

AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY  
(A SAUDI JOINT-STOCK COMPANY)  
RIYADH - KINGDOM OF SAUDI ARABIA  
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022

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

**TO THE SHAREHOLDERS  
AL ABDULLATIF INDUSTRIA INVESTMENT COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
RIYADH - KINGDOM OF SAUDI ARABIA**

**Introduction**

We have reviewed the consolidated interim condensed statement of financial position of **Al Abdullatif Industrial Investment Company - A Saudi Joint Stock Company** ("the Company") and its subsidiaries (Collectively referred to as "The Group"), as at March 31, 2022, the consolidated interim condensed statements of profits or losses and other comprehensive income for the three months period ended March 31, 2022, the consolidated interim condensed changes in shareholders' equity and the consolidated interim condensed cash flows for the three months period then ended, and summary of significant accounting policies.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard - IAS 34 "Interim Financial Reporting as adopted in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Statements Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that approved 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 and 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 interim financial statements have not been prepared in all material respects, in accordance with International Accounting Standard No. (34) adopted in the Kingdom of Saudi Arabia.

**FOR EL SAYED EL AYOUTY & CO.**

Riyadh: Shawwal 21, 1443 H.  
May 22, 2022 G.



**Abdullah Ahmad Balamash**  
Certified Public Accountant  
License No. (345)



**AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY**  
**(A SAUDI JOINT-STOCK COMPANY)**  
**RIYADH - KINGDOM OF SAUDI ARABIA**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022 (UNAUDITED)**  
**(EXPRESSED IN THOUSANDS OF SAUDI RIYALS)**

|  | Note  | 31/03/2022<br>(unaudited) | 31/12/2021<br>(audited) |
|--|-------|---------------------------|-------------------------|
| <b>Assets</b>  |       |                           |                         |
| <b>Non-current assets</b>  |       |                           |                         |
| Property, plant and equipment - net                                  | 5     | 235.618                   | 228.584                 |
| Investment properties - at cost                                      | 6     | 87.005                    | 87.005                  |
| Right-of-use assets - net  | 7.1   | 16.767                    | 17.158                  |
| Investments at fair value through other comprehensive income (FVOCI) | 8     | 96.379                    | 94.804                  |
| <b>Total non-current assets</b>                                      |       | <b>435.769</b>            | <b>427.551</b>          |
| <b>Current assets</b>  |       |                           |                         |
| Inventory - net  |       | 321.821                   | 350.288                 |
| Trade receivables - net  |       | 412.406                   | 410.596                 |
| Due from related parties   | 9.1   | 45.327                    | 41.353                  |
| Prepayments and other debit balances                                 |       | 34.071                    | 41.275                  |
| Investments at fair value through profits or losses                  | 10    | 2.155                     | 8.950                   |
| Cash and cash equivalents  |       | 78.523                    | 72.430                  |
| <b>Total current assets</b>  |       | <b>894.303</b>            | <b>924.892</b>          |
| <b>Total assets</b>  |       | <b>1,330.072</b>          | <b>1,352.443</b>        |
| <b>Shareholders' equity and liabilities</b>                          |       |                           |                         |
| <b>Shareholders' equity</b>  |       |                           |                         |
| Share capital  | 11    | 812.500                   | 812.500                 |
| Statutory reserve  |       | 241.429                   | 241.429                 |
| Reserve of valuation of investments at fair value                    |       | 7.491                     | 7.491                   |
| Retained earnings  |       | 21.375                    | 33.483                  |
| <b>Total Shareholders' equity</b>                                    |       | <b>1,082.795</b>          | <b>1,094.903</b>        |
| <b>Non-current liabilities</b>                                       |       |                           |                         |
| Lease obligations – non-current portion                              | 7.2.2 | 16.239                    | 16.639                  |
| Employees' defined benefit obligations                               | 12    | 17.407                    | 16.836                  |
| <b>Total non-current liabilities</b>                                 |       | <b>33.646</b>             | <b>33.475</b>           |
| <b>Current liabilities</b>   |       |                           |                         |
| Banks- Islamic credit facilities                                     | 13    | 123.294                   | 152.951                 |
| Lease obligations – current portion                                  | 7.2.1 | 1.361                     | 1.315                   |
| Trade payables   |       | 41.932                    | 30.631                  |
| Due to related parties   | 9.2   | -                         | 147                     |
| Accrued expenses and other credit balances                           |       | 22.317                    | 16.770                  |
| Dividends payable  |       | 481                       | 481                     |
| Provision for zakat  | 14    | 24.246                    | 21.770                  |
| <b>Total current liabilities</b>                                     |       | <b>213.631</b>            | <b>224.065</b>          |
| <b>Total liabilities</b>   |       | <b>247.277</b>            | <b>257.540</b>          |
| <b>Total Shareholders' Equity and Liabilities</b>                    |       | <b>1,330.072</b>          | <b>1,352.443</b>        |

  
Chief Financial Officer

  
Authorized BOD's Member

  
Chief Executive Officer

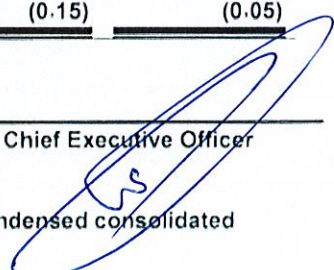
The accompanying notes (1) to (20) form an integral part of these interim condensed consolidated financial statements (unaudited)

**AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY**  
**(A SAUDI JOINT-STOCK COMPANY)**  
**RIYADH - KINGDOM OF SAUDI ARABIA**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**  
**(EXPRESSED IN THOUSANDS OF SAUDI RIYALS)**

|   |             | <b>For the three-month period ended</b> |                    |
|---|-------------|---|--------------------|
|   | <b>Note</b> | <b>31/03/2022</b>                       | <b>31/03/2021</b>  |
|   |             | <b>(unaudited)</b>                      | <b>(unaudited)</b> |
| Revenue   |             | 181,649                                 | 154,104            |
| Cost of revenue   |             | (178,751)                               | (144,541)          |
| <b>Gross profit</b>   |             | <b>2,898</b>                            | <b>9,563</b>       |
| Selling and marketing expenses  |             | (7,376)                                 | (4,723)            |
| General and administrative expenses   |             | (4,738)                                 | (4,643)            |
| Other income  |             | 1,499                                   | 2,552              |
| <b>(Loss) profit from operating activities</b>  |             | <b>(7,717)</b>                          | <b>2,749</b>       |
| Net (income) cost of finance  |             | (814)                                   | (466)              |
| Dividends income  |             | 18                                      | 88                 |
| Profits of valuation of investments at fair value through profits or losses                                       |             |   |                    |
| 10  |             | 1,405                                   | 250                |
| <b>Net (loss) profit for the period before Zakat</b>  |             | <b>(7,108)</b>                          | <b>2,621</b>       |
| Zakat   | 14          | (5,000)                                 | (7,000)            |
| <b>Net loss for the period</b>  |             | <b>(12,108)</b>                         | <b>(4,379)</b>     |
| <b>Other comprehensive income:</b>  |             |   |                    |
| Other comprehensive income items  |             |   |                    |
| <b>comprehensive loss for the period</b>  |             | <b>(12,108)</b>                         | <b>(4,379)</b>     |
| <b>Net loss for the period attributable to:</b>   |             |   |                    |
| Company's Shareholders  |             | (12,108)                                | (4,379)            |
| <b>Net loss for the period</b>  |             | <b>(12,108)</b>                         | <b>(4,379)</b>     |
| <b>Basic and diluted loss attributable to Company's Shareholders of net (loss) for the period in Saudi Riyals</b> | 15          |   |                    |
|   |             | (0.15)                                  | (0.05)             |

  
Chief Financial Officer

  
Authorized BOD's Member

  
Chief Executive Officer

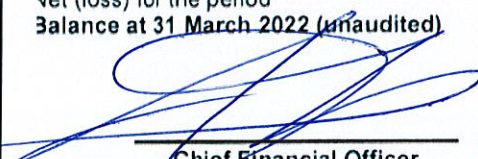
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**AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY**  
**(A SAUDI JOINT-STOCK COMPANY)**  
**RIYADH - KINGDOM OF SAUDI ARABIA**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**  
**(EXPRESSED IN THOUSANDS OF SAUDI RIYALS)**

|  | <u>Share capital</u> | <u>Statutory reserve</u> | <u>Reserve of valuation of investments at fair value</u> | <u>Retained earnings</u> | <u>Total Shareholders' equity</u> |
|--|----------------------|--------------------------|--|--------------------------|-----------------------------------|
| <b>FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021</b> |                      |                          |  |                          |                                   |
| Balance at January 01, 2021 (audited)                  | 812,500              | 241,429                  | (4,538)  | 82,314                   | 1,131,705                         |
| Net (loss) for the period                              | -                    | -                        | -  | (4,379)                  | (4,379)                           |
| Balance at 31 March 2021 (unaudited)                   | <u>812,500</u>       | <u>241,429</u>           | <u>(4,538)</u>   | <u>77,935</u>            | <u>1,127,326</u>                  |

|  |                |                |              |               |                  |
|--|----------------|----------------|--------------|---------------|------------------|
| <b>FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022</b> |                |                |              |               |                  |
| Balance at January 01, 2022 (audited)                  | 812,500        | 241,429        | 7,491        | 33,483        | 1,094,903        |
| Net (loss) for the period                              | -              | -              | -            | (12,108)      | (12,108)         |
| Balance at 31 March 2022 (unaudited)                   | <u>812,500</u> | <u>241,429</u> | <u>7,491</u> | <u>21,375</u> | <u>1,082,795</u> |

  
 Chief Financial Officer

  
 Authorized BOD's Member

  
 Chief Executive Officer

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**AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY**  
**(A SAUDI JOINT-STOCK COMPANY)**  
**RIYADH - KINGDOM OF SAUDI ARABIA**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**  
**(EXPRESSED IN THOUSANDS OF SAUDI RIYALS)**

|   | <u>For the three-month period ended</u> |                    |
|---|---|--------------------|
|   | <u>31/03/2022</u>                       | <u>31/03/2021</u>  |
|   | <u>(unaudited)</u>                      | <u>(unaudited)</u> |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |   |                    |
| Net (loss) for the period   | (12,108)                                | (4,379)            |
| <b>Adjustment for net (loss) for the period:</b>                                    |   |                    |
| Dividends income  | (18)                                    | (88)               |
| Depreciation on property, plant and equipment                                       | 11,681                                  | 11,727             |
| Gains on disposal of property, plant and equipment                                  | (256)                                   | (622)              |
| Depreciation on right-of-use assets   | 391                                     | 397                |
| Profits of valuation of investments at fair value through profits or losses         | (1,405)                                 | (250)              |
| Interests on bank facilities  | 593                                     | 266                |
| Interests on leases   | 221                                     | 225                |
| Impairment of trade receivables   | 1,000                                   | 1,000              |
| Employees' defined benefit obligations  | 1,573                                   | 1,515              |
| Provisions reserved   | -                                       | (165)              |
| Zakat   | 5,000                                   | 7,000              |
|   | <b>6,672</b>                            | <b>16,626</b>      |
| <b>Changes during the period in:</b>  |   |                    |
| Inventory   | 28,467                                  | 11,048             |
| Trade receivables   | (2,810)                                 | (29,167)           |
| Due from related parties  | (3,974)                                 | 4,331              |
| Prepayments and other debit balances  | 7,204                                   | (5,064)            |
| Trade payables  | 11,301                                  | 7,479              |
| Due to related parties  | (147)                                   | (185)              |
| Accrued expenses and other credit balances  | 5,547                                   | (97)               |
| Zakat provision paid  | (2,524)                                 | (6,020)            |
| Employees' defined benefit obligations paid   | (1,002)                                 | (981)              |
| <b>Net cash flows (used in) from operating activities</b>                           | <b>48,734</b>                           | <b>(2,030)</b>     |
| <b>Cash flows from investing activities:</b>  |   |                    |
| Purchase of property, plant and equipment   | (18,882)                                | (2,025)            |
| Proceeds from disposal of property, plant and equipment                             | 423                                     | 1,142              |
| Dividends income  | 18                                      | 88                 |
| Purchase of investments at fair value through other comprehensive income FVTOCI     | (1,575)                                 | -                  |
| Proceeds from disposal of investments at fair value through profits or losses FVTPL | 8,200                                   | -                  |
| <b>Net cash flows (used in) investing activities</b>                                | <b>(11,816)</b>                         | <b>(795)</b>       |
| <b>Cash flows from financing activities</b>   |   |                    |
| Finance obtained from banks - credit facilities                                     | 10,138                                  | -                  |
| Finance from banks - credit facilities paid   | (40,388)                                | (10,097)           |
| Lease liabilities paid  | (575)                                   | (44)               |
| <b>Net cash flows (used in) financing activities</b>                                | <b>(30,825)</b>                         | <b>(10,141)</b>    |
| <b>Net increase (decrease) in cash and cash equivalents</b>                         | <b>6,093</b>                            | <b>(12,966)</b>    |
| <b>Cash and cash equivalents at beginning of the period</b>                         | <b>72,430</b>                           | <b>76,651</b>      |
| <b>Cash and cash equivalents at end of the period</b>                               | <b>78,523</b>                           | <b>63,685</b>      |
| <b>Supplemental information on non-cash transactions</b>                            |   |                    |
| Transfer from property and equipment to investment properties                       | -                                       | 37,005             |

  
Chief Financial Officer

  
Authorized BOD's Member

  
Chief Executive Officer

The accompanying notes (1) to (20) form an integral part of these interim condensed consolidated financial statements (unaudited)



**AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY**  
**(A SAUDI JOINT-STOCK COMPANY)**  
**RIYADH - KINGDOM OF SAUDI ARABIA**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**  
**(EXPRESSED IN THOUSANDS OF SAUDI RIYALS)**

**1. GENERAL INFORMATION**

1.1 Al Abdullatif Industrial Investment Company ("the company") is a Saudi joint-stock company incorporated in accordance with the Saudi Companies Law pursuant to Ministerial Resolution No. 3120 on 23/10/1427 H (14/11/2006) and Ministerial Resolution No. 188 on 27/12/1427H (17/1/ 2007), upon which the Company received the approval to convert from a limited liability to a Saudi joint-stock company. The Company is registered in the commercial registration of Riyadh under No. 1010073685 on 26/2/1410 H (26/9/1989) valid until 25/2/1447H (19/8/2025). The mailing address of the Company's head office is: Riyadh, P.O. Box 859, Postal Code 11421.

**1.2 Main activities of the Company**

Rug manufacturing including (prayer and travel rugs) and carpet manufacturing under industrial license No. 411 on 13/2/1439 H.

1.3 The interim condensed consolidated financial statements as of March 31, 2022 include the interim condensed consolidated financial statements of the Parent Company and the following subsidiaries, collectively referred to as the "Group":

| <b><u>Name of subsidiary</u></b> | <b><u>Legal form</u></b> | <b><u>Headquarters</u></b> | <b><u>Main activity</u></b>                | <b><u>Shareholding</u></b><br><b><u>%</u></b> |
|----------------------------------|--------------------------|----------------------------|--|---|
| National Spinning Company        | LLC                      | Riyadh                     | Yarn production                            | 100%  |
| Eastern Textiles Company         | LLC                      | Riyadh                     | Polypropylene yarn production              | 100%  |
| Western Textiles Company         | LLC                      | Riyadh                     | Polypropylene yarn production              | 100%  |
| Adfa Blanket Company             | LLC                      | Riyadh                     | Production of blankets                     | 100%  |
| Nadeen Arabian Color Company     | LLC                      | Riyadh                     | Masterbatch production                     | 100%  |
| Shahd Paper Tube Factory         | LLC                      | Riyadh                     | PVC tubes                                  | 100%  |
| First Carpet Company             | LLC                      | Riyadh                     | Carpet backing production                  | 100%  |
| Retaj Al Waseel Company          | LLC                      | Riyadh                     | Staff catering and transportation services | 100%  |
| Abdullatif Training Institute    | LLC                      | Riyadh                     | Training services                          | 100%  |

1.4 The Group's fiscal year begins on January 1st and ends on December 31st of each calendar year. The interim condensed consolidated presented financial statements are for the period from January 01, 2022 to March 31, 2022.

**2. BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**2.1 Statement of compliance**

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants.

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



**AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY**  
**(A SAUDI JOINT-STOCK COMPANY)**  
**RIYADH - KINGDOM OF SAUDI ARABIA**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**  
**(EXPRESSED IN THOUSANDS OF SAUDI RIYALS)**

**2. BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(CONTINUED)**

**2.2 Basis for consolidation of financial statements**

The interim condensed consolidated financial statements include the financial statements of the Parent Company and all subsidiaries, collectively referred to as the "Group". The interim condensed consolidated financial statements present financial information about the Group as a single economic entity at the same reporting date of the Parent Company, using consistent accounting policies.

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control is presumed to exist over the subsidiary when the Company owns, directly or indirectly, more than half of the voting power of an investee unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the Company owns half or less of the voting power of an investee but has other power to govern the financial and operating policies of the entity.

The assets, liabilities and results of the subsidiaries are consolidated in full from the date of acquisition, being the date when control is transferred to the Group. Consolidation continues until the date of such control ceases.

The Group applies the acquisition method to account for business combinations.

Inter-company transactions, balances, income, expenses, unrealized gains and losses on transactions and dividends are eliminated in full.

**2.3 Basis of measurement**

The interim condensed consolidated financial statements have been prepared in accordance with the accrual basis of accounting and the going concern principle, and on the basis of the historical cost principle except for financial assets that are measured at fair value and financial liabilities that are measured at the present value of future liabilities projections using the projected unit credit method.

**2.4 Presentation currency**

These interim condensed consolidated financial statements are presented in Saudi Riyals ("SR") which is the functional and presentation currency. All figures in the interim condensed consolidated financial statements have been rounded to nearest thousand Riyals unless otherwise stated.

**2.5 Use of judgments, estimates and assumptions**

The preparation of these financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenue, expenses, assets, liabilities, and disclosures of contingent liabilities at the reporting date. Although these estimates are based on the best current information and indicators available to Management, the final actual results, however, may differ from these estimates.

These estimates and assumptions are reviewed on an ongoing basis, and the effects arising from adjustment of the accounting estimates are recognized in the period in which such adjustment is made and the subsequent periods. The assumptions and estimates are particularly represented in the application of accounting policies that have significant impact on the amounts recognized in the financial statements.

The significant judgments made by Management in applying the Group's accounting policies and the significant sources of estimation uncertainties were the same as those applied to the consolidated financial statements for the year ended December 31, 2021.

However, as described in Note (18), the Group has reviewed the significant sources of uncertainties in the last annual consolidated financial statements in the light of the covid-19 pandemic. Management believes that all other sources of uncertainties remain similar to those reflected in the most recent annual consolidated financial statements. Management will continue to monitor the situation. Any required changes will be reflected in future reporting periods.



**AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY**  
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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**  
**(EXPRESSED IN THOUSANDS OF SAUDI RIYALS)**

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied to these interim condensed consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended 31 December 2021.

**4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND NEW STANDARDS**

**4.1 New and revised IFRS Standards that are applicable and have no significant impact on the consolidated financial statements**

No new IFRS standards have been applied; however, a number of IFRS amendments are effective as of January 1, 2022 but have no significant impact on the Group's interim condensed consolidated financial statements. The following is a summary of the adjustments applied by the Group:

| <b>Standard - Interpretation</b>                      | <b>Description</b>  | <b>Effective date</b> |
|---|---|-----------------------|
| IAS 16  | Amendments relating to property, plant and equipment relating to proceeds before intended use.  | 01 January 2022       |
| IFRS 3  | Amendments relating to reference to the IFRS Conceptual Framework issued in March 2018.   | 01 January 2022       |
| IAS 37  | Adjustments to "Provisions, Contingent Liabilities and Contingent Assets", specifically related to "Onerous contracts - Cost of Fulfilling a Contract".   | 01 January 2022       |
| Annual Improvements to IFRS Standards 2018-2020 Cycle | Annual improvements include amendments to three standards as follows:<br>IFRS 1: First time Adoption of International Financial Reporting Standards<br>IFRS 9: Financial Instruments<br>IAS 41: Agriculture | 01 January 2022       |

**4.2 New and revised IFRS not yet effective and not applicable:**

The following are standards and interpretations issued and not yet effective and not applicable as of the date of the interim condensed consolidated financial statements.

| <b>Standard - Interpretation</b> | <b>Description</b>   | <b>Effective date</b>                            |
|----------------------------------|--|--|
| IAS 1                            | Amendments to "Presentation of Financial Statements" to clarify classification of liabilities as current or non-current<br>Disclosure initiative: Accounting policies (IFRS Practice Statement 2 "Making Materiality Judgments") | 01 January 2023                                  |
| IAS 8                            | Amendments to "Accounting Policies" and changes in accounting estimates and errors related to definition of accounting estimates   | 01 January 2023                                  |
| IAS 12                           | Amendments to "Income Taxes" of deferred Tax related to Assets and Liabilities arising from a Single Transaction   | 01 January 2023                                  |
| IFRS 17                          | Amendments to initial application of insurance contracts   | 01 January 2023                                  |
| IFRS 10 and IAS 28               | Amendments relating to (sale or contribution of assets between an investor and its associate or joint venture)   | Application permitted<br>Effective date deferred |

**AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY**  
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**RIYADH - KINGDOM OF SAUDI ARABIA**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**

(EXPRESSED IN THOUSANDS OF SAUDI RIYALS)

**5. PROPERTY, PLANT AND EQUIPMENT - NET**

|  | <u>Lands</u>  | <u>Buildings and<br/>roads *</u> | <u>Plant, equipment<br/>and main spare<br/>parts</u> | <u>Vehicles</u> | <u>Furniture,<br/>fixture and<br/>office<br/>equipment</u> | <u>Capital work in<br/>progress**</u> | <u>Total</u>     |
|--|---------------|----------------------------------|--|-----------------|--|---------------------------------------|------------------|
| <b>Cost:</b>                                 |               |                                  |  |                 |  |                                       |                  |
| Balance at 01 January 2022                   | 10.625        | 220.598                          | 1.844.624  | 33.948          | 109.660  | 7.218                                 | 2.226.673        |
| Additions during the period                  | -             | -                                | 878  | 215             | 108  | 17.681                                | 18.882           |
| Transfers                                    | -             | -                                | 121  | -               | -  | (121)                                 | -                |
| Disposals                                    | -             | -                                | (72.382)   | (55)            | -  | -                                     | (72.437)         |
| <b>Balance at 31 March 2022</b>              | <b>10.625</b> | <b>220.598</b>                   | <b>1.773.241</b>                                     | <b>34.108</b>   | <b>109.768</b>   | <b>24.778</b>                         | <b>2.173.118</b> |
| <b>Accumulated depreciation:</b>             |               |                                  |  |                 |  |                                       |                  |
| Balance at 01 January 2022                   | -             | 202.239                          | 1.653.511  | 33.315          | 103.424  | -                                     | 1.992.489        |
| Depreciation for the period                  | -             | 1.314                            | 9.671  | 90              | 606  | -                                     | 11.681           |
| Disposals                                    | -             | -                                | (72.215)   | (55)            | -  | -                                     | (72.270)         |
| <b>Balance at 31 March 2022</b>              | <b>-</b>      | <b>203.553</b>                   | <b>1.590.967</b>                                     | <b>33.350</b>   | <b>104.030</b>   | <b>-</b>                              | <b>1.931.900</b> |
| <b>Provision for accumulated impairment:</b> |               |                                  |  |                 |  |                                       |                  |
| Balance at 01 January 2022                   | -             | -                                | 5.600  | -               | -  | -                                     | 5.600            |
| <b>Balance at 31 March 2022</b>              | <b>-</b>      | <b>-</b>                         | <b>5.600</b>   | <b>-</b>        | <b>-</b>   | <b>-</b>                              | <b>5.600</b>     |
| <b>Net book value:</b>                       |               |                                  |  |                 |  |                                       |                  |
| As of 31 March 2022                          | 10.625        | 17.045                           | 176.674  | 758             | 5.738  | 24.778                                | 235.618          |
| As of 31 December 2021                       | 10.625        | 18.359                           | 185.513  | 633             | 6.236  | 7.218                                 | 228.584          |

\* Some of the above-mentioned buildings are built on land leased from the Saudi Authority for Industrial Cities and Technology Zones (Modon) in the Second Industrial City, Riyadh, under a contract ending on 06/08/1452 H.

\*\* Capital work in progress represents the value of buildings, plant and equipment during the construction and installation phase.



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|  | <u>31/03/2022</u><br><u>(unaudited)</u> | <u>31/12/2021</u><br><u>(audited)</u> |
|--|---|---------------------------------------|
| <b>6. INVESTMENT PROPERTIES - AT COST</b>            |   |                                       |
| <b>Lands*</b>  |   |                                       |
| <b>Cost:</b>   |   |                                       |
| Balance at beginning of the period/year              | 87.005                                  | 50,000                                |
| Transfers  | -                                       | 37,005                                |
| <b>Balance at end of the period/year</b>             | <b>87.005</b>                           | <b>87.005</b>                         |
| <b>Net carrying amount at end of the period/year</b> | <b>87.005</b>                           | <b>87.005</b>                         |

\* Investment properties represent the following:

(a) A real estate contribution to a land in Madinah (for the purpose of generating revenue or capital profit) at a rate of 14.58% under land sharing contract between the Company and one of the local investment properties companies under which the title deed was registered. It is also entitled to sell or dispose of the land without consulting the Company. In that case the sale value and profits are divided according to the participation percentage immediately after the sale.

Its fair value as of December 31, 2021, amounted to SR58,030 thousand, as per the valuation made by (Current Value Real Estate Valuation Company, license number: 1210000606) as an accredited valuer.

(b) A land in Khobar City purchased in 2015 to establish a regional sales center targeting the Eastern Province and the GCC countries. It was included in previous years under property, plant and equipment. During the current period, and due to the economic conditions and the covid-19 impact, the Management put off the establishment of the center and decided to classify the land as investment property, which has been leased out to generate additional income for the Company.

Its fair value as of December 31, 2021, amounted to SR42,113 thousand, as per the valuation made by (Current Value Real Estate Valuation Company, license number: 1210000846) as an accredited valuer.

## **7. LEASES**

### **7.1 Right-of-use assets – net**

|  | <u>31/03/2022</u><br><u>(unaudited)</u> | <u>31/12/2021</u><br><u>(audited)</u> |
|--|---|---------------------------------------|
| <b>Leasehold land</b>                                  |   |                                       |
| <b>Cost:</b>   |   |                                       |
| Balance at beginning of the period/year                | 21.714                                  | 20.978                                |
| Additions during the period/year                       | -                                       | 947                                   |
| Disposal of contracts                                  | (27)                                    | (211)                                 |
| <b>Balance at end of the period/ year</b>              | <b>21.687</b>                           | <b>21.714</b>                         |
| <b>Accumulated depreciation:</b>                       |   |                                       |
| Balance at beginning of period/year                    | 4.556                                   | 3.180                                 |
| Depreciation for the period / year                     | 391                                     | 1.587                                 |
| Disposals  | (27)                                    | (211)                                 |
| <b>Balance at end of the period/ year</b>              | <b>4.920</b>                            | <b>4.556</b>                          |
| <b>Net carrying amount at end of the period / year</b> | <b>16.767</b>                           | <b>17.158</b>                         |



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**7. LEASES (CONTINUED)**

| <b>7.2 Lease liabilities</b>         | <b>31/03/2022</b><br><b>(unaudited)</b> | <b>31/12/2021</b><br><b>(audited)</b> |
|--------------------------------------|---|---------------------------------------|
| Balance at beginning of period/year  | 17,954                                  | 18,333                                |
| Additions during the period          | -                                       | 947                                   |
| Less : Paid during the period / year | (575)                                   | (2,249)                               |
| Charged to finance cost              | 221                                     | 923                                   |
| <b>Present value of obligations</b>  | <b>17,600</b>                           | <b>17,954</b>                         |

Lease obligations are presented in the statement of financial position based on the current portion - within the current liabilities (which represents the payable portion within a year) and the non-current portion - within the non-current liabilities (which represents the remaining liability less the current portion) as follows:

|  | <b>31/03/2022</b><br><b>(unaudited)</b> | <b>31/12/2021</b><br><b>(audited)</b> |
|--|---|---------------------------------------|
| 7.2.1 Lease Obligations - current portion      | 1,361                                   | 1,315                                 |
| 7.2.2. Lease Obligations - non-current portion | 16,239                                  | 16,639                                |
|  | <b>17,600</b>                           | <b>17,954</b>                         |

**8. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)**

| <b>Unquoted investments</b>       | <b>Legal form</b>                | <b>Headquarters</b> | <b>Shareholding %</b> | <b>31/03/2022</b><br><b>(unaudited)</b> | <b>31/12/2021</b><br><b>(audited)</b> |
|-----------------------------------|----------------------------------|---------------------|-----------------------|---|---------------------------------------|
| Red Sea Cables Company *          | Saudi closed joint stock company | Riyadh              | 27%                   | 57,657                                  | 57,657                                |
| Al-Reef Sugar Refining Company ** | Saudi closed joint stock company | Jeddah              | 15%                   | 38,722                                  | 37,147                                |
|                                   |                                  |                     |                       | <b>96,379</b>                           | <b>94,804</b>                         |

|  | <b>31/03/2022</b><br><b>(unaudited)</b> | <b>31/12/2021</b><br><b>(audited)</b> |
|--|---|---------------------------------------|
| <b>Movement of changes in fair value was at follows:</b> |   |                                       |
| Balance at beginning of the period/year                  | 94,804                                  | 82,775                                |
| Additions during the period / year ***                   | 1,575                                   | -                                     |
| Profits from revaluation of investments at fair value    | -                                       | 12,029                                |
| <b>Fair value at end of the period / year</b>            | <b>96,379</b>                           | <b>94,804</b>                         |

\* The cost of investment in the Red Sea Cables Company amounted to SR 50 million.

\*\* The cost Company the investment in Al-Reef Sugar Refining Company amounted to SR45 million.

\*\*\* During 2020, the Group injected an amount of SR1,575 thousand, which represents 50% payment of the Group's share in the increase of share capital of Al Reef Sugar Refining Company, which is set at 7% of the Company's share capital value pursuant to the resolution of the Board of Directors of Al Reef Sugar Refining Company dated 28/2/1442H (14/10/2020). During the current period, the group paid the remaining sum of SR1,575.

- The Group does not have any control or significant influence over participation in the financial and operational decisions of the investees.

- The aforementioned fair value is valued as at December 31, 2021 by an accredited valuer (Ahmed Mohammad Al-Farraj Office for Valuation of Economic Enterprises - license No. 411200053). The Management has not conducted a revaluation during the three-month period ended March 31, 2022 because it believes that the fair value of investment has not changed.

-Note 17 includes information on fair value.



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**9. RELATED PARTY TRANSACTIONS**

**9.1 Due from related parties**

| <u>Related parties</u>           | <u>Nature of relationship</u>                | <u>31/03/2022</u><br><u>(unaudited)</u> | <u>31/12/2021</u><br><u>(audited)</u> |
|----------------------------------|--|---|---------------------------------------|
| Al Abdullatif Furniture Company  | Related to one of the directors of the Board | 45.267                                  | 41.353                                |
| Natural Gas Distribution Company | Related to one of the directors of the Board | 60                                      | -                                     |
|                                  |  | <u>45.327</u>                           | <u>41.353</u>                         |

**9.2 Due to related parties**

| <u>Related parties</u>           | <u>Nature of relationship</u>                | <u>31/03/2022</u><br><u>(unaudited)</u> | <u>31/12/2021</u><br><u>(audited)</u> |
|----------------------------------|--|---|---------------------------------------|
| Natural Gas Distribution Company | Related to one of the directors of the Board | -                                       | 147                                   |

**9.3 Significant transactions with related parties**

| <u>Type and volume of related party transactions for the three months period ended in March 31, 2022</u> |  |                                    |  |                                |
|--|--|------------------------------------|--|--------------------------------|
| <u>Related parties 2022</u>  | <u>Nature of relationship</u>                | <u>Sales and services rendered</u> | <u>Purchases and services received</u> | <u>Payments and repayments</u> |
| Al Abdullatif Furniture Company  | Related to one of the directors of the Board | 14.828                             | (214)                                  | (10.700)                       |
| Natural Gas Distribution Company   | Related to one of the directors of the Board | -                                  | (212)                                  | 419                            |

The Group performs an assessment of the impairment of receivables due from related parties by examining the financial position of the related parties and the markets in which they operate in each financial period. The Management believes that there are no indications of impairment in the value of the balances due as of March 31, 2022.

|  | <u>31/03/2022</u><br><u>(unaudited)</u> | <u>31/12/2021</u><br><u>(audited)</u> |
|--|---|---------------------------------------|
| <b>10. INVESTMENTS AT FAIR VALUE THROUGH PROFITS OR LOSSES FVTPL</b> |   |                                       |
| Balance at beginning of the period/year                              | 8.950                                   | 8.750                                 |
| Profits from revaluation of investments at fair value                | 1.405                                   | 200                                   |
| Disposals through sale   | (8.200)                                 | -                                     |
| <b>Balance at end of the period/ year</b>                            | <u>2.155</u>                            | <u>8.950</u>                          |

\* Investments represent shares of a listed company (Saudi Arabian Oil Company – Aramco) with less than 1% of the share capital of the investee. The number of shares of the investee as of December 31, 2021 were 250.200 thousand shares. During the period, 200 thousand shares were sold so that the number of shares being invested as March 31, 2022 is 50 thousand shares. The fair value was measured according to the disclosed share price as at December 31, 2022. Profits or losses of valuation have been recognized through profits or losses.



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|                                    | <u>31/03/2022</u><br><u>(unaudited)</u> | <u>31/12/2021</u><br><u>(audited)</u> |
|------------------------------------|---|---------------------------------------|
| <b>11. SHARE CAPITAL</b>           |   |                                       |
| Balance at end of the period/ year | <u>812,500</u>                          | <u>812,500</u>                        |

The Company's share capital is SR812,500 thousand divided into 81,250 thousand shares at a nominal value of SR10 each. The Shareholders subscribed to the entire share capital of the Company. There were no changes in the share capital during the current financial year.

**12. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS**

The Group operates an end-of-service plan for its employees in line with the Labor Law requirements in the Kingdom of Saudi Arabia. The EOS payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment. Employee benefit plans are unfunded plans and the Group meets benefit payment obligations when they fall due. The movement during the period was as follows:

|  | <u>31/03/2022</u><br><u>(unaudited)</u> | <u>31/12/2021</u><br><u>(audited)</u> |
|--|---|---------------------------------------|
| Balance at beginning of period/year                      | 16.836                                  | 13.428                                |
| Cost of current service for the period / year            | 1.573                                   | 6.027                                 |
| Paid during the period/year                              | (1.002)                                 | (3.696)                               |
| Actuarial losses "charged to other comprehensive income" | -                                       | 1.077                                 |
| Balance at end of the period/ year                       | <u>17.407</u>                           | <u>16.836</u>                         |

The Group performed an actuarial valuation of employee future benefits on December 31, 2021. It proved the impact of that valuation. The Group's Management has not carried out an actuarial valuation of the employee benefit obligations for the three months period ended March 31, 2022, as it expects that there will be no significant changes in the present value of the obligations.

|   | <u>31/03/2022</u><br><u>(unaudited)</u> | <u>31/12/2021</u><br><u>(audited)</u> |
|---|---|---------------------------------------|
| <b>13. BANKS- ISLAMIC CREDIT FACILITIES</b>       |   |                                       |
| Business facility finance and short-term Murabaha | 123.747                                 | 153.824                               |
| Less : Deferred finance commissions               | (453)                                   | (873)                                 |
|   | <u>123.294</u>                          | <u>152.951</u>                        |

\* Under facilities agreements signed with local banks, the Group obtained short-term credit facilities at a credit limit SR 516.8 million for the following purposes:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>- Finance to purchase and import raw materials for production</li> <li>- Purchase of materials via the opening account of Sabic Company</li> <li>- Murabaha and Tawarruq</li> </ul> | <ul style="list-style-type: none"> <li>- Finance for the operational cycle of the Company and working capital</li> <li>- Letters of credit and guarantees</li> <li>- Hedging from foreign currency risks</li> </ul> |
|--|---|

The above are under the following guarantees:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>- Promissory notes with maximum amount of the facilities</li> <li>- Main hedge agreement</li> </ul> | <ul style="list-style-type: none"> <li>- Agreement to finance Islamic trade</li> </ul> |
|--|--|



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**14. PROVISION FOR ZAKAT**

**14.1 Calculation of zakat**

The Group submits a consolidated zakat assessment for the entire Group (the Parent Company and its subsidiaries) as per the consolidated financial statements:

|   | <u>31/03/2022</u><br><u>(unaudited)</u> | <u>31/12/2021</u><br><u>(audited)</u> |
|---|---|---------------------------------------|
| <b>14-2 Movement in zakat provision:</b>  |   |                                       |
| Balance at beginning of the period/year   | 21.770                                  | 22.019                                |
| Paid during the period/year               | (2.524)                                 | (25.569)                              |
| Provided for the period / year            | 5.000                                   | 25.320                                |
| <b>Balance at end of the period/ year</b> | <b>24.246</b>                           | <b>21.770</b>                         |

**14.3 Zakat status**

The Group submitted its consolidated zakat return for the year ended 31/12/2021 and received a zakat certificate for 2021 valid until April 30, 2023.

Zakat has been calculated for the subsidiaries mentioned in note (1) within the consolidated financial statements of the Group. The Group is committed to accounting for it before the Zakat, Tax and Customs Authority, and each subsidiary is charged with its due Zakat in accordance with the Group's policy of redistributing Zakat among the subsidiaries.

The Company finalized its zakat status with the Zakat, Tax and Customs Authority until 2018. The Authority amended the zakat returns for the years 2015 to 2018. This resulted in zakat differences amounting to SR6,019 thousand riyals, which were fully paid.

**14.4 Value Added Tax**

The Group submits consolidated VAT returns for the Group every month.

**15. EARNINGS LOSS PER SHARE**

The basic loss per share was calculated by dividing the net loss attributable to the Shareholders of the Company by the weighted average number of issued shares. The reduced loss per share equaled the basic loss per share as follows:

|  | <u>31/03/2022</u><br><u>(unaudited)</u> | <u>31/03/2021</u><br><u>(unaudited)</u> |
|--|---|---|
| Net loss attributable to Company's Shareholders                                    | (12.108)                                | (4.379)                                 |
| Weighted average number of shares issued "in thousand of shares"                   | 81.250                                  | 81.250                                  |
| <b>Basic and diluted loss per share attributable to the Company's Shareholders</b> | <b>(0.15)</b>                           | <b>(0.05)</b>                           |

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**16. SEGMENT INFORMATION**

The Group's operating segments are represented in two main sectors (the carpet, rugs and related products sector, and the blankets sector). Below is a summary of some of the financial information for the primary business sectors for the three-month period ended March 30, 2022 (compared to the three-month period ended March 31, 2021).

| <u>Description / Sector</u>  | <u>Sector carpet, rugs<br/>and related products</u> | <u>Blanket<br/>sector</u> | <u>Total</u> |
|--|---|---------------------------|--------------|
| <b>FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)</b> |   |                           |              |
| Revenue  | 156,935   | 24,714                    | 181,649      |
| Cost of revenue  | (152,412)   | (26,339)                  | (178,751)    |
| Gross profit   | 1,273   | 1,625                     | 2,898        |
| Net loss for the period  | (9,084)   | (3,024)                   | (12,108)     |
| Property, plant and equipment - net                                | 208,551   | 27,067                    | 235,618      |
| Total assets   | 1,196,459   | 133,613                   | 1,330,072    |
| Total liabilities  | 237,911   | 9,366                     | 247,277      |
| <b>FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)</b> |   |                           |              |
| Revenue  | 140,617   | 13,487                    | 154,104      |
| Cost of revenue  | (132,951)   | (11,590)                  | (144,541)    |
| Gross profit   | 7,666   | 1,897                     | 9,563        |
| Net loss for the period  | (4,874)   | 495                       | (4,379)      |
| Property, plant and equipment - net                                | 232,385   | 19,034                    | 251,419      |
| Total assets   | 1,148,242   | 129,227                   | 1,277,469    |
| Total liabilities  | 143,514   | 6,629                     | 150,143      |

**17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Group's activities are exposed to various financial risks including: Liquidity risk, credit risk, and market risk (include currency risk, fair value risk, cash flow of commission rate and price risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Group's financial instruments comprise financial assets (cash and cash equivalents, trade receivables, investments at fair value through profit or loss, and other receivables) and financial liabilities (banks - credit facilities, trade payables and other payables) and include the following risks:

**17.1 Liquidity risks**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The Group manages and monitors liquidity risks on a regular basis to ensure that sufficient funds are available through bank facilities to meet any future commitments.

The Group's sales conditions stipulate that payments are to be made in cash upon delivery of the goods or on a credit basis.

All current liabilities are expected to be settled within 12 months as of the date of the interim condensed consolidated financial statements.



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**17.2 Credit risks**

A credit risk refers to the risk that a customer or a counter party in a financial instrument will default on its contractual obligations resulting in financial loss to the Group and arises principally from the cash at banks and receivables. The Group minimizes credit risks associated with receivables by establishing procedures for credit limits for each customer and monitoring outstanding receivables in line with a set of procedures and policies. Cash is deposited with high credit rated banks.

**17.3 Market risk**

Market risk is the risk of fluctuations in a financial instrument due to changes in prevailing market prices such as foreign exchange rates, interest rates, and equity rates, which affect the Group's income or the value of its financial instruments. Market risk management aims to manage and control market risk exposure within acceptable parameters while maximizing returns.

The Group is exposed to the following market risks:

**Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates affecting foreign currency payments and receipts along with assessment of assets and liabilities in foreign currencies. The Group is subject to fluctuations in foreign exchange rates in the normal course of its business. The Management regularly monitors changes in foreign exchange rates and manages the impact on the financial statements.

**Fair value risk**

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. Since the Group's financial statements are prepared under the historical cost in which case differences may arise between the carrying amount and the fair value estimates. The Group's Management believes that the fair value of the Group's financial assets and liabilities approximates book balances.

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

When measuring fair value, the Group uses observable market information whenever possible. Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If the inputs used to measure the fair value of the asset or liability fall into different levels of the hierarchy, the fair value measurement is categorized entirely in the same level of the fair value hierarchy as the lowest level input is considered material to the full measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period in which the change occurred. During the period there were no transfers between the fair value levels of Level 1 and Level 2.

Where the Group's financial instruments are grouped according to the historical cost principle, except for investments and derivative financial instruments charged at the fair value, differences may arise between the carrying amount and the fair value estimates. The management believes that the fair value of the Group's financial assets and liabilities are not materially different from their carrying amount.

The financial assets measured at fair value are as follows:

| <b>Assets</b>  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|--|----------------|----------------|----------------|---------------|
| Investments at fair value through other comprehensive income | -              | -              | 96.379         | 96.379        |
| Investments at fair value through profits or losses          | 2.155          | -              | -              | 2.155         |
| <b>Total assets at fair value</b>                            | <b>2.155</b>   | <b>-</b>       | <b>96.379</b>  | <b>98.534</b> |



**AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY**  
**(A SAUDI JOINT-STOCK COMPANY)**  
**RIYADH - KINGDOM OF SAUDI ARABIA**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**  
**(EXPRESSED IN THOUSANDS OF SAUDI RIYALS)**

**Interest rate risk (currencies)**

Interest rate risk (commissions) represents the risk related to the effects of fluctuations in interest rates (commissions) prevailing in the market to the Group's financial position and its cash flows.

**Commodity price risk**

Commodity price risk is the risk associated with changes to the prices of certain commodities to which the Group is exposed as a result of adverse impact on the Group's costs and cash flows. This commodity price risk arises from the expected purchases of commodities or the services which the Group is expected to receive.

**18. SIGNIFICANT EVENTS**

The spread of the corona virus (covid-19) pandemic was confirmed at the beginning of 2020, causing disruption to business and economic activities around the world, including the Kingdom of Saudi Arabia, which took precautionary measures to encounter the adverse effects of the pandemic.

As a result of the pandemic, the Group's Management had to reassess the main assumptions, estimates and sources applicable to the Group's interim condensed consolidated financial statements for the period ended March 31, 2022.

During the period, as the effects of the pandemic diminished due to the increasing vaccination rate across the Kingdom, the Management assessed all of the effects on the Group's operations and activities. Based on this assessment, no major adjustments were required in the interim condensed consolidated financial statements for the year ended 31 March 2022. The Group continues to closely monitor the pandemic's developments, while Management is not aware of any factors may influence the impact of the pandemic on the Group's activities in 2022 or beyond.

**19. SUBSEQUENT EVENTS**

Management believes that there are no subsequent significant events as of the date of the interim condensed consolidated statement of financial position at March 31, 2022 until the date of approval of these financial statements that may have a material impact on the interim condensed consolidated financial statements.

**20. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements for the period ended March 31, 2022 were approved by the Group's Board of Directors on May 22, 2022.