

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
(A Saudi Joint Stock Company)

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

**FOR THE THREE-MONTHS AND SIX-MONTHS PERIODS
ENDED 30 JUNE 2022 AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the three-months and six-months period ended 30 June 2022
(Saudi Riyal)
And the independent auditor's review report

	Page (s)
Independent auditor's review report	1
Interim condensed consolidated statement of financial position (unaudited)	2
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (unaudited)	3
Interim condensed consolidated statement of changes in shareholders' equity (unaudited)	4-5
Interim condensed consolidated interim statement of cash flows (unaudited)	6
Notes to the interim condensed consolidated financial statements (unaudited)	7-13

Independent Auditor's Review Report

TO THE SHAREHOLDERS OF
SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
(A SAUDI JOINT STOCK COMPANY)
Jeddah - Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)- SAUDI JOINT STOCK COMPANY - ("the Company" or "the Parent Company") and its Subsidiary ("the Group"), as at 30 June 2022, and the related interim condensed consolidated statement of Profit or loss, and other comprehensive income for the three-month and six-months period then ended, and the changes in shareholders' equity and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes from 1 to 13 form an integral part of these interim condensed financial statement. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily to the 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, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

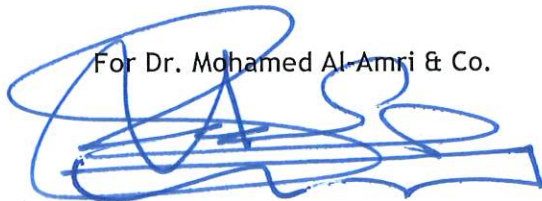
Other Matters

The Interim Condensed Consolidated Financial Statements for the three-month and six-month periods ended 30 June 2021 have been reviewed by another Auditor, who have issued an unmodified conclusion on those Condensed Consolidated Financial Statements in 19 August 2021 (corresponding to 11 Muharram 1443 H). The Group's financial statements for the year ended 31 December 2021 were also Audited by another Auditor, who issued a qualified opinion on the financial statements in his report dated 31 March 2022 (corresponding to 28 Sha'ban 1443 H).

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, as endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.



Maher Al-Khatieb
Certified Public Accountant
License Number 514



Jeddah on 16/08/2022(G)
Corresponding to: 18/01/1444 (H)

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)

SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 June 2022
(Saudi Riyal)

	Note	30 June 2022 Unaudited	31 December 2021 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant, and equipment	4	79,219,974	83,826,105
Goodwill		62,356,409	62,356,409
Right of use assets		9,026,290	10,559,060
Intangible assets		182,767	229,015
Advance payments on operating lease		34,434	110,021
Financial assets at fair value through other comprehensive income (FVOCI)	5	77,924,963	60,254,333
TOTAL NON-CURRENT ASSETS		228,744,837	217,334,943
CURRENT ASSETS			
Inventory		45,135,944	45,433,146
Other current assets		8,580,495	4,673,647
Trade receivables and other receivables	6	18,246,423	17,731,463
Financial assets at fair value through profits or losses	7	-	3,935,020
Cash and cash equivalents		20,453,275	11,820,045
TOTAL CURRENT ASSETS		92,416,137	83,593,321
TOTAL ASSETS		321,160,974	300,928,264
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital		400,000,000	400,000,000
Foreign currency translation reserve		(35,071,604)	(32,241,605)
Fair value change reserve		(119,126,915)	(116,223,833)
Re-measurement reserve of defined benefit obligations		(42,262)	(42,262)
Accumulated losses		(44,533,672)	(47,480,087)
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		201,225,547	204,012,213
Non-controlling interest		7,679,896	7,325,950
TOTAL SHAREHOLDERS' EQUITY		208,905,443	211,338,163
NON-CURRENT LIABILITIES			
Employee benefit obligations		16,668,656	16,113,008
Lease liabilities - non-current portion		5,772,253	7,727,363
Deferred tax liabilities		677,327	782,969
TOTAL NON-CURRENT LIABILITIES		23,118,236	24,623,340
CURRENT LIABILITIES			
Zakat and income tax payable	9	7,223,234	7,533,528
Accrued expenses and other current liabilities		13,569,756	13,150,846
Lease liabilities - current portion		4,420,960	4,688,151
Underwriting surplus		6,350,898	6,350,898
Credit facilities	8	25,245,733	4,032,949
Accounts payable		32,326,714	29,210,389
TOTAL CURRENT LIABILITIES		89,137,295	64,966,761
TOTAL LIABILITIES		112,255,531	89,590,101
TOTAL EQUITY AND LIABILITIES		321,160,974	300,928,264

Finance Manager

Name: Mr. Ahmed Shittaiwi
Signature:

Deputy Chairman and managing director

Name: E. Bandar ALhomaidhi
Signature:

The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
For the three-months and six-months period ended 30 June 2022
(Saudi Riyal)

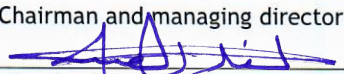
	Note	For the three-months period ended 30 June		For the six – months period ended 30 June	
		2022 Unaudited	2021 Unaudited	2022 Unaudited	2021 Unaudited
Revenue		41,404,943	41,939,007	82,819,818	87,476,397
Cost of revenue		(35,268,342)	(34,700,973)	(70,593,248)	(71,184,027)
Gross profit		6,136,601	7,238,034	12,226,570	16,292,370
Selling and distribution expenses		(4,825,235)	(3,590,273)	(9,415,766)	(7,173,778)
General and administrative expenses		(8,403,720)	(7,822,875)	(15,873,566)	(15,575,970)
Loss from operations		(7,092,354)	(4,175,114)	(13,062,762)	(6,457,378)
Realized gain from financial assets at fair value through profit or loss		-	-	927,220	-
Unrealized gain from the financial assets at fair value through profit or loss		-	181,973	-	338,747
Finance cost		(378,709)	(390,291)	(482,163)	(482,053)
Other income		1,464,435	941,496	2,601,854	2,458,105
Net Loss for the period before zakat and income tax		(6,006,628)	(3,441,936)	(10,015,851)	(4,142,579)
Zakat and income tax	9	(446,664)	(698,507)	(989,480)	(1,406,538)
Deferred tax		(7,465)	(10,212)	(24,686)	(20,179)
Net Loss for the period		(6,460,757)	(4,150,655)	(11,030,017)	(5,569,296)
Other Comprehensive income items:					
Items that are non-classified subsequently to the consolidated statement of profit or loss:					
Unrealized (losses)/profits from financial assets at fair value through other comprehensive income		(19,569,940)	7,383,075	(2,903,082)	10,069,286
Realized profits from financial assets at fair value through other comprehensive income		4,568,453	-	14,330,378	2,282,848
Items that are classified subsequently to the statement of profit or loss:					
Changes in foreign currency translation reserve		672,672	32,847	(2,829,999)	64,356
Total comprehensive income for the year		(14,328,815)	7,415,922	8,597,297	12,416,490
Net comprehensive (Loss)/profits for the Period		(20,789,572)	3,265,267	(2,432,720)	6,847,194
(Loss) attributable to Parent Company shareholders		(6,582,580)	(4,321,476)	(11,383,963)	(6,061,918)
Non-controlling interests		121,823	170,821	353,946	492,622
		(6,460,757)	(4,150,655)	(11,030,017)	(5,569,296)
Net comprehensive (Loss)/income attributable to Parent Company shareholders		(20,911,395)	3,094,446	(2,786,666)	6,354,572
Non-controlling interests		121,823	170,821	353,946	492,622
		(20,789,572)	3,265,267	(2,432,720)	6,847,194
Profit per share					
The weighted average number of shares	10	40,000,000	40,000,000	40,000,000	40,000,000
Loss per share from operations		(0.18)	(0.10)	(0.33)	(0.16)
Loss for the period attributable to shareholders (Basic and diluted)		(0.16)	(0.11)	(0.28)	(0.15)



Finance Manager

Name: Mr. Ahmed Shitaiwi
Signature:

Deputy Chairman and managing director


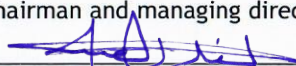


Name: E. Bandar ALhomaidhi
Signature:

The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
For the six-months period ended 30 June 2022
(Saudi Riyal)

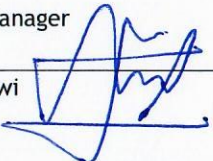
	Share Capital	Foreign currencies translation reserve	Fair value change reserve	Re-measurement reserve of employee benefit obligations	Accumulated Losses	Total equity attributable to shareholders of the Parent Company	Equity for non-controlling interests	Total Equity
Balance as at 1 January 2021	400,000,000	(32,279,754)	(133,107,018)	995,820	(25,192,741)	210,416,307	6,592,858	217,009,165
Net loss for the period	-	-	-	-	(6,061,918)	(6,061,918)	492,622	(5,569,296)
Realized gain from financial assets at fair value through other comprehensive income	-	-	2,282,848	-	-	2,282,848	-	2,282,848
Reclassifying of realized Profit from financial assets at FVOCI to accumulated losses	-	-	(2,282,848)	-	2,282,848	-	-	-
Realized gain from financial assets at fair value through other comprehensive income	-	-	10,069,286	-	-	10,069,286	-	10,069,286
Changes in foreign currency translation reserve	-	64,356	-	-	-	64,356	-	64,356
Total comprehensive income	-	64,356	10,069,286	-	(3,779,070)	6,354,572	492,622	6,847,194
Balance as at 30 June 2021(Unaudited)	400,000,000	(32,215,398)	(123,037,732)	995,820	(28,971,811)	216,770,879	7,085,480	223,856,359

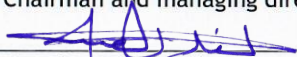
Finance Manager	Deputy Chairman and managing director
 Name: Mr. Ahmed Shitaiwi Signature:	 Name: E. Bandar ALhomaiddhi Signature:

The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
 SAUDI JOINT STOCK COMPANY
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
 For the six-months period ended 30 June 2022
 (Saudi Riyal)

	Share Capital	Foreign currencies translation reserve	Fair value change reserve	Re-measurement reserve of employee benefit obligations	Accumulated Losses	Total equity attributable to shareholders of the Parent Company	Equity for non-controlling interests	Total Equity
Balance as at 1 January 2022	400,000,000	(32,241,605)	(116,223,833)	(42,262)	(47,480,087)	204,012,213	7,325,950	211,338,163
Net loss for the period	-	-	-	-	(11,383,963)	(11,383,963)	353,946	(11,030,017)
Realized gain from financial assets at fair value through other comprehensive income	-	-	14,330,378	-	-	14,330,378	-	14,330,378
Reclassifying of realized profit from the financial assets at FVOCI to accumulated losses	-	-	(14,330,378)	-	14,330,378	-	-	-
Unrealized gain from financial assets at fair value through other comprehensive income	-	-	(2,903,082)	-	-	(2,903,082)	-	(2,903,082)
Changes in foreign currency translation reserve	-	(2,829,999)	-	-	-	(2,829,999)	-	(2,829,999)
Total comprehensive loss	-	(2,829,999)	(2,903,082)	-	2,946,415	(2,786,666)	353,946	(2,432,720)
Balance as at 30 June 2022 (Unaudited)	400,000,000	(35,071,604)	(119,126,915)	(42,262)	(44,533,672)	201,225,547	7,679,896	208,905,443

Finance Manager
 Name: Mr. Ahmed Shitaiwi
 Signature: 

Deputy Chairman and managing director
 Name: E. Bandar ALhomaidhi
 Signature: 

The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
SAUDI JOINT STOCK COMPANY
Interim condensed consolidated interim statement of cash flows (unaudited)
For six-months period ended 30 June 2022
(Saudi Riyal)

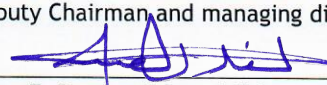
	For the six-months period ended 30 June	
	2022	2021
	(unaudited)	(unaudited)
<u>Cash flows from operating activities:</u>		
Loss for the period before zakat and income tax	(10,015,851)	(4,142,579)
Adjustment to reconcile operating income to net cash flows:		
Depreciation of right of use assets	1,660,670	1,936,700
Depreciation and amortization	4,887,006	5,216,839
Finance costs	1,212,784	1,952,144
Expected credit losses provision	-	624,287
Realized gain from financial assets at fair value through profit or loss	927,220	(338,747)
Amortization of advance payment on operating lease	75,587	75,587
Employee benefit obligations provision	1,355,595	1,550,368
Changes in operating assets and liabilities:		
Trade receivable and other receivables	(514,960)	(4,377,141)
Inventory	297,202	(5,254,802)
Other current assets	(3,906,848)	(934,692)
Accounts payables	3,116,325	2,220,513
Accrued expenses and other current liabilities	418,910	2,712,255
Other provisions	-	487,170
Deferred tax liabilities	(105,642)	22,317
	(592,002)	1,750,219
Zakat and income tax paid	(1,299,774)	(6,923,715)
Employee benefits paid	(799,947)	(741,880)
Net cash used in operating activities	(2,691,723)	(5,915,376)
<u>Cash flows from Investing activities</u>		
Additions to machinery, property, and equipment	(234,626)	(2,379,896)
Net change of financial assets at fair value through Other Comprehensive Income	13,756,666	6,435,971
Net change of financial assets at fair value through profit and loss	3,007,800	-
Net cash resulted from investing activities	16,529,840	4,056,075
<u>Cash flows from Financing activities</u>		
Lease liabilities paid	(2,350,201)	(789,157)
Net cash used in financing activities	(2,350,201)	(789,157)
Net change in cash and cash equivalents	11,487,916	(2,648,458)
Cash and cash equivalents at beginning of the period	11,820,045	16,980,510
Foreign currency translation differences	(2,854,686)	30,713
Cash and cash equivalents at end of the period	20,453,275	14,362,765
<u>Significate Non-cash Transaction</u>		
realized gain from financial assets at fair value through Other Comprehensive Income	14,330,378	10,069,286
Purchase of financial assets at fair value through other comprehensive income through credit facilities	20,000,000	-
Unrealized gain from financial assets at fair value through Other Comprehensive Income	2,903,082	-



Finance Manager

Name: Mr. Ahmed Shitaiwi
Signature:

Deputy Chairman and managing director



Name: E. Bandar ALhomaidhi
Signature:

The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)

SAUDI JOINT STOCK COMPANY

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six-months period ended 30 June 2022

(Saudi Riyal)

1. CORPORATE INFORMATION

Saudi Industrial Development Company (SIDC) ("the Parent Company") was established in the Kingdom of Saudi Arabia as a Saudi joint stock Company pursuant to the decision of the Minister of Commerce No. 673 dated 14 December 1992 (corresponding to 20 Jumada Al-Thani 1413 H.). The Company obtained its Commercial Registration No. 4030092792, which is issued in Jeddah on 1 January 1993 (corresponding to 17 Rajab 1413 H.).

The Company's authorized, issued and fully paid share capital is SR 400 million which is divided into 40 million shares stated at SR 10 each (2020: 40 million shares stated at SR 10 each).

The Company's activities represent manufacture of sanitary ware from plastics, including (washing basins, showers, toilets ... etc.), the manufacture of sponge products.

The interim condensed consolidated financial statements consist of the financial statements of the Saudi Industrial Development Company (SIDC) (the "parent company") and its branches and subsidiaries, all referred to as (the "Group"). As mentioned in note (2-5) of these interim condensed consolidated financial statements, the Group's subsidiaries and main activities along with the share were disclosed.

2. SIGNIFICANT ACCOUNTING POLICIES

2-1 Basis of preparation

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. They should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021. In addition, results for the interim period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The interim condensed consolidated financial statements have been prepared based on historical cost, except financial assets at fair value through other Comprehensive income and financial assets at fair value through profits or losses which measured at fair value and employees' defined benefit obligations where current actuarial value calculations are used. The condensed consolidated interim financial statements are presented in Saudi Riyals, which is the company's functional currency - unless otherwise stated.

Some of the prior period's amounts have been reclassified to comply the current period review.

2-2 Climate Change

The Group reviewed its exposure to climate and other emerging business risks, but did not identify any risks that could affect the Group's financial performance or position as of June 30, 2022.

The Group will continue to monitor closely the impact of climate change as the situation progresses to manage potential business disruption, and this may have an impact on the Group's operational and financial performance in 2022.

2-3 Devaluation of the currency of the Arab Republic of Egypt

During the period the Egyptian pound recorded a decrease in the exchange rate against the Saudi riyal. As a result, a currency translation adjustment was recorded in relation to the translation of operations for the subsidiary in the Arab Republic of Egypt.

2-4 New standards, amendments to existing standards and interpretations

There are no new standards issued by the International Accounting Standards Board (IASB), however, a number of amendments to the standards are effective as of 1 January 2022, which were explained in the annual consolidated financial statements of the group as of 31 December 2021 and there is no material impact on the interim condensed consolidated financial statements of the group as of 30 June 2022.

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)

SAUDI JOINT STOCK COMPANY

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six-months period ended 30 June 2022

(Saudi Riyal)

2. SIGNIFICANT ACCOUNTING POLICIES (GROUP) (continued)

2-5 Basis of consolidation

The interim condensed consolidated financial statements include the interim financial statements of the Company and the Subsidiary (the "Group") as of 30 June 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its transactions with the investee and has the ability to affect those returns through exercising its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its transactions with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has control over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the Group obtains control over the Subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date it ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of the Subsidiaries to bring its accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in interim condensed consolidated statement of comprehensive income. Any investment retained is recognized at fair value.

The following subsidiaries which are directly or indirectly owned by more than 50% and/or the company can exercise acquisition over them. Those are consolidated in this financial information based on the initial condensed financial information of the subsidiaries.

Below are the details of the subsidiary:

Subsidiary	Country of incorporation	Percentage share
SIDC Commercial Investment Limited Company	Kingdom of Saudi Arabia	%100
SIDC Projects Investment Limited Company	Kingdom of Saudi Arabia	%100
Global Marketing Company for Sleeping System Ltd. (Sleep High)	Kingdom of Saudi Arabia	%100
Arabian Co. For Manufacturing Sponges & Springs Mattresses Ltd. (Sleep High Egypt)	Arab republic of Egypt	%100
Emmdad Logistic Services Company	Kingdom of Saudi Arabia	%50

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)

SAUDI JOINT STOCK COMPANY

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six-months period ended 30 June 2022

(Saudi Riyal)

3. SEGMENT INFORMATION

The sector is an essential part of the Group that provides certain products or services (business sector) or provides products or services in a certain economic environment (geographical sector) whose profits and losses differ from those of other sectors.

The geographical sector is linked to the provision of products or services in a specific economic environment subject to risks and returns different from those related to employment sectors in economic environments.

The basic cluster model for sectoral reports is based on labour sectors. Business sectors are determined based on group management and internal reporting structure.

The Group operates in the following key sectors:

- Mattress and sponge sector, includes the production and sale of sponges with various pressures and structures of mattresses, beds and all their accessories.
- Sanitary ware sector, includes production and sale of sanitary ware, wall tiles, ceramic flooring and acrylic bathtubs.
- Other sectors.

The following is the distribution of the activity of the company and its subsidiaries after excluding the impact of transactions between the group's companies according to the operational and geographical sectors that are the main business sectors of the group:

Operating Segment

Descriptions	Mattresses and sponges	Toiletries	Other Segments	Total
30 June 2022 (Unaudited)				
Total assets	183,721,422	46,648,160	90,791,392	321,160,974
Total liabilities	82,847,463	17,791,399	11,616,669	112,255,531
Net sales	75,687,369	7,132,449	-	82,819,818
(Loss) attributable to shareholders for the period	<u>(3,341,015)</u>	<u>(2,860,942)</u>	<u>(5,182,006)</u>	<u>(11,383,963)</u>
30 June 2021 (Unaudited)				
Total assets	183,495,141	48,485,598	74,963,331	306,944,070
Total liabilities	53,775,066	18,293,983	11,018,662	83,087,711
Net sales	81,050,323	6,426,074	-	87,476,397
Profit / (loss) attributable to shareholders for the period	<u>1,992,710</u>	<u>(3,373,378)</u>	<u>(4,681,250)</u>	<u>(6,061,918)</u>
31 December 2021 (Audited)				
Total assets	175,056,939	45,065,179	80,806,146	300,928,264
Total liabilities	<u>59,074,236</u>	<u>19,363,615</u>	<u>11,152,250</u>	<u>89,590,101</u>

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
SAUDI JOINT STOCK COMPANY
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six-months period ended 30 June 2022
(Saudi Riyal)

3. SEGMENT INFORMATION (continued)

Geographic Information

Descriptions	Kingdom of Saudi Arabia	Arab Republic of Egypt	Total
30 June 2022 (Unaudited)			
Total assets	292,141,874	29,019,100	321,160,974
Total liabilities	105,100,933	7,154,598	112,255,531
Net sales	66,084,889	16,734,929	82,819,818
Net loss for the period	<u>(11,127,343)</u>	<u>(256,620)</u>	<u>(11,383,963)</u>
30 June 2021 (Unaudited)			
Total assets	274,950,776	31,993,294	306,944,070
Total liabilities	74,800,291	8,287,420	83,087,711
Net sales	70,069,864	17,406,533	87,476,397
Net Loss for the period	<u>(8,092,270)</u>	<u>2,030,352</u>	<u>(6,061,918)</u>
31 December 2021 (Audited)			
Total assets	266,613,629	34,314,635	300,928,264
Total liabilities	<u>80,172,984</u>	<u>9,417,117</u>	<u>89,590,101</u>

4. PROPERTY, PLANT AND EQUIPMENT

For the purposes of preparing the interim condensed consolidated statement of cash flows, the movement in property, plant and equipment during the six-month period ended June 30 is as follows:

	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Depreciation	4,840,758	5,049,833
Addition property, plant and equipment	234,626	2,379,896

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
A. " Arabian Industrial Fiber Company (Ibn Rushd)		
Cost	132,900,000	132,900,000
Less: Fair value reserve for investment	<u>(132,900,000)</u>	<u>(132,900,000)</u>
	-	-
b. Warehouses & Support Services Company		
Fair Value	<u>5,250,000</u>	<u>5,250,000</u>
c. Investment in priced local securities portfolio as below note		
Fair Value	<u>72,674,963</u>	<u>55,004,333</u>
	<u>77,924,963</u>	<u>60,254,333</u>

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)**SAUDI JOINT STOCK COMPANY****NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

For the six-months period ended 30 June 2022

(Saudi Riyal)

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

* Financial assets at fair value through other comprehensive income include equity shares in the value of a portfolio dedicated to investing in shares of banks and other stock companies traded in the Saudi stock market that are not held for trading and which the Group has made an irrevocable choice when proving in principle to demonstrate changes in fair value through other comprehensive income rather than profit or loss, as these strategic investments are considered more important by the Group. The Group maintains this portfolio at a local financial brokerage company licensed in Saudi Arabia. These investments were proven at fair value as of 30 June 2022, and 31 December 2021, in accordance with the closing rates at the end of trades at the date of the financial position.

The movement on investment in a local securities portfolio priced during the period year is as follows:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
1 January	55,004,333	38,774,506
Unrealized (loss)/gain	(2,903,082)	16,883,185
Net additions (Disposal) during the period/year	20,573,712	(653,358)
	<u>72,674,963</u>	<u>55,004,333</u>

6. Trade receivable and other receivable

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Trade receivables	18,786,862	17,435,583
Notes receivable	33,932	598,438
Checks under collection	89,484	84,865
Allowance for expected credit losses	(663,855)	(387,423)
	<u>18,246,423</u>	<u>17,731,463</u>

7. Financial assets at fair value through profit and loss

Investments are the value of a portfolio dedicated to investing in the shares of banks and other joint stock companies traded in the Saudi stock market for the purpose of trading. The Group maintains this portfolio at a local financial brokerage company licensed in Saudi Arabia. Investments in securities purchased for trading have been proven at fair value according to the closing rates of the end of trading at the date of the financial position. The movement on investments during the period/year is as follows:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
1 January	3,935,020	956,050
Unrealized profits	-	612,802
Net additions (Disposal) during the period/year	(3,935,020)	2,366,168
	<u>-</u>	<u>3,935,020</u>

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)

SAUDI JOINT STOCK COMPANY

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six-months period ended 30 June 2022

(Saudi Riyal)

8. Credit Facilities

The Group's credit facilities are as follows:

- A. Credit facilities granted by the Arab Investment Bank/Arab republic of Egypt to finance the purchase of raw materials for a subsidiary in the Arab republic of Egypt. As of 30 June 2022, the amount of 3,995,740 million Saudi riyals (31 December 2021: 4,032,949 Saudi riyals) equivalent to USD 1,021,475 stated as letter of credit with a variable interest rate.
- B. During 2022 a subsidiary signed an agreement to buy and sell certain securities with Daraya ("Daraya"), the agreement amount is SAR 20 million at an annual interest rate of 6.25%.

All of the subsidiary assets available in the portfolios are granted against the facilities, in addition to promising notes. The entire fund balance was used fully by the subsidiary. Under the term of the agreement, payment is due 12 month from the date of signature of the agreement.

9. ZAKAT and Income tax

a) Zakat and income tax payable as shown in the consolidated financial position are as follow

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Zakat Payable	6,880,297	6,373,969
Income tax Payable	342,937	1,159,559
	<u>7,223,234</u>	<u>7,533,528</u>

b) Zakat and income tax charged to the profit or loss and other comprehensive income:

	For the six - month period ended 30 June	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Zakat during the period	(623,082)	(782,263)
Income tax during the period	(366,398)	(624,275)
	<u>(989,480)</u>	<u>(1,406,538)</u>

c) Group's Zakat and Tax status

There has been no substantial change in ZAKAT and TAX status compared with the year ended 31 December 2021.

10. (LOSS) PER SHARE

The basic and reduced share of the share of net profit is calculated by dividing the net loss for the regular shareholder period by the weighted average number of shares existing at the date of the interim condensed consolidated financial statement.

	For the six - months period ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Net loss of period (SAR)	(11,383,963)	(6,061,918)
Weighted average number of shares during the period (share)	40,000,000	40,000,000
Basic and reduced share per share (SAR)	<u>(0.28)</u>	<u>(0.15)</u>

There was no reduction element affecting the weighted average number of shares.

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)

SAUDI JOINT STOCK COMPANY

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six-months period ended 30 June 2022

(Saudi Riyal)

11. Legal Claims

A final judgement was issued by the Court of Appeal in case No. 2798 of 1434H in favour of the Saudi Industrial Development Company "SIDC" ("Plaintiff") against the Johainah Trading, Industry and Contracting Company Limited ("Defendant"); By requiring the defendant to pay the plaintiff a lump sum of SAR 15,193,873, as well as a judgement of the Court of First Instance requesting an interpretation of the judgement in case No. 2798 of 1434H, in solidarity with both Johainah Trading, Industry and Contracting Co. Ltd. ("defendant") and Abbas bin Ali bin Ahmed Abdualjawad The Court of Appeal then set aside the decision to grant the request for interpretation and reiterated its decision to reject the request for interpretation. A cassation motion was filed against the judgement in the request for interpretation. The application for cassation is pending. The application for execution of the judgement was filed with the execution court of Jeddah against Johainah. (3901242395) dated 10/11/1439 A.H. and issued against Johainah and its branches by resolution (34) and after resolution (46); On the basis of the above facts, the proceedings for execution of the judgement and the attempt to collect the amount are ongoing by the execution court, and any amounts collected will be credited directly upon collection.

During 2019, the Arab Investment Bank of the Republic of Egypt filed a lawsuit against the Arabian Co. For Manufacturing Sponges & Springs Mattresses Ltd. (Sleep High Egypt) (a subsidiary of the Group) for the payment of additional amounts in excess of the value of credit facilities. On 5 July 2021, the Court decided to reject the invitation and obliged the plaintiff (Arab Investment Bank) to pay the expenses and lawyers' fees. On 20 October 2021, the plaintiff (Arab Investment Bank) filed an appeal against the judgement and no meeting had been scheduled as of the date of issuance of this interim condensed consolidated financial statement.

12. Fair Value

Fair value is the amount by which an asset is sold or paid in a regular transaction between the market parties as at the date of measurement.

The Group's financial assets consist of cash, commercial receivables, receivables, other current assets and financial assets at fair value. Its financial liabilities consist of commercial creditors, other current liabilities, credit facilities and lease obligations.

These assets and financial liabilities were measured at amortized cost and there were no financial instruments or amounts for the group that were measured at fair value except financial assets at fair value through other comprehensive income and financial assets at fair value through profits or losses. The financial assets for which fair values have been measured and whose fair values have been disclosed in the short consolidated initial financial statements are classified within the hierarchy of fair values set out below based on the minimum level data considered essential for measuring fair values as a whole:

- Level I: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level II: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level III: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As of 30 June 2022, and 31 December 2021, the fair values of the Group's financial instruments were estimated to approximate to its book values and are classified as level 1 and 3 of the hierarchy structure of fair values.

13. Approval of the consolidated financial statements

The issuance of the Group's consolidated financial statements for the six-months period ended 30 June 2022 was approved by Board of Directors on 15/08/2022