

SAUDI CABLE COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**



SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

INDEX	PAGE
Independent auditor's review report on the interim condensed consolidated financial statements	1-2
Interim condensed consolidated statement of financial position	3
Interim condensed consolidated statement of profit or loss and other comprehensive income	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statements	7 - 23

**Independent Auditor's Review Report on the Interim Condensed
Consolidated Financial Statements**

**To the Shareholders
Saudi Cable Company
(A Saudi Joint Stock Company)
Jeddah, Kingdom of Saudi Arabia**

Introduction

We were engaged to review the accompanying interim condensed consolidated statement of financial position of **Saudi Cable Company (A Saudi Joint Stock Company) ("the Company") and its subsidiaries (together "the Group")** as of March 31, 2022, and the related interim condensed consolidated statement of profit or loss and other comprehensive income and the interim condensed consolidated statements of changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" (IAS 34) that is endorsed in the Kingdom of Saudi Arabia (KSA).

Scope of Review

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. However, because of the matters described in the Basis for Disclaimer of Conclusion section below, we were not able to carry out sufficient procedures to provide a basis for a review conclusion on these interim condensed consolidated financial statements.

Basis for Disclaimer of Conclusion

- The Group incurred a net loss of SAR 37.6 million for the three-month period ended March 31, 2022, and as of that date, the Group's accumulated losses have reached SAR 195.6 million, representing 74.56% of the share capital as at March 31, 2022. Further, the Group current liabilities exceeded its current assets by SAR 487 million as at March 31, 2022 (as at December 31, 2021: SAR 476.4 million). These events or conditions, along with other matters, indicate a significant doubt about Group's ability to continue as a going concern and its ability to meet its obligations when it becomes due. The Group has been and still in the process of restructuring its liabilities to its creditors and plan to reduce its payables with future cash flows from its current projects. The Group's management is aware of the risks related to going concern but has prepared the interim condensed consolidated financial statements under going concern basis. We have also disclaimed our audit opinion for the year ended December 31, 2021 in respect of this matter.
- As stated in note 17, the Group received assessments from the Zakat, Tax and Customs Authority (ZATCA), claiming additional Zakat liabilities of SAR 235.9 million in respect of the assessment for prior years against which the Group has filed appeals. It is management's assertion that they have grounds to contest against items included in the assessments raised by ZATCA, that the outcome of the appeals is uncertain at this stage and, therefore, it is not possible to determine the potential Zakat liability. No provision has been made in these interim condensed consolidated financial statements for the items under appeal and for any potential exposure relating to open years not yet assessed by ZATCA. We have not been provided details or basis of certain appeals the assessments, including details of zakat computation and appeals in respect of certain open years for the Company and of certain subsidiaries. We were, therefore, unable to determine whether any adjustments are necessary to the Group's current or prior years' / periods' zakat charges.

**Independent Auditor's Review Report on the Interim Condensed Consolidated
Financial Statements - Continued**

**To the Shareholders
Saudi Cable Company
(A Saudi Joint Stock Company)
Jeddah, Kingdom of Saudi Arabia**

Basis for Disclaimer of Conclusion (continued)

- The Group has property, plant and equipment amounted of SAR 269.9 million as at March 31, 2022 and there are some indicators that the recoverable value of them is less than its book value, we were unable to obtain sufficient evidence regarding the recoverable amount of them as the Group's management hasn't provided us with sufficient data related to the recoverable amount of the property, plant and equipment and the extent to recognize any impairment losses the book value of property, plant and equipment as at March 31, 2022. The Group's management will prepare a future studies to determine the recoverable value subsequently after approval date of the interim condensed consolidated financial statements of the Group.
- As stated in note 6, the interim condensed consolidated financial statements include investment in an associate (50% ownership) with a carrying value of SAR 302.49 million and share of results of SAR 5 million as at and for the three-month period ended March 31, 2022. The associate had trade receivables amounting to SAR 54.4 million, out of which the Group's share is SAR 27.2 million; that are overdue for more than one year, against which management has not recognized any allowance for expected credit losses. Management was unable to provide us with appropriate support to ensure the possibility of recoverability of those trade receivables balances. Consequently, we were unable to determine whether any adjustments to the Group's share of results of an associate and the carrying value of the investment in an associate were necessary as of and for the three-month period ended March 31, 2022.

We have also disclaimed our audit opinion on the consolidated financial statements of the Group for the year ended December 31, 2021 in respect of these matters.

Disclaimer of Conclusion

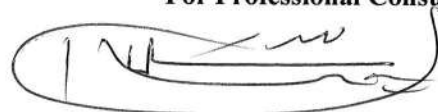
We do not express a conclusion on the accompanying interim condensed consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Conclusion section above, we have not been able to carry out sufficient procedures to provide a basis for a review conclusion on these interim condensed consolidated financial statements.

Other Matter

The interim condensed consolidated financial statements for the three-month period ended March 31, 2021 were reviewed by another Auditor who expressed a modified review conclusion on May 23, 2021.



**AlAzem, AlSudairy, AlShaikh & Partners
For Professional Consulting**



**Salman B. AlSudairy
License No. 283**

Shawwal 22, 1443H (corresponding to May 23, 2022)
Jeddah, Kingdom of Saudi Arabia

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS OF MARCH 31, 2022**

(Expressed in Thousands of Saudi Arabian Riyals)

	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	269,904	276,325
Investment properties		2,792	2,818
Intangible assets	8	19,673	20,268
Right of use assets	9	7,602	7,903
Investment in an associate	6	302,486	299,170
Financial assets at fair value through other comprehensive income		45	45
Account and retention receivables	11	32,470	36,036
TOTAL NON-CURRENT ASSETS		634,972	642,565
CURRENT ASSETS			
Inventories	12	46,475	78,365
Account and retention receivables	11	143,324	144,994
Prepaid expenses and other debit balances	13	169,626	142,215
Unbilled contract assets	14	17,547	15,662
Due from a related party	18	113	113
Assets held for sale		-	35,390
Cash and cash equivalents	10	42,259	10,721
TOTAL CURRENT ASSETS		419,344	427,460
TOTAL ASSETS		1,054,316	1,070,025
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	262,311	360,614
Hedging reserve		16,876	(2,275)
Foreign currency translation reserve		(6,221)	(6,159)
Employees' benefit obligation reserve		(11,652)	(11,652)
Accumulated losses		(195,582)	(256,730)
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		65,732	83,798
Non-controlling interest		(3,167)	(2,692)
TOTAL EQUITY		62,575	81,106
NON-CURRENT LIABILITIES			
Term loans and borrowings	16	11,488	9,966
Retentions payable		4,052	4,216
Employees' benefit obligation		63,398	63,592
Lease liabilities	9	6,294	7,298
TOTAL NON-CURRENT LIABILITIES		85,232	85,072
CURRENT LIABILITIES			
Term loans and borrowings	16	450,196	452,006
Provision for zakat and income tax	17	67,824	69,670
Due to related parties	18	65,291	71,232
Accounts payable, accrued expenses and other liabilities		320,600	309,398
Lease liabilities	9	2,598	1,541
TOTAL CURRENT LIABILITIES		906,509	903,847
TOTAL LIABILITIES		991,741	988,919
TOTAL EQUITY AND LIABILITIES		1,054,316	1,070,025

The accompanying notes from (1) to (25) form an integral part of these interim condensed consolidated financial statements.


SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

	Note	For the three month period ended March 31,	
		2022 (Unaudited)	2021 (Unaudited)
Revenue	20	35,357	63,855
Costs of revenue		(62,094)	(81,112)
Gross loss		(26,737)	(17,257)
General and administrative expenses		(13,165)	(15,271)
Selling and distribution expenses		(2,399)	(3,092)
Expected credit losses		230	(1,212)
Operating loss for the period		(42,071)	(36,832)
Finance costs, net		(5,954)	(6,091)
Share of result of an associate		4,996	6,697
Other income, net		8,159	5,148
Loss before zakat and income tax		(34,870)	(31,078)
Zakat and income tax	17	(2,750)	(4,782)
Loss for the period		(37,620)	(35,860)
Other comprehensive income / (loss) :			
Items that will or may be reclassified subsequently to profit or loss			
Changes in foreign currency translation reserve		(62)	298
Hedging reserve		19,151	(1,305)
Total comprehensive loss for the period		(18,531)	(36,867)
(Loss) / profit for the period attributable to:			
Shareholders of the Parent Company		(37,155)	(35,882)
Non-controlling interests		(465)	22
		(37,620)	(35,860)
Total comprehensive (loss) / income attributable to:			
Shareholders of the Parent Company		(18,066)	(36,889)
Non-controlling interests		(465)	22
		(18,531)	(36,867)
Loss per share (basic and diluted):			
Basic and diluted loss per share of loss for the period attributable to the shareholders of the Parent Company	5	(1.17)	(1.00)





The accompanying notes from (1) to (25) form an integral part of these interim condensed consolidated financial statements.

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

(Expressed in thousands of Saudi Arabian Riyals)

	Share capital	Hedging reserve	Foreign currency translation reserve	Employees' benefit obligation reserve	Accumulated losses	Total equity attributable to shareholders	Non-controlling interest	Total equity
Balance at January 1, 2022	360,614	(2,275)	(6,159)	(11,652)	(256,730)	83,798	(2,692)	81,106
Loss for the period	-	-	-	-	(37,155)	(37,155)	(465)	(37,620)
Other comprehensive income / (loss)	-	19,151	(62)	-	-	19,089	-	19,089
Total comprehensive income / (loss)	-	19,151	(62)	-	(37,155)	(18,066)	(465)	(18,531)
Reduction of share capital (note 15)	(98,303)	-	-	-	98,303	-	-	-
Balance at March 31, 2022	262,311	16,876	(6,221)	(11,652)	(195,582)	65,732	(3,157)	62,575
Balance at January 1, 2021	360,614	8,632	(6,529)	(11,612)	(62,421)	288,684	(3,262)	285,422
Loss for the period	-	-	-	-	(35,882)	(35,882)	22	(35,860)
Other comprehensive (loss) / income	-	(1,305)	298	-	-	(1,007)	716	(291)
Total comprehensive (loss) / income	-	(1,305)	298	-	(35,882)	(36,889)	738	(36,151)
Balance at March 31, 2021	360,614	7,327	(6,231)	(11,612)	(98,303)	251,795	(2,524)	249,271




The accompanying notes from (1) to (25) form an integral part of these interim condensed consolidated financial statements.

SAUDI CABLE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022
(Expressed in thousands of Saudi Arabian Riyals)

	For the three-month period ended March 31,	
	2022	2021
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before zakat and income tax	(34,870)	(31,078)
Adjustments for:		
Depreciation	6,766	8,491
Amortization of intangible assets	595	474
Gain on disposal of investment property	(5,485)	-
Provision for employees' benefit obligations	1,858	1,423
Provision for slow moving inventories	(123)	1,897
Share of result of an associate	(4,996)	(6,697)
Deferred tax assets	-	90
Expected credit losses	(230)	1,212
Finance cost	5,954	6,091
Changes in operating assets and liabilities:		
Account and retention receivables	5,490	(1,112)
Prepaid expenses and other debit balances	(16,046)	6,344
Unbilled contract assets	(1,909)	5,542
Inventories	32,013	9,928
Accounts payable, accrued expenses and other liabilities	5,987	19,983
Due to related parties	1,798	17,497
Cash flows from operations	(3,698)	35,080
Employees' benefit obligations paid	(2,052)	(692)
Zakat and income tax paid	(1,086)	(14,877)
Finance cost paid	(657)	(3,931)
Net cash (used in) / generated from operating activities	(7,493)	15,580
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(18)	(1,677)
Proceeds from sale of investment property	40,875	-
Dividends received from an associate	-	5,165
Net cash generated from investing activities	40,857	3,488
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in term loans and borrowings	(1,794)	(13,273)
Net changes in lease liabilities	(32)	(1,069)
Net cash used in financing activities	(1,826)	(14,342)
Net changes in cash and cash equivalents	31,538	4,726
Cash and cash equivalents at the beginning of the period	10,721	18,793
Cash and cash equivalents at the end of the period	42,259	23,519
Additional information for non-cash items:		
Change in hedging reserve	(19,151)	1,305
Dividend from as associate thorough current account	(7,507)	(5,155)
Movement in foreign currency translation reserve	62	298

The accompanying notes from (1) to (25) form an integral part of these interim condensed consolidated financial statements.

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

1. ORGANISATION AND ACTIVITIES

Saudi Cable Company (“the Company” or “the Parent Company”) is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030009931 dated Rabi Al Thani 27, 1396 H, (corresponding to April 27, 1976 G).

The Group’s (“Parent Company” and its “subsidiaries”) activities represents manufacturing and supplying electrical and telecommunication cables, copper rod, PVC compounds, wooden reels and related products. The Group is also engaged in the contracting, trading distribution and supply of cables, electronic products, information technology products and related accessories.

The registered head office of the Parent Company is located at the following address:

Saudi Cable Company
P. O. Box 4403,
Jeddah 21491,
Kingdom of Saudi Arabia.

The accompanying interim condensed consolidated financial statements includes the assets, liabilities and the results of the operations of the Company and the following subsidiaries:

Company’s Name	Principal activities	Country of incorporation	Percentage of ownership	
			As of March 31, 2022 (Unaudited)	As of December 31, 2021 (Audited)
Domestic				
Saudi Cable Company for Marketing Limited	Purchase and sale of electrical cables and related products	Saudi Arabia	100%	100%
Mass Projects for Power and Telecommunications Limited	Turnkey power and telecommunication projects	Saudi Arabia	100%	100%
Mass Centres for Distribution of Electrical Products Limited	Electrical and telecommunication distribution service	Saudi Arabia	100%	100%
International				
Mass Kablo Yatirim Ve Ticaret Anonim Sirketi	Holding Company (Previously Mass Holding Company)	Turkey	100%	100%
Mass International Trading Company Limited (dormant)*	International trading	Ireland	100%	100%
Saudi Cable Company (U.A.E)	Sale of cables and related products	United Arab Emirates	100%	100%
Elimsan Salt Cihazlari ye Eletromekanik San ve Tic. A.S	Manufacturing and distribution of electronic gears and goods	Turkey	94%	94%
Eliman Metalurji ve Makine San. Ve Tic A.S.	Manufacturing and distribution of electronic gears and goods	Turkey	100%	100%
Fairhaven Holding Ltd	Holding	Seychelles	100%	100%
Kablat Holding Limited	Holding	Malta	100%	100%
Gozo Gayrimenkul Anonim Sirketi	Holding	Turkey	100%	100%
Valleta Gayrimenkul Anonim Sirketi	Holding	Turkey	100%	100%

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

The Group has the following investment in equity accounted investees:

Company's name	Principal activities	Country of incorporation	Percentage of ownership	
			As of March 31, 2022 (Unaudited)	As of December 31, 2021 (Audited)
Midal Cables W.L.L	Conductors & related products	Bahrain	50%	50%

All subsidiaries and equity accounted investees have the same year-end as the Parent Company.

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

These interim condensed consolidated financial statements as at and for the three-month period ended March 31, 2022 have been prepared in accordance with IAS 34 – “Interim Financial Reporting”, as 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”).

These interim condensed consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2021.

Basis of measurement

These interim condensed consolidated financial statements have been prepared under the historical cost basis using the accrual basis of accounting and the going concern concept except for the measurement at fair value of derivative financial instruments and Investment classified as fair value through other comprehensive income (FVOCI).

Preparation of interim condensed consolidated financial statements

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments, estimates and assumptions were consistent with the Group’s annual consolidated financial statements for the year ended December 31, 2021.

Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Arabian Riyals (“SAR”) which is the Group’s functional and presentation currency.

Summary of significant accounting policies

The accounting policies adopted by the Group for the preparation of this interim condensed consolidated financial statements are consistent with those followed in preparation of the Group’s annual consolidated financial statement for the year ended December 31, 2021.

Significant accounting judgements, estimates and assumptions

The preparation of the Group’s interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, were disclosed in annual consolidated financial statements for the year ended December 31, 2021.

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(Expressed in thousands of Saudi Arabian Riyals)

Impact of COVID-19

On 11th March 2020, the World Health Organization has declared the COVID-19 coronavirus outbreak to be a pandemic. Actions taken in response to the spread of COVID-19 has resulted in significant disruption in product demand, reduction in prices and a significant increase in economic uncertainty. Consequently, asset prices have become more volatile and a marked decline in long-term interest rates in developed economies is ostensible.

These circumstances have impacted business activities of the Group by contributing to reduction in sales, net income, EBIT, free cash flow and other financial metrics. However, in response to the COVID-19, which has caused global economic disruption, the Group has implemented active prevention programs at its sites and contingency plans in order to minimize the risks related to COVID-19 and to continue business operations ensuring the health and safety of its employees, customers, contractors and wider community.

Management has taken measures to optimize spending, which resulted in reducing operational and capital expenditures during the period. Additionally, the management has considered potential impacts of the current economic uncertainties and volatility in determining the carrying amounts of the Group's financial and non-financial assets. These are based on management's best estimates taking into account observable information on the period end date.

Although international markets have recovered during the past few months, there is still some volatility in prices and demand. Management of the Group continues to monitor long term supplier contracts in order to ensure minimal disruption in operations and timely delivery of its products.

Notwithstanding these challenges, the management continues to closely monitor any material developments across the markets in which it operates and sells its products and has a strategy in place to mitigate any potential adverse impacts.

Going Concern

The Group incurred a net loss of SAR 37.6 million during the three-month period ended March 31, 2022 and, as of that date, the Group's accumulated losses of SAR 195.6 million has reached 74.56% of share capital and current liabilities exceeded its current assets by approximately SAR 487 million (December 31, 2021: SAR 476.4 million). These events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The Group's management is aware of the risks related to going concern but has prepared the interim condensed consolidated financial statements under going concern basis. In recent years, the management has implemented various initiatives at the Group level. Coupled with successful execution of a capital increase by way of rights issue during 2020, and during the year of 2020, financial restructuring agreement with Al Rajhi bank (Note 16), improved order backlog, better terms with suppliers, provided management adequate evidence that going concern assumption is appropriate for the Group as a whole. During the period, according to shareholder's approval on their extraordinary meeting held on February 20, 2022, share capital decreased from SAR 360.6 million to SAR 262.3 million to absorb portion of the accumulated losses.

In addition, Mass Kablo Ve Ticaret Anonim Sirketi, a fully owned subsidiary of the Group, has accumulated losses amounting to SAR 376.4 million as of March 31, 2022 and, as of that date, the subsidiary's current liabilities exceeded its current assets by SAR 67.9 million is a matter for going concern and its ability to meet obligations as and when they fall due. The subsidiary has made an assessment of the subsidiary ability to continue as a going concern and is satisfied that the subsidiary has the resources to continue its business for the foreseeable future. Management has prepared a comprehensive business plan and, already, has successfully implemented certain elements of the plan including among others, rescheduled of financing arrangements, agreed sustainable repayments plans with major creditors, secured and continue to securing assets of the Subsidiary through legal means and renegotiations with counterparties to enhance the Subsidiary's operational position. Accordingly, management believe that the going concern assumption used in the preparation of the subsidiary financial information is appropriate.

3. BASIS OF CONSOLIDATION

These interim condensed consolidated financial statements comprising the financial statements of the Company and its subsidiaries as set out in note 1. The financial statements of the subsidiaries are prepared for the same reporting period as that of the parent Company.

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(Expressed in thousands of Saudi Arabian Riyals)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. To meet the definition of control, all the following three criteria must be met:

- i) the Group has power over an entity;
- ii) the Group has exposure, or rights, to variable returns from its involvement with the entity; and
- iii) the Group has the ability to use its power over the entity to affect the amount of the entity's returns.

The Group re-assesses whether or not it controls an investee in case facts and circumstances indicate that there are changes to one or more of the criteria of control.

Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The results of subsidiaries acquired or disposed of during the period, if any, are included in the interim condensed consolidated statement of profit or loss and other comprehensive income from the date of the acquisition or up to the date of disposal, as appropriate.

Non-controlling interests

Non-controlling interests represent the portion of net profit / (loss) and net assets of subsidiaries not owned, directly or indirectly, by the Group in its subsidiaries and are presented separately in the interim condensed consolidated statement of profit or loss and other comprehensive income and within equity in the interim condensed consolidated statement of financial position, separately from the Group's equity. Any losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Transactions eliminated on consolidation

Balances between the Group entities, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the interim condensed consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Investment in an associates and jointly controlled entities

The Group's interest in equity-accounted investee comprises interest in a joint venture and investments in associates.

Associates are entities over which the Group exercises significant influence. Investments in associates are initially recognized at cost and subsequently accounted for under the equity method of accounting and are carried in the interim condensed consolidated statement of financial position at the lower of the equity-accounted value or the recoverable amount.

A joint venture is an arrangement in which the Group has joint control whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Equity-accounted value represents the cost plus post-acquisition changes in the Group's share of net assets of the associate (share of the results, reserves and accumulated gains / (losses) based on the latest available financial information) less impairment, if any.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on its investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in 'share in net profit / (loss) of an associate' in the interim condensed consolidated statement of profit or loss and other comprehensive income.

The previously recognized impairment loss in respect of investment in associate can be reversed through the interim condensed consolidated statement of profit or loss and other comprehensive income, such that the carrying amount of the investment in the interim condensed consolidated statement of financial position remains at the lower of the equity-accounted (before allowance for impairment) or the recoverable amount.

Unrealized gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

4. SUMMARY OF CHANGES IN SIGNIFICANT ACCOUNTING POLICES DUE TO NEW STANDARDS**New standards, amendment to standards and interpretations**

There are no new standards issued, however, there are number of amendments to standards which are effective from January 1, 2022 and has been explained in Group annual Consolidated Financial Statements, but they do not have a material effect on the Group's Interim Condensed Consolidated Financial Statements.

5. LOSS PER SHARE

Loss per share for the three-month period ended March 31, 2022 and for the three-month period ended March 31, 2021 were calculated by dividing the loss for each period by weighted average number of shares outstanding during the period.

6. INVESTMENT IN AN ASSOCIATE

6.1 The movement in investment in an associate is as follows:

	March 31, 2022 (Unaudited)	December, 31 2021 (Audited)
At the beginning of the period / year	299,170	319,117
Share of profit for the period / year, net	4,996	7,180
Hedging reserve	5,889	(9,671)
Dividend received during the period / year	(7,507)	(17,826)
Foreign currency translation	(62)	370
At the end of the period / year	302,486	299,170

6.2 Share of results of associate (net) after considering accounting policies differences.

6.3 The Parent Company does not have any direct control over management and operations of "Midal Cables W.L.L". Accordingly, it is classified as investment in associates and accounted for as such.

6.4 Summarized financial information of associate Company is as follows.

Midal Cable W.L.L.	Ownership%	Assets	Liabilities	Revenues	Net profit
March 31, 2022 (Unaudited)	50%	2,087,471	1,483,706	1,222,646	9,296
December 31, 2021 (Audited)	50%	1,876,586	1,284,131	3,418,504	7,898

6.5 As of March 31, 2022, a foreign subsidiary of the associate had trade receivables amounting to SAR 54.4 million which were overdue for more than one year. Management of the subsidiary estimates that the overdue trade receivables would be collected during 2022. Accordingly, as of March 31, 2022, no expected credit losses against those trade receivables, were recorded.

7. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Carrying amount at beginning of the period / year	276,325	301,593
Additions during the period / year	18	3,363
Depreciation charge for the period / year	(6,439)	(28,631)
Carrying amount at end of the period / year	269,904	276,325

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

8. INTANGIBLE ASSETS

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Carrying amount at beginning of the period / year	20,268	23,125
Amortization during the period/ year	(595)	(2,857)
Carrying amount at end of the period / year	19,673	20,268

9. LEASES**9-1 Right of use assets**

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Cost:		
At the beginning of the period / year	11,125	10,447
Additions	-	678
	11,125	11,125
Accumulated depreciation:		
At the beginning of the period / year	3,222	1,998
Depreciation for the period / year	301	1,224
	3,523	3,222
Net value at the end of the period / year	7,602	7,903

9-2 Leases liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
At the beginning of the period / year	8,803	9,012
Additions	-	678
Interest charge for the period / year	85	381
Paid during the period / year	-	(1,268)
As at the end of the period / year	8,888	8,803

Finance leases relate to manufacturing equipment leases with a term of 5 years or less. The Group has options to purchase the equipment for a nominal amount at the end of the lease agreement. The Group's obligations under finance leases are secured by the lessors' title to the leased assets:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Minimum lease payments	36	36
Less: unearned finance charge	(32)	-
Present value of minimum lease payments	4	36

Presented in the interim condensed consolidated financial statements as follows:

Current lease liability	2,598	1,541
Non-current lease liability	6,294	7,298

The weighted average incremental borrowing rate applied to lease liabilities was 4.0% (2021: 4.0%).

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

The following are the amounts recognized in profit or loss:

	For the three-month period ended March 31,	
	2022	2021
	(Unaudited)	(Unaudited)
Depreciation expense of right-of-use assets	301	1,224
Interest charge on lease liabilities	85	381
Total amount recognized in profit or loss	386	1,605

10. CASH AND CASH EQUIVALENTS

	March 31, 2022	December 31, 2021
	(Unaudited)	(Audited)
Cash in hand	304	272
Cash at banks	41,955	10,449
	42,259	10,721

11. ACCOUNT AND RETENTION RECEIVABLES

	March 31, 2022	December 31, 2021
	(Unaudited)	(Audited)
Trade receivables, net (11.1)	92,312	94,773
Retention receivables, net (11.2)	83,482	86,257
	175,794	181,030
Less: non-current retentions receivable	(32,470)	(36,036)
	143,324	144,994

11.1 The trade receivables, net comprised of as follows:

	March 31, 2022	December 31, 2021
	(Unaudited)	(Audited)
Gross trade receivables	245,207	247,606
Less: impairment on financial assets (a)	(152,895)	(152,833)
	92,312	94,773

a) The movement in impairment on financial assets against accounts receivables is as follows:

	March 31, 2022	December 31, 2021
	(Unaudited)	(Audited)
At the beginning of the period / year	152,833	161,075
Charge / (reversal) during the period / year	62	(8,242)
	152,895	152,833

11.2 The retention receivables, net comprised of as follows:

	March 31, 2022	December 31, 2021
	(Unaudited)	(Audited)
Gross retentions receivable	100,031	103,122
Less: impairment on financial assets (b)	(16,549)	(16,865)
Retention receivables, net	83,482	86,257

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

b) The movement in impairment on financial assets against retention receivables is as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
At the beginning of the period / year	16,865	19,330
Reversal during the period / year	(316)	(2,465)
At the end of the period / year	16,549	16,865

12. INVENTORIES

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Raw material	38,219	44,661
Finished goods	8,618	24,946
Work in progress	12,062	20,261
Spare parts and wooden reels	31,625	32,669
	90,524	122,537
Less: Provision for slow moving and obsolete inventories	(44,049)	(44,172)
	46,475	78,365

The movement in provision for slow moving and obsolete inventories was as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
At the beginning of the period / year	44,172	42,275
(Reversal) / charge for the period / year	(123)	1,897
	44,049	44,172

13. PREPAID EXPENSES AND OTHER DEBIT BALANCES

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Receivable from sale of a subsidiary	41,250	41,250
Guarantee margins and deposits	19,934	20,604
Advances to suppliers, net	57,321	49,911
Derivative gain and prepayments	30,089	17,896
Value added tax	5,928	3,416
Other receivables	15,104	9,138
	169,626	142,215

14. UNBILLED CONTRACT ASSET

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Gross unbilled contract asset (a)	25,504	23,595
Less: allowance for expected credit losses (b)	(7,957)	(7,933)
Unbilled contract asset, net	17,547	15,662

This represents projects in Saudi Arabia and outside Saudi Arabia.

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

a) The movement in gross unbilled contract asset is as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Cost incurred plus profit recognized	1,301,895	1,296,262
Less: progress billings	(1,276,391)	(1,272,667)
Unbilled contract asset	25,504	23,595

b) The movement in allowance for expected credit losses is as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
At the beginning of the period / year	7,933	10,371
Charge / (reversal) during the period / year	24	(2,438)
At the end of the period / year	7,957	7,933

15. SHARE CAPITAL

The share capital consisted of 26,231,106 shares of Saudi Arabian Riyals 10 each as at March 31, 2022. (As at December 31, 2021: 36,061,406 shares).

On June 29, 2021, the Board of Directors (BOD) resolved in their 8th meeting (2021/8) to reduce the Company's share capital from SAR 360,614,060 (36,061,406 shares) to SAR 262,311,060 (26,231,106 shares) for the purpose restructuring the Company's capital and to absorb 100% of its accumulated losses as of March 31, 2021 amounted to SAR 98,303,000. BOD also resolved to increase the share capital (subsequent to the reduction) from SAR 262,311,060 (26,231,106 shares) to SAR 762,311,060 (76,213,106 shares) to enhance the Company's working capital and operation capacity.

On February 20, 2022G (corresponding to Rajab 19, 1443H), the Shareholders approved in their meeting the reduction of the parent Company's share capital and rejected the BOD recommendation for capital increase.

16. TERM LOANS AND BORROWINGS

The Group has several financing arrangements with local and foreign banks and development financial institution with short and long-term maturity to finance its working capital and capital expenditure requirements. All these are obtained at prevailing commercial rates.

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Long term loans:		
Local commercial bank (a)	219,980	219,980
Loan from a SIDF (b)	104,290	104,290
Foreign banks (c)	38,150	37,874
Suppliers financing (d)	99,264	99,828
	461,684	461,972
Less: non-current portion of term loans	(11,488)	(9,966)
Current portion of loans and borrowings	450,196	452,006

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(Expressed in thousands of Saudi Arabian Riyals)

- a) The Parent Company entered into a syndicated loan in February 2016, combining its borrowings from four commercial banks under a “Restructuring Framework Agreement”. Through a final settlement agreement signed in December 2018, two of the three local commercial banks were settled, leaving Al Rajhi Bank (“ARB”) as the sole remaining lender to the syndicate. During the current year, the Company and ARB entered into a Murabaha Facilities Agreement to restructure the balance outstanding under the syndicated loan. The terms of the loan require the Company to repay the amount outstanding in two tranches. Tranche A is interest free and is repayable in two years through equal quarterly installments with six months as grace period, while tranche B carry three months SIBOR plus 3% and is repayable in equal quarterly installments over six years, extendable by another year, with two years as being grace period. The loan is secured against signed promissory notes.

Management assessed the above restructuring of the loan qualitatively and quantitatively in accordance with IFRS 9 “Financial Instruments” and, as a result, concluded that restructuring of the previous agreement has resulted in derecognition of the old loan and recognition of a new loan. Accordingly, the Group recorded the new loan at its fair value at the effective date, which has resulted in gain of SAR 14 million.

As at March 31, 2022, the Group is in default due to the non-repayment of the loan. Consequently, remaining outstanding balance is classified as current liability as per the agreement. The Group is in the process of restructuring the loan with ARB.

- b) The loan from the Saudi Industrial Development Fund (“SIDF”), was restructured in December 2019. The loan is repayable in 5 unequal installments over the period of 3 years starting December 2020 and carry a fee charged biannually. This loan is secured by certain plant building and machinery. As at March 31, 2022, the Group was in default due to the non-repayment of the loan installments on time. Consequently, remaining outstanding balance is classified as current liability as per the agreement.
- c) These are outstanding balances to lenders outside the Kingdom of Saudi Arabia who extended facilities to subsidiaries of the Group. These borrowings are mainly denominated in US dollars. These loans are guaranteed by industrial factory land and carry interest rates between 5% to 8% per annum for US dollar denominated or equivalent loans and an average 10% per annum for facilities in Turkish Lira.
- d) In earlier years, the Group through an agreement had credit facility with Noble Resources International Pte Ltd (“Noble”), to purchase raw material at a deferred payment. The Group was required to pay cost of financing in the event payment was not made within a stipulated time. On July 29, 2020, the facility was restructured where revised terms required the Group to repay the outstanding balance of SAR 180.8 million as of the effective date in monthly installments till October 2022. The facility was unsecured throughout and presently carries a fixed finance cost of 7.75% per year. Management assessed the above restructuring of the facility, qualitatively and quantitatively, in accordance with IFRS 9 and, as a result, concluded that restructuring has resulted in a new financing. Accordingly, the Group derecognized the earlier facility and recorded a new financing at its fair value at the effective date, resulting in a gain of SAR 5.4 million.

17. ZAKAT AND INCOME TAX

The Group received certain assessments from the Zakat Tax and Customs Authority (ZATCA), claiming additional Zakat liabilities amounted to SAR. 235.9 million in respect of the Zakat assessments for prior years against which the Group has filed appeals. This mainly relate to the Parent Company, Mass Centers for Distribution of Electrical Products Limited, Mass Projects for Power & Telecommunications Limited, Saudi Cable Company for Marketing Ltd.

Assessment status

The Parent Company

The Company made a final settlement with the Zakat, Tax and Customs Authority (ZATCA) for the years from 2005 to 2012. Resolution issued on January 26, 2020 by the Zakat and Tax Disputes Settlement Committee in the amount of SAR 65.7 million, provided that the due zakat amounts are paid within 30 days from the settlement date mentioned above, and the Company submitted a request for installments for a period of 12 months and it was approved by the Authority in 10 instalments.

The Company filed the Zakat declaration for the year 2013. ZATCA requested additional information and documents for the purpose of issuing the final assessment.

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(Expressed in thousands of Saudi Arabian Riyals)

The ZATCA issued an assessment for the year 2014 with additional zakat liability of SAR 24.2 million. The Parent Company has appealed against the assessment with the Committee for the Settlement of Tax Violations and Disputes. The decision was issued in favor of the Company accepting the objection and the Company has received a copy of the decision.

The Authority issued the final assessment for the years from 2015 to 2018 with a value of SAR 148 million. It was escalated and a grievance was filed with the Committee for the Resolution of Tax Violations and Disputes (at the General Secretariat of Tax Committees), in which a decision was issued by the Committee to accept the item (External Procurement Teams for the year 2017). Remaining objections were rejected, and the Company has not received a copy of the decision so far.

The Company submitted the financial statements and the zakat declaration for the year 2019 ZATCA, and the legal zakat was paid accordingly, and the Company obtained a final zakat certificate.

The Company submitted the financial statements and the Zakat declaration for the year 2020 ZATCA, and an installment line was made to pay the amount of Zakat due from the declaration.

The Company has submitted its zakat return for 2021 to ZATCA.

Mass Centers for Distribution of Electrical Products Limited

The ZATCA issued the Zakat assessment for the years from 1998 to 2007 with additional Zakat liability of SAR 1 million. The Company filed an appeal with Higher Appeal Committee ("HAC") which has not been decided it to date.

The Company filed its Zakat returns for the years 2008 to 2010. The ZATCA did not issue the final Zakat assessment for the said years till to date. The subsidiary is dormant and is the in process to file the Zakat returns for the years from 2011 to 2020.

Mass Projects for Power & Telecommunications Limited

The ZATCA issued the zakat assessment for the years from 1999 to 2004 with additional zakat liability of SAR 3.2 million. The Company filed an appeal against the assessment with the ZATCA. ZATCA has issued the amended Zakat assessment. The subsidiary has filed an appeal with Preliminary Appeals Committee (PAC). PAC issued an order to decrease the zakat liability by SAR 2.1 million and decision was issued to pay SAR 2 million for ZATCA and an installment plan was made by the Company to pay these amounts.

The ZATCA issued the zakat assessments for the years from 2005 to 2012 with additional zakat liability of SAR 34.7 million and also a withholding tax and delay penalties. The Company filed an objection against the ZATCA assessments, and ZATCA issued amended zakat assessment by reducing the zakat liability by SAR 6.9 million and the objection was escalated with the POC and is still under study by the committee.

The Company filed its zakat returns for the years 2013 to 2014 and the legal zakat was paid from it, and the Company obtained a restricted zakat certificate.

ZATCA issued a final assessment of SAR 7.4 million on 28 April 2021 for the year of 2015. The Company objected, and the objection was escalated to the General Secretariat of the Tax Committees.

The ZATCA issued an assessment for the 2016 with additional zakat liability of SAR 2.7 million. The subsidiary filed an appeal with the Committee for the Resolution of Tax Violations and Disputes.

ZATCA issued a final assessment of SAR 6.98 million on 28 June 2021 for the years from 2017 to 2019. The Company objected to it and it was rejected by the authority. The Company escalated the objection to the Committee for the Resolution of Tax Violations and Disputes

The Company has submitted the financial statements and zakat declarations for the year 2020 ZATCA and an installment plan was made to pay the amount of zakat due from the declaration.

The Company submitted its zakat return for the year of 2021 to ZATCA.

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

Saudi Cable Company for Marketing Ltd.

The ZATCA issued the Zakat assessment for the years from 1996 to 2004 with additional zakat liability of SAR 17 million. The Company filed an appeal which are still under review by ZATCA. The Company filed the financial statements and Zakat declarations for the years 2005 to 2008 with the ZATCA. ZATCA issued a final assessment on the Company for the years from 2009 to 2013, and zakat differences of SAR 1.25 million.

ZATCA issued a final assessment on the Company for the years from 2014 to 2018 on 13 July 2021 with a value of SAR 23 million. The company objected to it and was rejected by the Authority, and the Company filed an appeal with Committee for the Resolution of Tax Violations and Disputes.

The Company has not submitted the zakat declaration for the year 2019, and a final assessment has not been issued to it by the authority.

ZATCA issued an estimated assessment on the Company for the year 2020 on 13 September 2021 with a value of SAR 0.25 million.

The movement in zakat and tax during the period / year is as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at the beginning of period / year	69,670	37,377
Add: charge for the current period / year	2,750	51,890
Exchange gain for the period / year	(3,510)	-
Less: payments made during the period / year	(1,086)	(19,597)
	67,824	69,670

The movement in deferred tax asset during the period / year is as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at the beginning of period / year	-	9,086
Deferred tax recognized for the period / year	-	(8,996)
Deferred tax related to equity	-	(90)
	-	-

18. RELATED PARTIES TRANSACTIONS AND BALANCES

- Related parties include the Group's shareholders and their relatives up to the fourth generation, associated and affiliated companies (include equity accounted investees) and key management personnel of the Group. Terms and conditions of these transactions are approved by the Group's Board of Directors.
- Related party transactions mainly represent purchase and sale of finished goods and recharging of expenses from / to affiliates. These are undertaken at maturity agreed terms and are approved by the Group's Board of Directors.

Due from a related party

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Hidada Limited	113	113

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

Due to related parties

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Midal Cables W.L.L	17,168	23,109
Xenel Industries Limited	43,531	43,531
Chem Global Limited	664	664
Xeca International Information Technology	2,476	2,476
Hidada Limited	1,452	1,452
	65,291	71,232

Significant related party transaction and balances as at March 31, 2022 are summarized as below:

<i>Name</i>	<i>Relationship</i>	<i>Nature of transactions</i>	For the three-month period ended March 31,	
			2022 (Unaudited)	2021 (Unaudited)
Midal Cables W.L.L	Associate	Purchases of raw materials	1,533	11,641
		Board of directors remuneration	234	352
		Dividends received	7,507	10,320

Key management personnel remuneration and compensation comprised of the following:

	For the three-month period ended March 31,	
	2022 (Unaudited)	2021 (Unaudited)
Short-term employee benefits	890	1,256
Post-employment benefits	47	67
	937	1,323

Short term employee benefits of the Group's key management personnel include salaries and bonuses.

Board of Directors / Committee member's remuneration and compensation comprised of the following:

	For the three-month period ended March 31,	
	2022 (Unaudited)	2021 (Unaudited)
Meeting attendance fees	192	126
Other remunerations	201	188
	393	314

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

19. COMMITMENTS AND CONTINGENCIES

The following are the commitments and contingencies as at:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Property mortgage and guarantees*	120,392	118,854
Outstanding forward metal contracts	132,859	123,226
Contingent liabilities	96,382	94,730
Authorized and contracted for capital expenditure commitments	9,114	9,114

*In addition to providing guarantee in respect of bank facilities available to certain subsidiaries, the parent company has also provided undertaking to support such subsidiaries in meeting their liabilities as they fall due.

20. REVENUE

The Group's operations and main revenue streams are those described in the last annual financial statements.

i) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	For the three-month period ended March 31,	
	2022 (Unaudited)	2021 (Unaudited)
Primary geographic markets		
Saudi Arabia	32,405	60,339
Foreign countries	2,952	3,516
	35,357	63,855
Major products/service lines		
Sales of cables	29,724	60,124
Contract revenues	5,633	3,731
	35,357	63,855
Timing of revenue recognition		
Revenue recognized at a point in time	29,724	60,124
Revenue recognized over time	5,633	3,731
	35,357	63,855

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

21. SEGMENTAL INFORMATION**Operating Segment**

The Group has the following main business segments:

- Sale of manufactured goods.
- Turnkey power and telecommunication projects (based on the contracts)

These form the basis of internal management reporting of main business segments:

	Sale of goods		Contract revenue		Total	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Assets	902,390	915,836	151,926	154,189	1,054,316	1,070,025
Liabilities	687,420	685,191	304,321	303,728	991,741	988,919
Net sales	29,724	143,112	5,633	17,441	35,357	160,553
Net loss	(34,299)	(186,820)	(2,856)	(7,489)	(37,155)	(194,309)

	Sale of goods		Contract revenue		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Assets	902,390	1,037,778	151,926	167,307	1,054,316	1,205,085
Liabilities	687,420	640,582	304,321	315,232	991,741	955,814
Net sales	29,724	60,124	5,633	3,731	35,357	63,855
Net loss	(34,299)	(30,307)	(2,856)	(5,575)	(37,155)	(35,882)

Geographic Information

The Group's operations are conducted in Kingdom of Saudi Arabia, Turkey and others. Selected financial information summarised by geographic area, is as follows

March 31, 2022 (Unaudited)	Saudi Arabia	Turkey	Other	Total
Assets	663,234	318,914	72,168	1,054,316
Liabilities	754,097	199,775	37,869	991,741
Net sales	32,405	2,646	306	35,357
Net (loss) / profit	(34,274)	(7,908)	5,027	(37,155)

March 31, 2021 (Unaudited)	Saudi Arabia	Turkey	Other	Total
Assets	805,260	328,542	71,283	1,205,085
Liabilities	740,301	175,388	40,125	955,814
Net sales	60,339	3,516	-	63,855
Net (loss) / profit	(35,390)	398	(890)	(35,882)

December 31, 2021 (Audited)	Saudi Arabia	Turkey	Other	Total
Assets	674,275	326,207	69,543	1,070,025
Liabilities	749,952	198,696	40,271	988,919
Net sales	151,082	8,845	626	160,553
Net loss	(166,409)	(24,481)	(3,419)	(194,309)

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(Expressed in thousands of Saudi Arabian Riyals)

22. FAIR VALUE MEASUREMENT 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The carrying amount of the financial assets and liabilities carried at their amortised cost approximate their fair values. The fair value of the investment properties is assessed by unobservable inputs and, accordingly, are level 3.

Derivative financial instruments are carried at their fair values and are assessed using unobservable inputs and are level 3.

There is no reclassification, in or out, from level 3.

23. SUBSEQUENT EVENTS

On May 16, 2022, The Saudi Stock Exchange "Tadawul" announced to continue suspending the trading of Saudi Cable Company share in the market as per the rules on the offer of Securities until the Company announces that the matters included in the independent auditor's report on the consolidated financial statements for the year ended December 31, 2021 are remediated.

No adjusting event occurred between March 31, 2022 and the date of authorization of these interim condensed consolidated financial statements by the Board of Directors, which may have an impact on these interim condensed consolidated financial statements, other than stated above.

SAUDI CABLE COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

(Expressed in thousands of Saudi Arabian Riyals)

24. COMPARATIVE FIGURES

Certain prior period figures have been reclassified to conform to current period presentation, which are not material in nature.

25. APPROVAL OF INTERIM CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorized to issue by the Board of Directors on Shawwal 22, 1443 H (corresponding to May 23, 2022 G).