

**BAWAN COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS (UNAUDITED)  
FOR THE THREE AND SIX MONTHS PERIODS  
ENDED JUNE 30, 2022  
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

**BAWAN COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2022**

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**Ibrahim Ahmed Al-Bassam & Co**  
Certified Public Accountants - Al-Bassam & Co.  
(member firm of PKF International)

## INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**The Shareholders**  
**Bawan Company**  
**(A Saudi Joint Stock Company)**  
**Riyadh, Kingdom of Saudi Arabia**

### Introduction:

We have reviewed the accompanying consolidated interim statement of financial position of Bawan Company (the "Company"), a Saudi Joint Stock Company and its subsidiaries (collectively referred to as the "Group") as of June 30, 2022, the related consolidated interim statement of profit or loss and other comprehensive income for the three and six months periods then ended, the consolidated interim statements of changes in equity and cash flows for the six months period then ended and notes including a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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.

### Conclusion:

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

**Al-Bassam & Co.**

P.O. Box 69658

Riyadh 11557

Kingdom of Saudi Arabia

**Ibrahim Ahmed Al Bassam**

License No. 337

Riyadh,

August 9, 2022

Muharram 11, 1444H



**BAWAN COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2022**  
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

		<b>June 30, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>Note</b>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6, 9.3, 10	715,736	709,840
Right-of-use assets		21,761	18,485
Goodwill		4,397	4,397
Intangible assets		4,527	5,722
Other assets		2,700	2,913
<b>Total non-current assets</b>		<b>749,121</b>	<b>741,357</b>
<b>Current assets</b>			
Inventories		731,246	661,505
Spare parts		28,995	27,867
Financial assets at fair value through profit or loss (FVTPL)		2,495	-
Trade and other receivables	7, 16	687,823	690,786
Contract assets		52,665	40,932
Cash and cash equivalents		52,280	40,305
<b>Total current assets</b>		<b>1,555,504</b>	<b>1,461,395</b>
<b>TOTAL ASSETS</b>		<b>2,304,625</b>	<b>2,202,752</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	8	600,000	600,000
Statutory reserve		46,126	36,636
Retained earnings		188,291	102,877
Equity attributable to shareholders of the Company		834,417	739,513
Non-controlling interests		50,026	50,389
<b>TOTAL EQUITY</b>		<b>884,443</b>	<b>789,902</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	9	56,425	80,541
Lease liabilities		21,224	17,322
Employee defined benefit liabilities		87,637	85,562
<b>Total non-current liabilities</b>		<b>165,286</b>	<b>183,425</b>
<b>Current liabilities</b>			
Trade and other payables		553,361	483,449
Short-term borrowings	9	561,238	552,963
Current portion of long-term borrowings	9	48,507	64,994
Contract liabilities		61,472	56,209
Current portion of lease liabilities		2,374	2,724
Zakat and income tax payable		23,004	22,946
Dividends payable	17	4,940	46,140
<b>Total current liabilities</b>		<b>1,254,896</b>	<b>1,229,425</b>
<b>TOTAL LIABILITIES</b>		<b>1,420,182</b>	<b>1,412,850</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,304,625</b>	<b>2,202,752</b>

  
Financial Reporting Director

  
Chief Executive Officer

  
Authorized Board of Directors Member

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**BAWAN COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME (UNAUDITED)**  
**FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2022**  
**(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)**

		Three months period ended June 30,		Six months period ended June 30,	
	Note	2022	2021	2022	2021
<b>Continuing operations</b>					
Revenue	11, 12, 13	849,114	788,815	1,799,539	1,650,935
Cost of revenue	11	(740,796)	(673,388)	(1,566,489)	(1,433,048)
<b>Gross profit</b>		<b>108,318</b>	<b>115,427</b>	<b>233,050</b>	<b>217,887</b>
Selling and distribution expenses		(23,672)	(21,346)	(46,695)	(42,322)
General and administrative expenses		(28,036)	(36,901)	(57,058)	(64,775)
Expected credit loss (ECL) allowance on financial assets	7	(2,862)	(3,950)	(8,939)	(7,950)
Gain on disposal of investment in financial assets at FVTPL		555	469	2,964	1,496
Fair value loss on investment in financial assets at FVTPL		(297)	(382)	(434)	-
Other (expenses) / income, net		(318)	2,881	(760)	2,686
<b>Profit before finance costs and zakat and income tax</b>		<b>53,688</b>	<b>56,198</b>	<b>122,128</b>	<b>107,022</b>
Finance costs		(6,116)	(5,305)	(11,127)	(9,061)
<b>Profit before zakat and income tax</b>		<b>47,572</b>	<b>50,893</b>	<b>111,001</b>	<b>97,961</b>
Zakat and income tax		(2,806)	(6,807)	(12,660)	(11,415)
<b>Profit from continuing operations</b>		<b>44,766</b>	<b>44,086</b>	<b>98,341</b>	<b>86,546</b>
Loss from discontinued operations		-	(2,250)	-	(2,250)
<b>Net profit for the period</b>		<b>44,766</b>	<b>41,836</b>	<b>98,341</b>	<b>84,296</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>44,766</b>	<b>41,836</b>	<b>98,341</b>	<b>84,296</b>
<b>Profit / (loss) for the period attributable to:</b>					
Shareholders of the Company		44,555	43,121	94,904	84,802
Non-controlling interests		211	(1,285)	3,437	(506)
		<b>44,766</b>	<b>41,836</b>	<b>98,341</b>	<b>84,296</b>
<b>Total comprehensive income / (loss) for the period attributable to:</b>					
Shareholders of the Company		44,555	43,121	94,904	84,802
Non-controlling interests		211	(1,285)	3,437	(506)
		<b>44,766</b>	<b>41,836</b>	<b>98,341</b>	<b>84,296</b>
<b>Total comprehensive income / (loss) for the period attributable to the shareholders of the Company arises from:</b>					
Continuing operations		44,555	45,045	94,904	86,726
Discontinued operations		-	(1,924)	-	(1,924)
		<b>44,555</b>	<b>43,121</b>	<b>94,904</b>	<b>84,802</b>
<b>Earnings per share for profit from continuing operations attributable to the ordinary shareholders of the Company</b>					
Basic and diluted	5	0.74	0.75	1.58	1.44
<b>Earnings per share for profit attributable to the ordinary shareholders of the Company:</b>					
Basic and diluted	5	0.74	0.72	1.58	1.41

Financial Reporting Director

Chief Executive Officer

Authorized Board of Directors Member

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

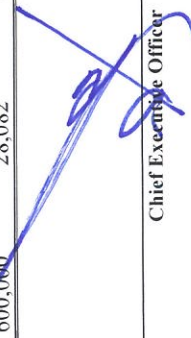


**BAWAN COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**  
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Share capital	Statutory reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
January 1, 2022 (Audited)	600,000	36,636	-	102,877	739,513	50,389	789,902
Net profit for the period	-	-	-	94,904	94,904	3,437	98,341
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	94,904	94,904	3,437	98,341
Transfer to statutory reserve	-	9,490	-	(9,490)	-	-	-
<b>Transactions with current owners in their capacity as owners:</b>							
Dividends	-	-	-	-	-	(3,800)	(3,800)
June 30, 2022 (Unaudited)	<b>600,000</b>	<b>46,126</b>	<b>-</b>	<b>188,291</b>	<b>834,417</b>	<b>50,026</b>	<b>884,443</b>
January 1, 2021 (Audited)	600,000	19,602	(2,167)	75,084	692,519	62,900	755,419
Net profit / (loss) for the period	-	-	-	84,802	84,802	(506)	84,296
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	84,802	84,802	(506)	84,296
Transfer to statutory reserve	-	8,480	-	(8,480)	-	-	-
<b>Transactions with current owners in their capacity as owners:</b>							
Dividends	-	-	-	(36,000)	(36,000)	(1,815)	(37,815)
June 30, 2021 (Unaudited)	<b>600,000</b>	<b>28,082</b>	<b>(2,167)</b>	<b>115,406</b>	<b>741,321</b>	<b>60,579</b>	<b>801,900</b>



Financial Reporting Director



Chief Executive Officer



Authorized Board of Directors Member

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**BAWAN COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**  
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Six months period ended June 30,	
	2022	2021
<b>Cash flows from operating activities</b>		
Profit / (loss) before zakat:		
Continuing operations	111,001	97,961
Discontinued operations	-	(2,250)
Profit before zakat including discontinued operations	111,001	95,711
<b>Adjustments for:</b>		
Depreciation and amortization	36,634	37,033
Employee defined benefit liabilities	5,156	5,804
Finance costs	11,127	9,061
ECL allowance on trade receivables	8,939	7,950
Fair value loss on investment in financial assets at FVTPL	434	-
Gain on disposal of investment in financial assets at FVTPL	(2,964)	(1,496)
Gain on disposal of property, plant and equipment	(659)	(1,111)
Operating cash flows before movement in working capital	169,668	152,952
<b>Changes in working capital:</b>		
Inventories	(69,741)	19,064
Spare parts	(1,128)	767
Trade and other receivables and other assets	(5,763)	(126,828)
Contract assets	(11,733)	(1,365)
Trade and other payables	69,912	95,861
Contract liabilities	5,263	(12,944)
<b>Cash generated from operations</b>	156,478	127,507
Employee defined benefit liabilities paid	(4,156)	(4,661)
Zakat paid	(12,602)	(12,438)
Finance costs paid	(8,978)	(8,988)
<b>Net cash flows generated from operating activities</b>	130,742	101,420
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(39,845)	(20,906)
Proceeds from disposal of property, plant and equipment	689	1,630
Purchases of intangible assets	(322)	(199)
Purchases of investment in financial asset at FVTPL	(18,683)	(1,771)
Proceeds from sale of investment in financial asset at FVTPL	18,718	28,758
<b>Net cash flows (used in) generated from investing activities</b>	(39,443)	7,512
<b>Cash flows from financing activities</b>		
Short-term borrowings, net	8,275	(25,231)
Repayment of long-term borrowings	(40,603)	(53,284)
Repayment of lease liabilities	(1,996)	(1,007)
Dividends paid to the shareholders	(45,000)	(35,739)
Dividends paid to non-controlling interests	-	(1,815)
<b>Net cash flows used in financing activities</b>	(79,324)	(117,076)
<b>Net change in cash and cash equivalents</b>	11,975	(8,144)
Cash and cash equivalents at the beginning of the period	40,305	47,012
<b>Cash and cash equivalents at the end of the period</b>	52,280	38,868
<b>Supplementary information</b>		
Right-of-use asset and lease liabilities recognized	4,474	-
Written-off / adjustments in trade receivables	444	-
Employee defined benefit liabilities transferred to trade and other payables	-	4,838

Financial Reporting Director

Chief Executive Officer

Authorized Board of Directors Member

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**BAWAN COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2022**  
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

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**1. GENERAL INFORMATION**

Bawan Company ("Bawan", the "Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration number 1010033032 dated 9 Shawwal 1400H (corresponding to August 20, 1980G). The Company's shares are traded on the Saudi Stock Exchange (Tadawul). The Company's financial year ends on December 31 every year.

The address of the Group's head office and principal activities of Bawan and its subsidiaries (collectively the "Group") remain the same as disclosed in the Group's annual consolidated financial statements for the year ended December 31, 2021.

**2. BASIS OF PREPARATION**

**Statement of compliance**

The condensed consolidated interim financial statements for the three and six months periods ended June 30, 2022 have been prepared in accordance with International Accounting Standard ("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").

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

**Basis of measurement**

These condensed consolidated interim financial statements are prepared under the historical cost convention, except for certain financial instruments measured at fair value and the employee defined benefits liability which is stated at the present value of the related obligation.

These condensed consolidated interim financial statements are presented in Saudi Riyals (SR), which is the Group's functional currency, and all values are rounded to the nearest thousand, except where otherwise stated.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements as of and for the year ended December 31, 2021, and the notes attached thereto, except for the adoption of certain new and revised standards that became effective in the current period.

**New Standards, Amendments to Standards and Interpretations effective from January 1, 2022**

There are no new standards issued, however, there are number of amendments to standards which are effective from January 1, 2022 and have been explained in the Group's annual consolidated financial statements for the year ended December 31, 2021, but they do not have a material effect on the Group's condensed consolidated interim financial statements.



**BAWAN COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2022**  
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

**4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual consolidated financial statements as of and for the year ended December 31, 2021.

However, management has proactively assessed the potential impact of the Coronavirus (Covid-19) pandemic for any further regulatory and government restrictions both locally and in the market in which the Group operates. Management has concluded that the critical accounting judgements, estimates and assumptions remain appropriate under the current circumstances and there are no changes to the significant judgements and estimates disclosed in the annual consolidated financial statements for the year ended December 31, 2021.

**5. EARNINGS PER SHARE**

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing profit for the period attributable to the ordinary equity holders of the Company separately from each of the continuing and discontinued operations by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding during the period for the effects of all dilutive potential ordinary shares. Since the company has no such dilutive potential ordinary shares, the calculation and presentation of basic and diluted EPS of the Company will be the same.

The following table reflects the profit and weighted average number of ordinary shares used in the computations:

	Three months period ended June 30,		Six months period ended June 30,	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period attributable to the shareholders of the Company used in calculating basic and diluted earnings per share:				
- From continuing operations	44,555	45,045	94,904	86,726
- From discontinued operations	-	(1,924)	-	(1,924)
	44,555	43,121	94,904	84,802
Weighted average number of ordinary shares outstanding during the period	60,000	60,000	60,000	60,000
<b>Basic and diluted earnings per share</b>				
- From continuing operations attributable to the shareholders of the Company	0.74	0.75	1.58	1.44
- From discontinued operations attributable to the shareholders of the Company	-	(0.03)	-	(0.03)
Total basic and diluted earnings per share attributable to the shareholders of the Company	0.74	0.72	1.58	1.41

**BAWAN COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2022**  
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

**6. PROPERTY, PLANT AND EQUIPMENT**

During the period ended June 30, 2022, the Group purchased items of property, plant and equipment amounting to SR 39.85 million (period ended June 30, 2021: SR 20.91 million).

**7. TRADE AND OTHER RECEIVABLES**

The following table shows the movement in lifetime ECL that has been recognized against trade receivables during the period/year:

	<b>June 31, 2022 (Unaudited)</b>	December 31, 2021 (Audited)
As at beginning of the period / year	<b>92,080</b>	83,764
ECL allowance for the period / year	<b>8,939</b>	16,560
Written-off / adjustments during the period / year	<b>(444)</b>	(8,244)
As at end of the period / year	<b>100,575</b>	92,080

**8. SHARE CAPITAL**

The Company had 60 million shares of SR 10 each in issue as at June 30, 2022 and December 31, 2021 amounting to total issued capital of SR 600 million. There was no movement in share capital during the current period.

During the period ended June 30, 2022, the Board of Directors of the Company recommended to the Extraordinary General Assembly to approve the purchase of its shares for the purpose of keeping them as treasury shares, with a maximum number of 3 million shares, provided that it does not exceed 5% of the issued shares.

**9. BORROWINGS**

**9.1 Short-term borrowings**

The Group has obtained bank facilities ("the Facilities") in the form of short-term loans, Islamic Murabaha, forward exchange contracts, and letters of credit and guarantee. The Facilities carry interest at prevailing market rates and are secured by promissory notes and corporate guarantees of the Group.

**9.2 Term loans payable to banks**

The Group has obtained bank loans from local banks which are repayable in quarterly/ semi-annual installments. The loans carry interest at prevailing market rates and are secured by promissory notes and corporate guarantees of the Group.

**9.3 Saudi Industrial Development Fund (SIDF) loans**

The Group has obtained various loans from SIDF for the construction and expansion of its concrete and plastic segment plants and the delivery of an ongoing project. These loans are guaranteed by promissory notes, corporate guarantees of the Group and mortgages of property, plant and equipment with a carrying value of SR 45.43 million as at June 30, 2022 (December 31, 2021: SR 93.65 million). The final repayment of SIDF loans is due in 2023.

All of the above borrowings require the maintenance of certain debt covenants. As at June 30, 2022 and December 31, 2021, none of the conditions require to cause the loans to be payable on demand by the loan agreements.

**10. CONTINGENCIES AND COMMITMENTS**

The Group had capital commitments of SR 11.78 million as at June 30, 2022 (December 31, 2021: SR 12.96 million).

The Group had contingent liabilities arising from letters of credit and guarantee of SR 692.74 million as at June 30, 2022 (December 31, 2021: SR 738.43 million).

**BAWAN COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2022**  
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

**11. RELATED PARTIES' INFORMATION**

During the periods presented, the Group entered into the following significant transactions with its related parties:

	<b>Three months period ended June 30,</b>		<b>Six months period ended June 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	61,151	65,294	148,098	132,721
Purchases	12,079	11,344	19,883	22,857
Royalties	244	269	639	623

As of June 30, 2022, amounts due from and due to related parties mainly relate to the above mentioned transactions.

During the period, short-term and long-term employment benefits to the Company's key management personnel amounted to SR 2.87 million (2021: SR 2.68 million). Key management personnel include directors and key executives at the Company level.

**12. REVENUE**

The Group derives its revenue from contracts with customers for sale of goods over time amounting to SR 62.06 million (2021: SR 35.67 million) and at a point in time amounting to SR 1,737.48 million (2021: SR 1,615.27 million). Refer to note 13 for revenue from each reportable segment under IFRS 8 "Operating Segments".

**13. SEGMENT REPORTING**

Operating business segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The segment information is reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

Business segments have been approved by the management in respect of the Group's activities which are consistent with the Group's internal reporting processes:

- Metal and Wood
- Plastic
- Electrical
- Concrete
- Other (Other segment is a residual segment and comprises of Bawan Company representing only the holding company (i.e. head office) and associated activities carried out at the head office level).

The following is an analysis of the Group's revenue and results by segment:

	<b>Metal and Wood</b>	<b>Plastic</b>	<b>Electrical</b>	<b>Concrete</b>	<b>Other</b>	<b>Total</b>
<b>Six months period ended June 30,</b>						
<b>2022 - Unaudited</b>						
Revenue	1,182,866	189,279	319,213	108,181	-	1,799,539
Profit / (loss) for the period	92,915	12,548	9,635	(2,104)	(14,653)	98,341
Total assets	1,018,165	557,578	451,265	237,626	39,991	2,304,625
Total liabilities	508,235	347,133	351,908	161,852	51,054	1,420,182
Segment revenues	1,182,866	190,061	319,213	108,181	-	1,800,321
Intersegment revenues	-	(782)	-	-	-	(782)
External revenues	1,182,866	189,279	319,213	108,181	-	1,799,539

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**13. SEGMENT REPORTING (Continued)**

	<b>Metal and Wood</b>	<b>Plastic</b>	<b>Electrical</b>	<b>Concrete</b>	<b>Other</b>	<b>Total</b>
<b><u>As of June 30, 2022 – Unaudited</u></b>						
Segment assets	1,018,165	558,181	451,823	237,626	132,827	2,398,622
Consolidation adjustments	-	(603)	(558)	-	(92,836)	(93,997)
Total assets	1,018,165	557,578	451,265	237,626	39,991	2,304,625
Segment liabilities	580,035	347,133	353,103	180,575	51,054	1,511,900
Consolidation adjustments	(71,800)	-	(1,195)	(18,723)	-	(91,718)
Total liabilities	508,235	347,133	351,908	161,852	51,054	1,420,182

	<b>Metal and Wood</b>	<b>Plastic</b>	<b>Electrical</b>	<b>Concrete</b>	<b>Other</b>	<b>Total</b>
<b><u>Six months period ended June 30, 2021 – Unaudited</u></b>						
Revenue	1,154,651	167,395	255,499	73,390	-	1,650,935
Profit / (loss) for the period	83,032	21,154	658	(8,232)	(12,316)	84,296
Segment revenues	1,154,651	167,395	255,591	73,390	-	1,651,027
Intersegment revenues	-	-	(92)	-	-	(92)
External revenues	1,154,651	167,395	255,499	73,390	-	1,650,935

	<b>Metal and Wood</b>	<b>Plastic</b>	<b>Electrical</b>	<b>Concrete</b>	<b>Other</b>	<b>Total</b>
<b><u>As of December 31, 2021 - Audited</u></b>						
Total assets	971,270	550,494	391,603	250,907	38,478	2,202,752
Total liabilities	487,003	352,524	302,204	172,547	98,572	1,412,850
Segment assets	971,270	551,113	391,848	250,907	61,797	2,226,935
Consolidation adjustments	-	(619)	(245)	-	(23,319)	(24,183)
Total assets	971,270	550,494	391,603	250,907	38,478	2,202,752
Segment liabilities	490,053	352,613	302,897	190,716	98,572	1,434,851
Consolidation adjustments	(3,050)	(89)	(693)	(18,169)	-	(22,001)
Total liabilities	487,003	352,524	302,204	172,547	98,572	1,412,850

Segment revenues reported above represent revenue generated from both external customers and related parties. There were no significant inter-segment revenues during the three and six months periods ended June 30, 2022 and 2021. Furthermore, no single customer contributed more than or equal to 10% of the Group's revenue in any of the three and six months periods ended June 30, 2022 and 2021.

The majority of the Group's operating assets and principal markets of activity are located in the Kingdom of Saudi Arabia.



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**14. FAIR VALUE MEASUREMENT**

The Group measures financial assets at fair value through profit or loss at each statement of financial position date. 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. Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is 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.

The financial assets measured at FVTPL at the end of the reporting period are classified as level 1 in the fair value hierarchy. There were no transfers between the levels of fair value hierarchies during the period.

The carrying values of the financial instruments reported in the consolidated interim statement of financial position approximate their fair values.

**15. CORONAVIRUS PANDEMIC (COVID-19)**

The Group is continuing its operations without any significant disruption after implementing the necessary business continuity procedures and ensuring required precautionary measures. As the COVID-19 situation is still fluid and evolving, currently it is difficult to measure the complete extent and duration of the economic impact. However, management believes, based on its assessment of the situation and available information, that there is no significant impact on the Group's financial performance and that the Group has sufficient liquidity and access to financing facilities to continue to meet its financial obligations for the foreseeable future as and when they become due.

**16. SIGNIFICANT EVENTS DURING THE PERIOD**

On February 11, 2020, one of the plastic segment factories caught fire which resulted in damage to assets having a net book value of SR 17.69 million which included net book value of property, plant and equipment and inventories amounting to SR 16.5 million and SR 1.19 million respectively. During 2020, the Group had filed an insurance claim against damage of assets and business interruption losses and recorded an insurance claim receivable equal to the book value of assets. During the year 2021, management agreed a final claim settlement with the insurance company at a total amount of SR 33 million bifurcated against loss of assets and business interruption amounting to SR 23 million and 10 million respectively. This resulted in a net gain of SR 15.31 million which was booked in cost of revenue for business interruption and the remaining in other income amounting to SR 10 million and SR 5.31 million respectively in the same year. During the year 2021, the Group received SR 9.60 million from the insurance company representing the partial payment against the insurance claim filed. During the period ended June 30, 2022, the Group received the remaining amount of SR 23.40 million.

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**17. DIVIDENDS**

As of December 31, 2021, the Group had unpaid dividend amounting to SR 46.14 million out of which dividend amounting to SR 45 million were paid during the period.

**18. EVENTS AFTER THE REPORTING DATE**

On August 8, 2022, the Board of Directors of the Company approved distribution of cash dividends of SR 0.85 per share amounting to SR 51.0 million to the shareholders of the Company.

No other events have taken place after the end of the reporting period until the date of approval of these condensed consolidated interim financial statements, which require adjustment to, or separate disclosure, in these condensed consolidated interim financial statements.

**19. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

These condensed consolidated interim financial statements for the three and six months periods ended June 30, 2022 were approved by the Company's Board of Directors on August 8, 2022.