

**ASEER FOR TRADING, TOURISM,
INDUSTRY, AGRICULTURE,
REAL ESTATE AND CONTRACTING
COMPANY
A SAUDI JOINT STOCK COMPANY**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
AS OF 31 MARCH 2021**

**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND
CONTRACTING COMPANY (A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 MARCH 2021 (UNAUDITED)**

TABLE OF CONTENTS

	Page
Interim condensed consolidated Financial Information review report	2-3
Interim condensed consolidated statement of income	4
Interim condensed consolidated statement of other comprehensive income	5
Interim condensed consolidated statement of financial position	6-7
Interim condensed consolidated statement of changes in equity	8
Interim condensed consolidated statement of cash flows	9
Selected notes to the interim condensed consolidated financial statements	10 – 19

Interim financial information review report

To the shareholders of
Aseer for Trading, Tourism, Industrial, Agricultural, Real Estate and Contracting Company.
“A Saudi Joint Stock Company”
Riyadh – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Aseer for Trading, Tourism, Industrial, Agricultural, Real Estate and Contracting Company (the “Company”) and its subsidiaries (together the “Group”), as at 31 March 2021, the interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of other comprehensive income, the interim condensed consolidated statements of changes in equity and the interim condensed consolidated statement of cash flows for the three months period then ended, and a summary of significant accounting policies and other selected notes.

Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial statement in accordance with International Accounting Standard 34 – (“IAS 34”) “Interim Financial Reporting” endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated 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” endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated 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 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.

Emphasis of matter

We draw attention to note No. (9) to the accompanying condensed consolidated interim financial statements, which states that in December 2019, the Company filed two lawsuits at the Public Court in Riyadh against the seller of the land located in the north of Riyadh, at Al Khair District, and against the broker of the purchase deal in order to oblige both the land’s seller and the purchasing broker to refund the amount paid to them. During November 2020 a court ruling has been issued in favour of the Company, where the seller of the land is obliged to pay an amount of SAR 202M. During April 2021, the Company obtained a letter from its legal advisor stating that the seller of the land has filed a petition to the Court that was accepted. Accordingly, the court decided to withdraw the previous ruling and dismiss the case due to lack of jurisdiction, and the Company has objected on the court ruling. Our conclusion is not qualified in respect of this matter.

Other matter

The interim condensed consolidated financial statements of the Group for the period ended 31 March 2020 were reviewed by another auditor who issued an unmodified report on 06 May 2020.

Conclusion

Based on our review, 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) that is endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.



Gihad A. Al-Amri
Certified Public Accountant
License Number 362



Riyadh on: 23 Ramadan 1442 (H)
Corresponding to: 5 May 2021 (G)

**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND
CONTRACTING COMPANY (A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
(IN SAUDI RIYAL)**

<i>For the three months period ended 31 March</i>			
	Notes	2021	2020
Net sales	4	426,204,503	406,209,899
Cost of sales		(300,597,858)	(285,039,205)
GROSS PROFIT FROM SALES		125,606,645	121,170,694
Investments			
Company's share from the gain of an associate	7 (A)	2,851,378	9,077,039
TOTAL PROFIT FROM INVESTMENT		2,851,378	9,077,039
GROSS PROFIT		128,458,023	130,247,733
Selling and distribution expenses		(67,643,135)	(64,544,162)
General and administrative expenses		(43,047,669)	(43,703,509)
Other operating income / (expenses)		763,003	(1,026,009)
TOTAL EXPENSES		(109,927,801)	(109,273,680)
NET INCOME FROM OPERATIONS		18,530,222	20,974,053
Foreign currency exchange (loss) / gain		(39,895)	19,374
Finance charges		(4,537,711)	(7,511,898)
Other income		822,883	433,940
INCOME BEFORE ZAKAT AND INCOME TAX		14,775,499	13,915,469
Zakat	5 (A)	(3,945,868)	(4,122,591)
Income tax	5 (B)	(6,798,454)	(6,778,287)
NET INCOME FOR THE PERIOD		4,031,177	3,014,591
NET INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the Parent Company		(1,388,654)	166,176
Non-controlling interests		5,419,831	2,848,415
		4,031,177	3,014,591

Basic and diluted earnings per share attributable to the Parent
Company's shareholders

Net (loss) / profit for the period 6 (0.01) 0.00

Weighted average number of common shares at the end of
the period 126,388,889 126,388,889


Managing Director


Chief Finance Officer

The accompanying notes from 1 to 12 form an integral part of these consolidated financial statements.

**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND
CONTRACTING COMPANY (A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE
INCOME (UNAUDITED)
(IN SAUDI RIYAL)**

For the three months period ended			
31 March			
	Notes	2021	2020
NET INCOME FOR THE PERIOD		4,031,177	3,014,591
OTHER COMPREHENSIVE INCOME:			
Items that are or may be reclassified subsequently to consolidated statement of income			
Subsidiary's financial statements' translation differences		27,876	2,896,052
Items that will not be reclassified to consolidated statement of income			
Net unrealized gains / (loss) on revaluation of equity instruments at fair value through OCI	7 (B)	53,130,000	(94,850,000)
TOTAL COMPREHENSIVE INCOME		53,157,876	(91,953,948)
NET COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		57,189,053	(88,939,357)
ATTRIBUTABLE TO:			
Shareholders of the Parent Company		51,756,820	(93,076,225)
Non-controlling interests		5,432,233	4,136,868
		57,189,053	(88,939,357)


Managing Director


Chief Finance Officer

The accompanying notes from 1 to 12 form an integral part of these consolidated financial statements.

**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND
CONTRACTING COMPANY (A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IN SAUDI RIYAL)**

		<i>As of</i>	
	Notes	31 March 2021 (Unaudited)	31 December 2020 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		930,411,624	945,960,658
Right of use assets		44,419,951	47,587,426
Investment properties		7,163,236	7,163,236
Intangible assets		158,399,433	158,451,840
Investments and financial assets	7	897,352,040	841,370,662
TOTAL NON-CURRENT ASSETS		2,037,746,284	2,000,533,822
CURRENT ASSETS			
Inventory, net		382,651,889	366,787,300
Trade receivables , net	8	257,306,342	182,908,459
Prepaid expenses and other assets	9	260,588,124	239,546,361
Due from related parties		211,742	219,759
Cash and cash equivalent		332,976,654	177,571,679
TOTAL CURENT ASSETS		1,233,734,751	967,033,558
TOTAL ASSETS		3,271,481,035	2,967,567,380
EQUITY AND LIABILITIES			
EQUITY			
Capital		1,263,888,890	1,263,888,890
Statutory reserve		311,666,945	311,666,945
Accumulated losses		(65,072,714)	(63,684,060)
Net unrealised gain / (losses) on re-valuation of equity instrument at fair value through OCI	7	1,952,739	(51,177,261)
Subsidiary's financial statements' translation differences		(80,379,104)	(80,394,578)
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF PARENT COMPANY		1,432,056,756	1,380,299,936
Non-controlling interests		418,671,547	434,213,174
TOTAL EQUITY		1,850,728,303	1,814,513,110
NON-CURRENT LIABILITIES			
Islamic Murabaha financing contracts and long-term loans		377,642,390	260,053,420
Lease liability		30,992,476	32,268,393
Employees benefits liabilities		107,927,198	119,660,393
Deferred tax liabilities		41,089	453,474
TOTAL NON-CURRENT LIAIBILITIES		516,603,153	412,435,680

The accompanying notes from 1 to 12 form an integral part of these consolidated financial statements.

**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND
CONTRACTING COMPANY (A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IN SAUDI RIYAL)**

	Notes	31 March 2021 (Unaudited)	31 December 2020 (Audited)
CURRENT LIABILITIES			
Trade payables and other accruals		329,297,827	305,507,848
Short-term Islamic Murabaha financing		309,732,517	185,827,234
Islamic Murabaha financing contracts and long-term loans			
- current portion		164,587,593	157,414,033
Lease liability – current portion		12,268,356	12,546,977
Dividends payable		13,756,771	13,756,771
Due to related parties		306,164	1,044,485
Zakat and income tax	5	74,200,351	64,521,242
TOTAL CURRENT LIABILITIES		904,149,579	740,618,590
TOTAL LIABILITIES		1,420,752,732	1,153,054,270
TOTAL EQUITY AND LIABILITIES		3,271,481,035	2,967,567,380



Managing Director



Chief Finance Officer

The accompanying notes from 1 to 12 form an integral part of these consolidated financial statements.

March 2020

Managing Director

The accompanying notes from 1 to 12 form an integral part of these consolidated financial statements.

**Aseer for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting
Company (a Saudi Joint Stock Company)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(IN SAUDI RIYAL)**

		For the three months period ended 31 March	
	Notes	2021	2020
OPERATING ACTIVITIES			
Income before zakat and income tax		14,775,499	13,915,469
Adjustments for:			
Company's share of net income of associate company	7 (A)	(2,851,378)	(9,077,039)
Depreciation of property, plant and equipment & Right of use assets		26,768,199	23,889,569
Amortization of intangible assets		52,441	704,222
Gains from sale of property, plant and equipment		(924,374)	
Employees benefits liabilities		2,504,309	2,773,536
Provision for trade receivables		-	128,179
Provision for inventory		142,191	-
		<u>40,466,887</u>	<u>32,333,936</u>
Changes in operating assets and liabilities:			
Change in trade receivables and other debit balances		(95,439,646)	10,392,164
Change in inventory		(16,006,780)	14,114,919
Change in trade payable and other accruals		22,716,866	31,279,015
Change in due to related parties		(730,304)	-
Cash from operations		(48,992,977)	88,120,034
Employees benefits liabilities paid		(12,875,236)	-
Zakat and income tax paid		(1,279,210)	(5,007,028)
Net cash (used in) / provided from operating activities		<u>(63,147,423)</u>	<u>83,113,006</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7,581,159)	(22,166,088)
Proceeds from sale of property, plant and equipment		953,054	5,703
Net cash used in investing activities		<u>(6,628,105)</u>	<u>(22,160,385)</u>
FINANCING ACTIVITIES			
Net movement in Murabaha financing and short and long-term loans		248,667,813	(17,299,407)
Share of non-controlling interest of dividend in a subsidiary company		(20,973,860)	-
Lease liabilities payment		(2,624,010)	(2,114,990)
Net cash provided from / (used in) financing activities		<u>225,069,943</u>	<u>(19,414,397)</u>
NET CHANGE IN CASH AND CASH EQUIVALENT		<u>155,294,415</u>	<u>41,538,224</u>
Effect of exchange difference from translation of cash and semi-cash items		110,560	1,567,299
Cash and cash equivalent at the beginning of the period		<u>177,571,679</u>	<u>134,529,011</u>
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD		<u><u>332,976,654</u></u>	<u><u>177,634,534</u></u>
MAJOR NON-CASH TRANSACTIONS:			
Net unrealised gains from investment's revaluation		53,130,000	(94,850,000)
Effect of exchange in a subsidiary's financial statements' translation differences		27,876	2,896,052

Managing Director

Chief Finance Officer

The accompanying notes from 1 to 12 form an integral part of these consolidated financial statements.

Aseer for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting Company (a Saudi Joint Stock Company)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
(All amounts are presented in Saudi Riyals unless otherwise indicated)

1. COMPANY'S INFORMATION

Aseer for Trading, Tourism, Industry, Agriculture, Real estate and Contracting Company ("the Company" or the "Parent Company") was incorporated as a Saudi Joint Stock Company, in accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, according to Royal Decree No. 78 dated 7 Dhul-Qadah 1395 H (corresponding to 11 November 1975). The Company operates under Commercial Registration No. 5850000276 issued in Abha on 15 Muharam 1397 H, (corresponding to 5 January 1977).

The Company is also listed in the Capital Market Authority in Kingdom of Saudi Arabia. The Parent Company is 53.18% owned by a major shareholder (Dala Al Baraka Holding Company) and 46.82% by other shareholders.

The capital of the parent company consists of 126,388,889 shares as of 31 March 2021, the value of each of which is 10 Saudi riyals (31 December 2020: 126,388,889 shares).

The Company is engaged in importing, exporting, trading agencies, establishing and investing in businesses and touristic, agricultural, commercial and industrial projects, including packaging, water bottling, real estate, acquisition and plotting of lands, contracting and any related activity, to operate jointly with other entities and companies engaged in similar activities, or merging into such entities or companies and forming subsidiaries alone or jointly with others. The company's subsidiaries are engaged in several activities such as manufacturing dairy, juice and dairy products, as well as manufacturing, packaging, wholesale and retail trading in food products, manufacturing textiles, manufacturing traffic signal lights and control devices, and manufacturing cardboards and its derivatives.

The registered office of the Company is CMC tower, Almalqa district , KING Fahad road, Raydah , Kingdome of Saudi Arabia.

2. BASIS OF PREPARATION AND SUMMEERY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These interim condensed and consolidated financial statements have been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting" adopted in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Certified Public Accountants.

The interim condensed and consolidated financial statements do not include all the information and explanations required in the annual financial statements, and they must be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2020. Also, the results for the initial financial period ending on 31 March 2021 G do not necessarily reflect the results that would be expected for the fiscal year ending on 31 December 2021 G.

2.2 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared on a historical cost convention, except for financial instruments that have been measured at fair value. For employees' defined benefit liabilities, actuarial present value calculations are used.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Saudi Arabian Riyals (SR), which is the functional and presentation currency of the Group, except when otherwise indicated.

Aseer for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting Company (a Saudi Joint Stock Company)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
(All amounts are presented in Saudi Riyals unless otherwise indicated)

2.4 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries (“the Group”) as at 31 March 2021

Here are the details of subsidiaries:

Subsidiary	Country of incorporation	Ownership percentage	
		31 March 2021	31 December 2020
Aseer Al Arabiah for Industrial Investment Company Limited (single owner company) and subsidiaries (see notes 1 below)	Kingdom of Saudi Arabia	100%	100%
Al Khawatem for Trading and Contracting Company Limited (single owner company)	Kingdom of Saudi Arabia	100%	100%
Al-Mawajed International Real Estate Development & Development Co., Ltd. (single owner company)	Kingdom of Saudi Arabia	100%	100%

Aseer Al Arabiah for Industrial Investment Company Limited consolidated financial statements include the following subsidiaries (a subsidiary of the parent company):

Subsidiary	Country of incorporation	Ownership percentage	
		31 March 2021	31 December 2020
Halawani Brothers Company (a Saudi Joint Stock Company) (see note 2 below)	Kingdom of Saudi Arabia	55.51%	55.51%
Al Rabie Saudi Foods Company Limited	Kingdom of Saudi Arabia	57.30%	57.30%
Textile & Readymade Garments Company Limited	Kingdom of Saudi Arabia Saudi Arabia	62.30%	62.30%

Aseer for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting Company (a Saudi Joint Stock Company)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
 (All amounts are presented in Saudi Riyals unless otherwise indicated)

The consolidated financial statements of Halawani Brothers (Saudi Joint Stock Company) include the following subsidiary:

Subsidiary	Country of incorporation	Ownership percentage	
		31 March 2021	31 December 2020
Halawani Brothers Company (a closed joint stock company)	Egypt	100%	100%

According to the decision of the Board of Directors of Aseer Company for Trade, Tourism, Industry, Agriculture, Real Estate and Contracting (a Saudi joint stock company) on September 30, 2020, it was decided to liquidate Al Ostoul Arabia for Real Estate Development Company Limited (single owner company), Al Nusrah International for Real Estate Development Company Limited (single owner company) and Al Telal Regional Investment Company Limited (single owner company). This is because there is no need to continue to these companies. This liquidation did not have an impact on the Group, as the assets and liabilities of these Companies were transferred to Aseer Company for Trade, Tourism, Industry, Agriculture, Real Estate and Contracting, and consequently the assets and liabilities of these Companies that were liquidated still within the Group.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, judgments and estimates applied in preparing the accompanying interim condensed consolidated financial statements are the same as those mentioned in the group's financial statements as of 31 December 2020.

3. SEGMENTAL INFORMATION

A segment is a distinguishable component of the Group that is engaged either in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), and its profits and losses are different from other segments.

The Group uses business segment and geographical segment. The Group performs its activities in Kingdom of Saudi Arabia and Egypt and other countries. The selected financial information for geographical and business segments as the following:

A) Business segments

The Group's business segments are represented in the investment and industrial segments. Following is selected information about each of those two segments:

	<i>Investment segment SR'000</i>	<i>Industrial segment SR'000</i>	<i>Total SR'000</i>
31 March 2021			
Total assets	1,207,074	2,064,407	3,271,481
Total liabilities and non-controlling interests	382,259	1,457,165	1,839,424
Property, plant and equipment and work in progress	4,286	926,125	930,411
Net sales and investment income	2,851	426,205	429,056
Gross Profit	2,851	125,607	128,458
Depreciation	386	26,435	26,821

Aseer for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting Company (a Saudi Joint Stock Company)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
(All amounts are presented in Saudi Riyals unless otherwise indicated)

	<i>Investment segment SR'000</i>	<i>Industrial segment SR'000</i>	<i>Total SR'000</i>
31 December 2020			
Total assets	1,124,897	1,842,670	2,967,567
Total liabilities and non-controlling interests	371,868	1,215,399	1,587,267
Property, plant and equipment and work in progress	4,011	941,950	945,961
Capital expenses	1,980	40,870	42,850
31 March 2020			
Net sales and investment income	9,077	406,209	415,286
Gross Profit	9,077	121,171	130,248
Depreciation	224	24,370	24,594

B) Geographical segments

31 March 2021	<i>Kingdom of Saudi Arabia</i>	<i>Egypt</i>	<i>Other Arab and foreign countries</i>	<i>Reconciliations</i>	<i>Total</i>
<i>Description</i>	<i>SR (000')</i>	<i>SR (000')</i>	<i>SR (000')</i>	<i>SR (000')</i>	<i>SR (000')</i>
Total assets	3,131,367	304,852	-	(164,738)	3,271,481
Total liabilities	1,280,639	141,399	-	(1,285)	1,420,753
Net sales	226,855	151,491	48,392	(533)	426,205

31 December 2020	<i>Kingdom of Saudi Arabia</i>	<i>Egypt</i>	<i>Other Arab and foreign countries</i>	<i>Reconciliations</i>	<i>Total</i>
<i>Description</i>	<i>SR (000')</i>	<i>SR (000')</i>	<i>SR (000')</i>	<i>SR (000')</i>	<i>SR (000')</i>
Total assets	2,851,398	264,201	-	(148,032)	2,967,567
Total liabilities	1,036,885	117,733	-	(1,564)	1,153,054
31 March 2020					
Net sales	263,611	142,599	-	-	406,210

Aseer for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting Company (a Saudi Joint Stock Company)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
(All amounts are presented in Saudi Riyals unless otherwise indicated)

4. NET SALES

Below is the classification of the Group's revenue from contracts with customers as per the various classifications affected by the nature of economic factors, amount and the timing of sales:

	For period ended 31 march	
	2021	2020
Sales by products		
Food products	286,579,317	285,144,432
Drinks and beverages	139,151,371	119,004,431
Other	473,815	2,061,036
	426,204,503	406,209,899

5. ZAKAT AND INCOME TAX PAYABLE

Provision for zakat and income tax payable consists of the following:

	31 March 2021	31 December 2020
	SR	SR
Zakat payable	42,720,379	39,491,244
Income tax payable	31,479,972	25,029,998
	74,200,351	64,521,242

A) Zakat

1) Movement in Zakat on the Group was as follows:

	31 March 2021	31 December 2020
	SR	SR
Balance at the beginning of the period / year	39,491,244	35,685,642
Provided during the period / year	3,945,868	16,757,142
Paid during the period / year	(473,023)	(12,951,540)
Adjustments	(243,710)	-
Balance at the end of the period / year	42,720,379	39,491,244

2) Zakat charged to the consolidated statement of income:

	31 March 2021	31 December 2020
	SR	SR
Provided during the period / year	3,945,868	16,757,142
Zakat charged for the period / year	3,945,868	16,757,142

B) Income tax

The Group calculates income tax using tax base applicable to expected total annual profits

1) Movement in income tax was as follows:

	31 March 2021	31 December 2020
	SR	SR
At the beginning of the period / year	25,029,998	21,070,394
Income tax during the period / year	7,211,483	28,716,805
Paid during the period / year	(762,019)	(25,203,361)
Translation differences	510	446,160
Balance at the end of the period / year	31,479,972	25,029,998

Aseer for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting Company (a Saudi Joint Stock Company)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
(All amounts are presented in Saudi Riyals unless otherwise indicated)

2) Income tax charged to interim condensed consolidated statement of profit or loss

	<i>For the period ended 31 March</i>	
	2021	2020
Change in deferred tax liability	7,211,483	7,178,791
Income tax for the year	(413,029)	(400,504)
Balance at the end of the year	6,798,454	6,778,287

C) Zakat and tax status

There has been no material change in the group's zakat or tax status compared to the zakat and tax status for the year ended 31 December 2020.

6. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net loss for the period attributable to the shareholders of the parent company by the number of outstanding ordinary shares of 126,388,889 shares as follows:

	<i>For the period ended 31 March</i>	
	2021	2020
Net (loss) / profit for the period attributable to the shareholders of the Parent Company	(1,388,654)	166,176
Weighted average number of outstanding ordinary shares	126,388,889	126,388,889
Basic and diluted earnings per share attributable to the shareholders of Parent Company	(0.01)	0.00

7. INVESTMENTS AND FINANCIAL ASSETS

	31 March 2021	31 December 2020
	SR	SR
Investments in associate (see note (a) below)	75,463,667	72,612,289
Equity instruments at fair value (see note "b" below)	712,033,373	658,903,373
Debt instruments at fair value through profit or loss (see note "c" below)	109,855,000	109,855,000
	897,352,040	841,370,662

a) Investments in an associate

<i>Company's name</i>	Country of incorporation	Main activity	Shareholding percentage		31 March 2021	31 December 2020
			2021	2020	SR	SR
Alessa Industries Company (see note below)	Kingdom of Saudi Arabia	Wholesale and retail	38%	38%	75,463,667	72,612,289

Number of shares owned by the Company is 28.5 million shares of the total share capital of Alessa Industries Company amounted to 75 million shares with ownership of 38% of its equity.

Aseer for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting Company (a Saudi Joint Stock Company)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
(All amounts are presented in Saudi Riyals unless otherwise indicated)

Movement in investment for the period ended 31 March is as follows:

	31 March 2021	31 December 2020
	SR	SR
Investment balance at the beginning of the period / year	72,612,289	68,898,193
Group's share of profit / (loss) of associate	2,851,378	4,835,981
Group's share of other comprehensive income	-	(1,121,885)
	75,463,667	72,612,289

b) Equity instruments at fair value

	Investment in equity instruments		Total	Total
	Quoted	Un-quoted	31 March 2021	31 December 2020
	SR	SR	SR	SR
Cost:				
At the beginning of the period / year	390,600,000	319,480,634	710,080,634	727,171,377
Disposals	-	-	-	(17,090,743)
At the end of the period / year	390,600,000	319,480,634	710,080,634	710,080,634
Net unrealized gains from revaluation of investments and financial assets:				
At the beginning of the period / year	8,400,000	(59,577,261)	(51,177,261)	(73,584,262)
Revaluation gain	53,130,000	-	53,130,000	30,360,055
Transferred to accumulated losses	-	-	-	(7,953,054)
At the end of the period / year	61,530,000	(59,577,261)	1,952,739	(51,177,261)
Net book value	452,130,000	259,903,373	712,033,373	658,903,373

c) Debt instruments at fair value through profit or loss

	31 March 2021	31 December 2020
	SR	SR
Balance as at the beginning of the period / year	109,855,000	118,020,000
Revaluation of debt instruments at fair value through profit or loss	-	(8,165,000)
Balance as at the end of the period / year	109,855,000	109,855,000

Aseer for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting Company (a Saudi Joint Stock Company)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
(All amounts are presented in Saudi Riyals unless otherwise indicated)

The item of equity instruments at fair value through other comprehensive income (current investments) includes the following:

- The Group owns 35 million shares as on 31 March 2021 (31 December 2020: 35 million shares) in Emaar the Economic City, with a value of SAR 374.5 million as of 31 March 2021 (31 December 2020: a value of SAR 322 million). The group is required to obtain the approval of the Economic Cities Authority before disposing of its owned shares.
- During the year 2020, 30% of Amlak International for Real Estate Financing Company was offered for trading in Capital Market in the Kingdom of Saudi Arabia (Tadawul), therefore, the group classified the investment within the quoted investments and evaluated the investment at the market price. The investment in Amlak International Real Estate Financing Company as of 31 March 2021, amounted to SAR 77.6 million (31 December 2020, amounted to SAR 76.7 million).

8. TRADE RECEIVABLES, NET

	31 March 2021	31 December 2020
	SR	SR
Trade receivables	277,080,988	202,814,926
Provision of expected credit losses	(19,774,646)	(19,906,467)
	<u>257,306,342</u>	<u>182,908,459</u>

9. PREPAID EXPENSES AND OTHER ASSETS

On 28 April 2019, the Company received a letter from the seller stating that the title deed of the purchased land in 2009 by SR 219,739,441 was revoked by an order issued from the Public Court in Riyadh for a reason outside the control of the seller and Company's will. The Company paid SR 207,239,441 and the remaining amount of SR 12,500,000 was unpaid. The decision has become final and must be adhered to and implemented. The seller presented some solutions and suggestions to the Company in a way that preserves all its rights. After receiving the mentioned letter above, the Company confirmed its validity through the concerned parties and is assured that the revocation is correct for reasons pertaining the seller as the revocation is attributive to the main title deed of the land and its scope. The Company has no relation or involvement in this matter and was not informed or involved in this matter, court hearings, sessions, discussions, or investigations. The Company inquired before purchasing the land, confirmed the validity of the title deed through a committee of attorney public composed of three members as per statement of permission issued in 28 Rajab 1430H.

On 18 Rabi II 1441H (corresponding to: 15 December 2019), the Company filed two lawsuits at the Public Court in Riyadh against the seller of the land located north of Riyadh, Al Khair District, and against the broker of the purchase deal requesting to compel both the land seller and purchase broker (claimers) to return the amount paid to them amounted to SR 207,239 million of the land value to the Company with retaining its right to claim any compensation for any losses or financial claims that have arisen or that may be caused due to revocation of the said land deed. Based on the opinion of the legal consultant of the Company and inquiries made with him, the documents and papers presented in both lawsuits are strong and explicit and form a legal evidence of contractual relationship and prove the right of the Company to collect and recover the purchase amount paid due to revoked of the title deed and its right as well to collect and recover the brokerage fees paid to the sale broker.

During the year ended 31 December 2019, the Company de-recognized the total land amount from the books amounted to SR 181,500,000 and recognized as trade receivable within trade receivables and other debit balances notes on the seller and broker with total amount of SR 207,239,441 after deducting the remaining amount due to the seller of the land value of SR 12,500,000.

Aseer for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting Company (a Saudi Joint Stock Company)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
(All amounts are presented in Saudi Riyals unless otherwise indicated)

The book value of the land amounts to SR 181,500,000 representing purchase price of SR 219,739,441 less impairment previously recognized amount at SR 38,239,441.

During December 2020, a final ruling was issued in favour of the Company to revoke the sale contract between the Company and the seller of the land and bind the seller of the land to pay an amount of SR 202 million to the Company.

On 19 Shaaban 1442 Ah corresponding to 01 April 2021, the company received a letter from its legal counsel stating the following:

That the defendant (land's seller) filed a petition with a court on 05 Shaaban 1442 H, corresponding to 18 March 2021, to overturn the verdict and dismiss the case after the expiry of the formal objection period and after the Company applied to the Court of Execution to carry out the sentence against the defendant, and that the petition application was accepted and considered by the court that issued the verdict and ruled the case again as follows:

First: The Court dismissed the previous ruling that the sale contract between the plaintiff and the defendant and its right had been terminated, and obliged the defendant (land's seller) to pay 202 million Saudi Riyals to the plaintiff (the Company).

Second: Dismiss the case for lack of jurisdiction because the case is one of the big cases with amounts of more than 100 million Saudi Riyals.

The Company has objected the ruling.

10. COVID-19 OUTBREAK

In the light of the Corona pandemic, the Group's management assessed the impact on the group's overall operations and business aspects, including factors such as supply chain, travel restrictions, product demand, etc. as a result of the assessment that from the date of issuance of these summary and consolidated preliminary financial statements, substantial changes are required in key provisions and estimates. However, given the current uncertainty, any future change in assumptions and estimates could lead to results that may require a substantial adjustment to the book value of the asset or obligation affected in future period.

Aseer for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting Company (a Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(IN SAUDI RIYAL)

11. RESTATEMENT OF PREVIOUS YEARS

The company made an adjustment to the comparative figures for the fiscal year ended 31 December 2020 as a result of the classification of financial instruments from an equity instruments through other comprehensive income to a debt instrument through profit or loss, and there is no impact on the attached financial statements except on the balances in the statement of change in equity as of 1 January 2020 and 31 March 2020 as follows:

	Capital	Statutory reserve	Accumulated losses	Net unrealised (losses) / gain on re-valuation of equity instrument at fair value through OCI	Subsidiary's financial statements' translation differences	Total equity attributable to the parent Company	Non- controlling interests	Total equity
Balance as of 1 January 2020	1,263,888,890	311,666,945	(25,484,572)	(78,808,350)	(82,148,934)	1,389,113,979	445,226,218	1,834,340,197
Adjustment	-	-	7,291,500	5,224,088	-	12,515,588	-	12,515,588
Balance as of 1 January 2020 after adjustment	1,263,888,890	311,666,945	(18,193,072)	(73,584,262)	(82,148,934)	1,401,629,567	445,226,218	1,846,855,785

12. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

Board of Directors approved these consolidated financial statements for issue on 05 may 2021 G.
