the quantities of the fish in the sea the management of the Company was unable to determine the estimated quantities of fish in the sea. The Management explored various feasible alternatives such as outsourcing the count through global experts who were unable to execute the count due to the unavailability of suitable tools. As a result, the Management explored options to acquire these tools however considering the possible given the stage of the farming, acquiring such tools are not financially viable.

Consequently, the management was unable to arrive at the fair value for fish, that can be measured reliably. This judgement has been made in line with the accounting standards applicable to such assets, and the Management remains committed to continually evaluating methods to reliably measure these biological assets' fair value in the future.

SAUDI FISHERIES COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023**

(All amounts in Saudi Riyals unless otherwise stated)

7. PREPAYMENTS AND OTHER ASSETS

		30 June 2023	31 December 2022
	Note	(Unaudited)	(Audited)
VAT receivables		4,040,251	5,710,009
Advance payments to suppliers		7,325,929	3,747,422
Prepaid expenses (medical, insurance and utilities)		1,628,979	1,492,595
<i>Less: Impairment</i>		(3,203,627)	(3,445,335)
		9,791,532	7,504,691
<i>Financial Asset at Amortized Cost – Unsecured</i>			
Receivable from Government for Jeddah building	7.1	8,971,782	-
Land related receivables		3,377,204	3,377,204
Government grant receivable	7.2	421,938	510,402
Rental receivable		401,667	1,273,208
Margin of guarantees		170,775	170,775
Receivables from staff		159,268	256,633
Others		749,227	99,116
		14,251,861	5,687,338
<i>Less: Impairment of financial assets</i>	7.3	(3,456,144)	(4,606,144)
		10,795,717	1,081,194
Total		20,587,249	8,585,885

7.1. During the year 2022, The Jeddah Municipality confiscated the company's administrative building in the Jeddah region, evacuated the site and demolished the building located in the Jeddah Governorate. The company's management submitted a request to the secretariat demanding compensation for the building it demolished, and it estimated the expected compensation for this building at 8.97 million by the Saudi Authority for Accredited Valuers approved fair valuer and legal advisor of management has confirmed the reasonableness and recoverability of the same. Accordingly, based on the general inquiries to SOCPA, a receivable from government has been recorded in the books during 2023 in line with the requirements of the applicable accounting standard.

7.2 Government grant receivable relate to the program from the Ministry of Environment, Water and Agriculture to support the Company in the shrimp and fish farming that meets the required criteria.

7.3 During the period, the company wrote off the provision for impairment against a credit balance of SAR 1.15 million as a result of the settlement of the case based on the approval of the executive management.

SAUDI TRADING COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

(All amounts in Saudi Riyals unless otherwise stated)

8. INVESTMENTS CARRIED AT AMORTIZED COST

8.1 Financial Assets at Amortized Cost – Secured

1. Restricted cash deposits

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
Current portion	6,000,000	11,000,000
Accrued profit - current portion	180,760	99,000
Non-current portion	30,000,000	20,000,000
Accrued profit - non-current portion	135,111	126,667
	36,315,871	31,225,667
2. Term deposit		
Original maturity - more than three months	15,000,000	44,000,000
Original maturity – less than three months	-	-
Accrued profit	198,712	383,323
	15,198,712	44,383,323
Total	51,514,583	75,608,990

8.2 Maturity date

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
Current portion	6,180,760	11,099,000
Non-current portion	45,333,823	64,509,990
	51,514,583	75,608,990

These funds are raised as a result of the right issuance of the Capital and are only restricted to be utilized in the farm activities of the Company as per the directives of the general assembly.

8.1.1 The Company has placed these funds in restricted bank accounts as a margin deposit for certain financing facilities granted to the Company. The Company also earns a profit on these balances. The average yield on the restricted cash deposits ranges from 3.49% – 5.40%.

- During the 2023 period, restricted cash deposits of 5 million Saudi riyals were released to pay off part of the loan.

8.1.2 The Investment carried at amortized cost represents, term deposit placements with local credit rated financial institutions. The average yield on the placements ranges from 3.49% – 5% (31 December 2022: 4%-5.25%).

9. BORROWINGS

9.1. LONG TERM BORROWINGS

Financial Liabilities at Amortized Cost – Secured

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
Murabaha finance	30,000,000	20,000,000
Zero-interest loan	3,304,320	3,304,320
Accrued finance cost	1,329,010	913,090
	34,633,330	24,217,410

(A Saudi Joint Stock Company)**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023****(All amounts in Saudi Riyals unless otherwise stated)****9. BORROWINGS (CONTINUED)****9.1. LONG TERM BORROWINGS (CONTINUED)**

	30 June 2023	31 December 2022
<u>Maturity date</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
Non-current portion	31,885,840	21,885,840
Current portion	1,418,480	1,418,480
Accrued finance cost - current portion	1,329,010	913,090
	<u>34,633,330</u>	<u>24,217,410</u>

-The Company has obtained financial facilities from local Islamic bank for the purpose of financing working capital needs. The bank facility bears profit at market prevailing rates and also have restricted cash deposits. The borrowing is repayable by 1 September 2026.

- The company has a long-term interest-free loan from the Saudi Agricultural Development Fund for agricultural activities. The loan is due to be repaid by 2025. These loans are discounted using the prevailing market rate. The difference between the loan received and the present value is recorded as a deferred government grant. The same amount is amortized over the life of the loan as required by international standards for financial reporting.

In addition, these loans are secured against mortgage for lands owned by the Company in Qatif and Al Khobar at their book values in the amount of SAR 1 million (within property, plant and equipment) and SAR 2.1 million (within investment properties), respectively.

9.2 SHORT TERM BORROWINGS

	30 June 2023	31 December 2022
<u>Financial Liabilities at Amortized Cost</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
Conventional loan – secured	10,870,801	10,000,000
Accrued finance cost	94,672	73,467
	<u>10,965,473</u>	<u>10,073,467</u>

The Company has obtained this loan from a related party National Bank of Bahrain (One of the members of the Board of Directors - Chief Executive Officer in Kingdom of Saudi Arabia) for the purpose of financing working capital needs. The bank facility bears finance costs at market prevailing rates and also have restricted cash deposits.

10. RELATED PARTIES' TRANSACTION AND BALANCES

Key management personnel are those persons, including the Board of Directors members, Managing Director and top executives having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

The transactions with related parties represent the salaries, bonuses and allowances of the members of the Board of Directors, the committees and the executive management that took place during the period between the Company and the members of the Board of Directors, the members of the committees and the executive management. The most important transactions with related parties are as follows:

10.1. Transactions during the Period

Name of Related Party	Nature of Relationship	Nature of transactions	For the six-month period ended 30 June 2023 (Unaudited)	For the six-month period ended 30 June 2022 (Unaudited)
Key management personnel	Board members	Board remuneration	1,079,047	1,090,000
	Key executive employees	Salaries, wages and other allowances	1,615,661	1,987,349
National Bank of Bahrain	One of the members of the Board of Directors - Chief Executive Officer in KSA	Finance cost on borrowings	94,672	-
		Repayment of borrowing	5,000,000	-

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023****(All amounts in Saudi Riyals unless otherwise stated)****10. RELATED PARTIES' TRANSACTION AND BALANCES (CONTINUED)****10.2. Balance as at the period end**

Name of related party	Nature of relationship	Nature of Balance	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	Board members	Board remuneration *	2,163,277	1,429,286
Key management personnel		Salaries, wages and other allowances *	1,615,661	3,833,210
	Key executive employees	Employees Post-Employment Benefit	100,388	167,082
National Bank of Bahrain	One of the members of the Board of Directors - Chief Executive Officer in KSA	Short-term borrowings	5,094,672	10,073,467

* The balance is presented under trade and other payables.

11. PROVISION FOR ZAKAT

The movement in the provision for zakat is as follows:

	For the six-month period ended 30 June 2023 (Unaudited)	For the year ended 31 December 2022 (Audited)
Balance at the beginning of the period / year	7,859,107	7,572,018
Charged during the period / year	1,100,000	1,943,962
Charged during the period / year for the previous year	6,047,517	850,149
Paid during the period / year	(1,618,344)	(2,507,022)
Balance at the end of the period / year	13,388,280	7,859,107

12.1. Status of Assessment

Zakat return for the year ended 31 December 2022 has been filed and are under review with the Zakat, Tax and Customs Authority ("ZATCA"). As of the date of the approval of these interim condensed financial statements, zakat certificate of the Company has been expired and the Company has still not obtained the renewed zakat certificate from the Authority due to non-payment of outstanding dues.

On 25 October 2018, the ZATCA issued zakat assessments for the years from 2011 to 2016 amounting to SAR 8.8 million. The Company has submitted an objection to the zakat assessments, and the objection is still under study by the General Secretariat of Tax Committees. The Company has made a provision amounting to SAR 8.3 million for this assessment based on the consultant's advice.

On 30 September 2020, the ZATCA issued zakat assessments for the years from 2017 to 2018 amounting to SAR 2.4 million. The Company has submitted an objection to the zakat assessments, and the objection is still under study by the General Secretariat of Tax Committees. The Company has made a provision amounting to SAR 1.4 million for this assessment based on the consultant's advice.

On 19 October 2021, the ZATCA issued Zakat assessment differences on the company in the amount of SAR 328,677 for the year 2020, and these differences have been paid.

12. CONTINGENCIES AND COMMITMENTS

12.1. The commitment to banks against letters of credit issued on the Company's behalf are SAR 9.92 million at 30 June 2023 (31 December 2022: SAR 3.5 million).

12.2. The commitment to banks against letters of guarantee issued on the Company's behalf are SAR 0.17 million at 30 June 2023 (31 December 2022: 0.17 million).

(A Saudi Joint Stock Company)**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023****(All amounts in Saudi Riyals unless otherwise stated)****13. OTHER REVENUE**

	Note	For the six-month period ended 30 June 2023 (Unaudited)	For the six-month period ended 30 June 2022 (Unaudited)
Expected compensation of Jeddah building revenue	7.1	8,971,782	-
Government grant	13.1	998,793	1,419,422
Rental income		655,000	644,996
Income from property, plant and equipment sale		569,565	-
Others		1,471,092	156,761
		12,666,232	2,221,179

13.1. Government grant includes subsidy received from the Ministry of Environment, Water and Agriculture on the farming and sales of owned produced shrimps and fish.

14. FINANCE COST

	For the six-month period ended 30 June 2023 (Unaudited)	For the six-month period ended 30 June 2022 (Unaudited)
<u>Islamic finance facility:</u>		
Murabaha	1,162,941	-
Lease liabilities	308,889	159,132
	1,471,830	159,132

15. BASIC AND DILUTED LOSS PER SHARE

The basic and diluted share of income is calculated by dividing the income for the year attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding at the end of the period 30 June 2023, which amounted to 40,000,000 shares (30 June 2022: 40,000,000 shares).

	For the six-month period ended 30 June 2023 (Unaudited)	For the six-month period ended 30 June 2022 (Unaudited) (Restated)
Net loss of the period	(4,948,165)	(7,371,501)
Weighted average number of shares outstanding during the year	40,000,000	40,000,000
Loss per share (SAR)	(0.12)	(0.18)
-Basic	(0.12)	(0.18)
-Diluted	(0.12)	(0.18)

16. SEGMENT INFORMATION

The Company's principal business activities involve farming, retail and wholesale of sea food. Selected financial information as at 30 June 2023 and 31 December 2022, and for the periods then ended, categorized by these business segments, is as follows:

Farming	Includes shrimp and fish products processing and distribution
Retail	Includes restaurant and sales of sea food and related products
Wholesale	Trading of sea food products on wholesale basis

The management constantly analyzes the results of its operations in order to make decisions related to resource allocation and performance evaluation. The Company presents basic financial statements according to activities and products.

The analysis of sectors according to activities is represented in farm, wholesale and retail.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

(All amounts in Saudi Riyals unless otherwise stated)

16. SEGMENT INFORMATION (CONTINUED)

For the six-month period ended 30 June 2023 - (Unaudited)

	Farm	Retail	Wholesale	Reconciliation of sales between sectors / unallocated expenses	Total
Revenue					
External revenue	-	7,242,417	20,316,555	-	27,558,972
Revenue between segments	7,077,125	-	-	(7,077,125)	-
Expenses	(11,633,509)	(11,900,820)	(21,767,597)	-	(45,303,926)
Depreciation	(1,238,494)	(1,266,951)	(2,317,364)	-	(4,822,809)
Amortization	(251,434)	(257,212)	(470,463)	-	(979,109)
Net change in fair value on Investment Properties	3,238,478	3,312,890	6,059,562	-	12,610,930
Gain for fair value biological asset	-	-	-	-	-
Other revenue	3,252,679	3,327,418	6,086,135	-	12,666,232
	(6,632,280)	(6,784,675)	(12,409,727)	-	(25,826,682)
OPERATING GAIN	444,844	455,066	832,381	-	1,732,291
Finance revenue	497,906	509,346	931,639	-	1,938,891
Finance cost	(377,965)	(386,650)	(707,215)	-	(1,471,830)
NET GAIN BEFORE ZAKAT	564,785	577,762	1,056,805	-	2,199,352
Zakat	(1,835,477)	(1,877,652)	(3,434,388)	-	(7,147,517)
NET LOSS FOR THE PERIOD	(1,270,692)	(1,299,890)	(2,377,583)	-	(4,948,165)
<u>As at 30 June 2023</u>					
Total Assets	217,683,572	44,463,550	81,149,263	-	343,296,385
Total Liabilities	32,750,469	40,016,594	47,305,579	-	120,072,642
<u>As at 31 December 2022</u>					
Total Assets	300,298,013	15,290,984	20,690,468	-	336,279,465
Total Liabilities	71,266,231	30,825,467	6,015,858	-	108,107,556

For the six-month period ended 30 June 2022 - (Unaudited)

	Farm	Retail	Wholesale	Reconciliation of sales between sectors / unallocated expenses	Total
Revenue					
External revenue	-	13,018,569	16,239,422	-	29,257,991
Revenue between segments	14,696,137	-	-	(14,696,137)	-
Expenses	(24,467,000)	(21,540,888)	(2,702,551)	-	(48,710,439)
Depreciation	(2,172,687)	(1,912,846)	(239,988)	-	(4,325,521)
Amortization	(578,230)	(509,077)	(63,869)	-	(1,151,176)
Net change in fair value on Investment Properties	8,120,952	7,149,733	897,016	-	16,167,701
Gain for fair value biological asset	233,332	205,427	25,774	-	464,533
Other revenue	1,115,687	982,257	123,235	-	2,221,179
	(17,747,946)	(15,625,394)	(1,960,383)	-	(35,333,723)
OPERATING LOSS	(3,051,808)	(2,686,830)	(337,094)	-	(6,075,732)
Finance revenue	229,787	202,306	25,381	-	457,474
Finance cost	(79,931)	(70,372)	(8,829)	-	(159,132)
NET LOSS BEFORE ZAKAT	(2,901,952)	(2,554,896)	(320,542)	-	(5,777,390)
Zakat	(800,714)	(704,953)	(88,444)	-	(1,594,111)
NET LOSS FOR THE YEAR	(3,702,666)	(3,259,849)	(408,986)	-	(7,371,501)
<u>As at 30 June 2022</u>					
Total Assets	164,186,861	144,551,065	18,135,581	-	326,873,507
Total Liabilities	31,632,483	27,849,421	3,494,028	-	62,975,932
<u>As at 31 December 2021</u>					
Total Assets	323,844,159	26,953,463	10,537,838	-	361,335,460
Total Liabilities	21,089,082	38,921,732	10,017,559	-	70,028,373

(A Saudi Joint Stock Company)**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023****(All amounts in Saudi Riyals unless otherwise stated)****17. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date

Level 2: Inputs other than quoted prices included in 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 Company's financial assets consist of cash and bank balances, investment, restricted cash deposits and other receivables, its financial liabilities consist of trade payables, financial facilities and other liabilities.

The Company's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

All financial assets and liabilities are measured at amortized cost except investment carried at FVTPL. The carrying amounts of all other financial assets and financial liabilities measured at amortized cost approximate to their fair values.

	Book value	Fair value Level			
30 June 2023 - (Unaudited)		Level 1	Level 2	Level 3	Total
FINANCIAL ASSET					
Financial assets at fair value Through profit or loss	33,545	33,545	-	-	33,545
Biological assets	23,378,915	-	23,378,915	-	23,378,915
Investment properties	6,645,794	-	44,461,839	-	44,461,839
	Book value	Fair value Level			
31 December 2022 - (Audited)		Level 1	Level 2	Level 3	Total
FINANCIAL ASSET					
Financial assets at fair value Through profit or loss	33,545	33,545	-	-	33,545
Biological assets	24,256,640	-	20,664,638	-	20,664,638
Investment properties	6,645,794	-	31,850,909	-	31,850,909

The above financial assets and financial liabilities are measured at fair value at the end of each reporting period.

18. SIGNIFICANT EVENTS

Based on the Royal Decree No. 41355 dated 10 Ramadan 1433H to allocate the two plots of land in Riyadh and Jeddah and transfer their ownership from the Ministry of Agriculture to the Company in exchange for an increase in the Public Investment Fund's share in the Company's capital at the market value.

The Company's current head office land and building in Riyadh and Jeddah land is provided by the government without any rental payments. During the year 2022, the ownership of Riyadh land and Jeddah land has been transferred to the Company, but it is still not recorded in the Company's books as of 30 June 2023, as the Company is currently waiting for the completion of procedures for including the value of the land within Company's capital as stipulated by the Royal Decree, subject to completion of other necessary legal formalities from the relevant authorities.

(A Saudi Joint Stock Company)**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023****(All amounts in Saudi Riyals unless otherwise stated)****19. EFFECT OF AMENDMENTS RESULTING FROM CHANGE IN ACCOUNTING POLICY**

On December 20, 2022, the company's board of directors approved a change in the accounting policy for the subsequent measurement of the company's investment properties from the cost model to the fair value model. The impact of the change in accounting policy was recorded by adjusting each relevant item in the financial statements for previous periods in accordance with International Accounting Standard 8, "Accounting Policies, Changes in Accounting Estimates and Errors," adopted in the Kingdom of Saudi Arabia. The following table summarizes the impact on the company's condensed financial statements for the current period and the presented previous periods (including the nearest period presented):

Impact of the Amendment on the Statement of Financial Position as of January 1, 2022:

	Previously recorded amounts January 1, 2022	Amendments	Balance after Amendments As At January 1, 2022
Non-current assets			
Investment Property	6,645,794	20,038,011	26,683,805
Equity			
Accumulated Losses	(128,627,297)	20,038,011	(108,589,286)

Impact of the Amendment on the Statement of Financial Position as of December 31, 2022:

	Previously recorded amounts December 31, 2022	Amendments	Balance after Amendments As At December 31, 2022
Non-current assets			
Investment Property	6,645,794	25,205,115	31,850,909
Equity			
Accumulated Losses	(197,419,153)	25,205,115	(172,214,038)

Impact of the Amendment on the Statement of profit or loss and other comprehensive income for the Three-month period ended 30 June 2022:

	Previously recorded amounts 30 June 2022	Amendments	Balance after Amendments 30 June 2022
Net Fair Value Gain on Investment Properties	-	1,045,422	1,045,422
Net loss for the period	(8,028,982)	1,045,422	(6,983,560)
Total comprehensive income (loss)	(8,028,982)	1,045,422	(6,983,560)
Basic and diluted loss per share	(0.20)	0.03	(0.17)

Impact of the Amendment on the Statement of profit or loss and other comprehensive income for the Six-month period ended 30 June 2022:

	Previously recorded amounts 30 June 2022	Amendments	Balance after Amendments 30 June 2022
Net Fair Value Gain on Investment Properties	-	16,167,701	16,167,701
Net loss for the period	(23,539,202)	16,167,701	(7,371,501)
Total comprehensive income (loss)	(23,539,202)	16,167,701	(7,371,501)
Basic and diluted loss per share	(0.59)	0.41	(0.18)

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

(All amounts in Saudi Riyals unless otherwise stated)

20. RECLASSIFICATION OF PRIOR PERIOD / YEAR FIGURES

Certain comparative information has been reclassified to conform the current period presentation.

21. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period-end that require disclosure or adjustment in these interim condensed financial statements.

22. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 27 Safar 1445H (corresponding to 12 September 2023) by the Audit Committee under the authorization of the Board of Directors of the Company.