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RSM Allied Accountants
Dr. Abdelgadir Bannaga & Partners Co.

JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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INDEPENDENT AUDITOR'S REPORT

To\ the Shareholders

JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)

(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of **JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)**, a Saudi joint-stock company, ("the Company"), and its subsidiary (together "Group") which comprise the consolidated statement of financial position as of 31 December 2020, and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes accompanying to the consolidated financial statements and summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of **the Group** as of 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Auditors and Accountants.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing that endorsed in the Kingdom of Saudi Arabia. Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Group's consolidated financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters (KAM) are defined as "Those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and forming our opinion thereon, and we do not provide a separate opinion on these matters. Below is an explanation of each key audit matters how to address it:

Key Audit Matter	How we addressed the matter during our audit
Investment properties Investment properties represent a substantial percentage of the total assets of the company as of the date of the consolidated financial statements, reached 232 million Saudi riyals (31 December 2019: 238 million Saudi riyals). Investment properties are measured at cost less accumulated depreciation and impairment, if any, the group's management determines the fair value of its properties for disclosure and impairment testing purposes on the reporting date. The valuations were performed by an independent external valuer appointed by the group. The valuation of real estate depends largely on estimates and assumptions such as rent value and rates works, discount rates, market knowledge, and historical transactions. Given the importance and complexity of the investment real estate appraisal process and its heavy reliance on a set of estimates and assumptions, we consider this to be a major audit matter.	We have performed the following procedures regarding the investment properties: • Evaluating the policies and the reasonableness of the accounting estimates used by the group. • Evaluating the accuracy of the input used by the external evaluator. • Assessing the objectivity, independence, and expertise of the external valuer, reviewing the assumptions used, and evaluating the methodology used by the expert. • We conducted an assessment of the appropriateness of the disclosures related to the investment properties of the group in Note No. (7) of the notes about the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To\ the Shareholders
JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A Saudi Joint Stock Company)

Key Audit Matters (Continued)

Key Audit Matter	How we addressed the matter during our audit
Revenues Revenue is an important component of a Group's performance and profitability. Auditing standards state the importance of assessing risks of overriding internal controls by the management in revenue recognition. Such overriding could lead to inherent risks by recognizing overstated revenues to increase profitability. Given the importance of revenue amount and risks inherent in overstating revenue more than its actual value, revenue recognition is considered a key audit matter.	Our audit procedures included, among other things, based on our judgment: • Test the control procedures and their operational effectiveness related to revenue recognition and accounts receivable. Also, cut-of procedures to ensure revenues are recorded in the correct period. • Sample testing of the sales transaction, and verification of the proper implementation of the revenue recognition policy. • Conducting some analytical procedures to verify the validity of the proven revenues. • The adequacy of the Group's disclosures included in the accompanying consolidated financial statements regarding revenues and their compliance with the relevant applicable standards. Note No. (25).

Other Information

Management is responsible for the other information. The other information includes the information included in the group's annual report but does not include the consolidated financial statements and our audit report thereon. It is expected that the annual report will be available to us after the date of this report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

About our audit of the consolidated financial statements, it is our responsibility to read this other information specified above when it becomes available, and when we do so, we take into account whether that other information is materially inconsistent with the consolidated financial statements or with our knowledge that was acquired during the audit or appears on it. Other than that, it contains fundamental errors. When we read the annual report, and we realize that there are fundamental errors in this information, we are required to report this fact to those responsible for governance.

Other Matters

- The financial statements of **JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)** for the year ended 31 December 2019 have been audited by another auditor who expressed an unqualified opinion on those financial statements on 24 Rajab 1441 (corresponding to 19 March 2020).

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Auditors and Accountants and Regulations for Companies and the Company's by-laws and such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those charged with governance by the Board of directors are responsible for overseeing the group`s financial reporting process.

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RSM Allied Accountants
Dr. Abdelgadir Bannaga & Partners Co.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To\ the Shareholders
JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A Saudi Joint Stock Company)

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the internal control of the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and execution of the Group review process. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

Among the matters that We communicate with those charged with governance are those matters that were of the utmost importance when auditing the consolidated financial statements for the current year, and accordingly they are the main matters for the audit, and we explain these matters in our report except for what laws or legislation prohibit public disclosure about, or in cases of very rare, we consider that the matter should not be reported in our report because it is reasonably expected that the negative consequences of doing so will outweigh the public interest benefits of that reporting.

Allied Accountants
Dr Abdelgadir Bannaga & Partners Co.

Mohammed Bin Farhan Bin Nader
License No. 435
Riyadh, Saudi Arabia
15 Shaaban 1442 (28 March 2021)

JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2020

Assets	Note	(Consolidated) 31 December 2020 SAR	(Unconsolidated) (Restated note 32) 31 December 2019 SAR	(Unconsolidated) (Restated note 32) 1 January 2019 SAR
Non-current assets				
Property, plant and equipment, net	6	217,734,066	215,822,737	215,658,511
Investment properties, net	7	231,735,220	238,432,205	274,654,351
Investments in subsidiaries	8	1,000,000	-	-
Investments in associates, net	9	19,154,139	18,133,881	17,920,262
Financial investments at fair value through OCI	10	42,000,000	41,190,000	41,190,000
Advance payments to purchase financial investments		-	-	2,948,364
Intangaible assets, net	11	4,389,725	-	-
Advance payments to purchase intangible assets	12	-	1,984,970	1,658,726
Total non-current assets		516,013,150	515,563,793	554,030,214
Current assets				
Due from a related party, net	13	-	139,002	-
Biological assets	14	12,083,167	-	-
Inventory, net	15	23,078,433	28,973,440	21,784,396
Financial investments at fair value through profit or loss	16	515,686	391,033	368,464
Accounts receivable, prepaid expenses and other debtors, net	17	42,742,725	23,282,113	35,833,590
Cash and cash equivalents	18	6,427,154	20,605,970	5,628,075
Total current assets		84,847,165	73,391,558	63,614,525
Total assets		600,860,315	588,955,351	617,644,739
Equity and Liabilities				
Equity				
Share capital	1	500,000,000	500,000,000	500,000,000
Statutory reserve	19	85,409,994	85,409,994	85,409,994
Reserve for revaluation of financial investments at FVOCI	10	(3,000,000)	(3,810,000)	(3,810,000)
Accumulated losses		(58,437,370)	(68,854,500)	(56,836,912)
Equity attributable to the Shareholders of the company		523,972,624	512,745,494	524,763,082
Non-controlling interests		1,403,098	-	-
Total equity		525,375,722	512,745,494	524,763,082
Liabilities				
Non-current liabilities				
Long term loans - non-current portion	20	4,074,975	10,026,627	17,866,894
Employees' defined benefit plan obligations	21	8,544,701	8,307,641	10,094,401
Total non-current liabilities		12,619,676	18,334,268	27,961,295
Current liabilities				
Long term loans - current portion	20	11,961,557	7,840,267	5,529,814
Due to related party	13	255,687	-	-
Distributions of shareholders' entitlements		5,711,869	5,713,863	5,714,491
Commitment against the loan guarantee of an associate	22	14,619,841	14,619,841	17,140,890
Accounts payable, accrued expenses, and other creditors	23	15,907,732	17,009,604	23,855,431
Zakat provision	24	14,408,231	12,692,014	12,679,736
Total current liabilities		62,864,917	57,875,589	64,920,362
Total liabilities		75,484,593	76,209,857	92,881,657
Total equity and liabilities		600,860,315	588,955,351	617,644,739

The accompanying notes (1) to (39) form an integral part of these consolidated financial statements.

Financial Manager
Abdul Ilah Melhem Al-Mafeez

Chief Executive Officer
Baddour Nasser Al-Rashoudi

Chairman of Board of Directors
Ahmed Mohammed Al-Sanea

JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	(Consolidated) 2020 SAR	(Unconsolidated) (Restated note 32) 2019 SAR
Profit or loss			
Revenues, net	25	85,071,604	71,881,738
Cost of revenues		(60,813,341)	(56,138,081)
Gains on proof of biological assets at fair value	26	6,526,546	-
Gross profit		30,784,809	15,743,657
Selling and marketing expenses	27	(5,164,202)	(6,924,917)
General and administrative expenses	28	(16,370,600)	(19,361,888)
Provision for expected credit losses	17	(799,420)	-
Operating profit / (operating loss)		8,450,587	(10,543,148)
Finance costs		(781,004)	(821,285)
Unrealized gains from investments at fair value through profit or loss	16	124,653	22,569
Group's share in the profit / (loss) of the associate	9	987,579	(51,196)
Other income	29	4,087,761	272,300
Net profit / (loss) for the year before zakat		12,869,576	(11,120,760)
Zakat	24	(2,086,217)	(1,783,171)
Net profit / (loss) for the year		10,783,359	(12,903,931)
Other comprehensive income			
Items that will not subsequently be reclassified to profit or loss			
(Losses) / actuarial gain on re-measurement of defined employee benefit plan obligations	21	(130,079)	621,528
Group's share of other comprehensive income of the associate	9	32,679	264,815
Change in fair value of investments at fair value through other comprehensive income	10	810,000	-
Other comprehensive income		712,600	886,343
Total comprehensive income / (comprehensive loss) for the year		11,495,959	(12,017,588)
Net profit/(loss) for the year attributable to:			
Shareholders of the parent company		10,514,530	(12,903,931)
Non-controlling interests		268,829	-
Net profit/ (loss) for the year		10,783,359	(12,903,931)
Total comprehensive income / (comprehensive loss) for the year attributable to:			
Shareholders of the parent company		11,227,130	(12,017,588)
Non-controlling interests		268,829	-
Total comprehensive income / (comprehensive loss) for the year		11,495,959	(12,017,588)
Earnings per share	31		
Basic and diluted share of operating profit / (operating loss)		0.17	(0.21)
Basic and diluted share of the net profit / (loss) for the year		0.22	(0.26)

The accompanying notes (1) to (39) form an integral part of these consolidated financial statements.

Financial Manager	Chief Executive Officer	Chairman of Board of Directors
Abdul Ilah Melhem Al-Mafeez	Baddour Nasser Al-Rashoudi	Ahmed Mohammed Al-Sanea

JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Equity attributable to the Shareholders of the company						
	Share capital SAR	Statutory reserve SAR	Reserve for revaluation of financial investments at FVOCI SAR	Accumulated losses SAR	Total equity SAR	Non-controlling interests SAR	Total equity SAR
Balance as of 1 January 2019 as previously disclosed	500,000,000	85,409,994	(3,810,000)	(33,892,225)	547,707,769	-	547,707,769
Effect of adjustments accounting errors from previous years (note 32)	-	-	-	(22,944,687)	(22,944,687)	-	(22,944,687)
Balance as of 1 January 2019 (restated)	500,000,000	85,409,994	(3,810,000)	(56,836,912)	524,763,082	-	524,763,082
Net loss for the year (Restated note 32)	-	-	-	(12,903,931)	(12,903,931)	-	(12,903,931)
Other comprehensive income	-	-	-	886,343	886,343	-	886,343
Total comprehensive loss for the year	-	-	-	(12,017,588)	(12,017,588)	-	(12,017,588)
Balance as at 31 December 2019 (Restated)	500,000,000	85,409,994	(3,810,000)	(68,854,500)	512,745,494	-	512,745,494
Net profit for the year	-	-	-	10,514,530	10,514,530	268,829	10,783,359
Other comprehensive income	-	-	810,000	(97,400)	712,600	-	712,600
Total comprehensive income	-	-	810,000	10,417,130	11,227,130	268,829	11,495,959
Share of non-controlling interest in the capital of the subsidiary	-	-	-	-	-	1,134,269	1,134,269
Balance as at 31 December 2020	**500,000,000**	**85,409,994**	**(3,000,000)**	**(58,437,370)**	**523,972,624**	**1,403,098**	**525,375,722**

The accompanying notes (1) to (39) form an integral part of these consolidated financial statements

Financial Manager
Abdul Ilah Melhem Al-Mafeez

Chief Executive Officer
Baddour Nasser Al-Rashoudi

Chairman of Board of Directors
Ahmed Mohammed Al-Sanea

JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	(Consolidated) 2020 SAR	(Unconsolidated) (Restated Note 32) 2019 SAR
Cash flows from operating activities		
Net profit / (loss) for the year before zakat	12,869,576	(11,120,760)
Adjustments to reconcile net profit / (loss) for the year before zakat:		
Depreciations of property, plant and equipment	7,970,818	7,998,275
Depreciation of investments properties	3,141,553	3,359,295
Amortization of intangible assets	950,478	-
Provision for expected credit loss	799,420	-
Unrealized gains from investments at fair value through profit or loss	(124,653)	(22,569)
Gains from the disposal of investments properties	-	(272,300)
Close of due from related party balance	139,002	-
Gains on proof of biological assets at fair value	(6,526,546)	-
Provision for employees defined benefits plan obligations	1,354,339	1,688,050
Group's share in (profit) / loss of the associate	(987,579)	51,196
Discounts of expedited payment from the Agricultural Development Fund	-	(524,999)
Finance costs	781,004	821,285
	20,367,412	1,977,473
Changes in operating assets and liabilities:		
Due from related party	-	(2,660,051)
Inventory	5,895,007	(7,189,044)
Biological assets	(5,556,621)	-
Accounts receivable, prepaid expenses, and other debtors	(20,260,032)	12,551,477
Accounts payable, accrued expenses, and other creditors	(1,587,688)	(6,845,827)
Used in operations	(1,141,922)	(2,165,972)
Employees defined benefits obligations paid	(1,247,358)	(2,853,282)
Zakat paid	(370,000)	(1,770,893)
Finance costs paid	(331,098)	(821,285)
Net cash used in operating activities	(3,090,378)	(7,611,432)
Cash flows from investing activities		
Paid to purchase property, plant and equipment	(4,746,345)	(8,162,501)
Paid to purchase investments properties	(1,580,370)	(364,849)
Paid to purchase investments in subsidiaries	(1,000,000)	-
Advance payments to purchase financial investments	-	2,948,364
Paid to purchase intangible assets	(26,000)	-
Advance payments to purchase intangible assets	(104,964)	(326,244)
Net cash issued from the acquisition of a subsidiary	(2,093,500)	-
Proceed from selling investments properties	-	33,500,000
Net cash (used in)/ available from investing activities	(9,551,179)	27,594,770
Cash flows from financing activities		
Long-term loans paid	(1,794,452)	(5,004,815)
Due to related party	255,687	-
Payments for the capital of non-controlling equity interest	3,500	-
Dividends paid	(1,994)	(628)
Net cash used in financing activities	(1,537,259)	(5,005,443)
Net change in cash and cash equivalents	(14,178,816)	14,977,895
Cash and cash equivalents at the beginning of the year	20,605,970	5,628,075
Cash and cash equivalents at end of the year	6,427,154	20,605,970
Non-cash transactions		
Transferred from investments properties- project under construction to property, plant and equipment	5,135,802	-
Transferred from advance payments to purchase intangible assets to intangible assets	2,089,934	-
Adjustments to non-controlling interests against the fair value of the intangible assets acquired	1,130,769	-
Provision for expected credit loss used	-	2,291,234
Transferred from liability against loan guarantee of an associate	-	2,521,049

The accompanying notes (1) to (39) form an integral part of these consolidated financial statements.

Financial Manager	Chief Executive Officer	Chairman of Board of Directors
Abdul Ilah Melhem Al-Mafeez	Baddour Nasser Al-Rashoudi	Ahmed Mohammed Al-Sanea

1- ORGANIZATION AND ACTIVITIES

Jazan Energy And Development Company (JAZADCO) was registered as a Saudi joint-stock company with Commercial Registration number 5900005403 issued in Jazan on 29 Safar 1414 AH (corresponding to 17 August 1993). The Share Capital of the Company is SAR 500,000,000 divided into 50,000,000 shares with a nominal value of SAR 10.

The activities of the company in the cultivation of mangoes, the cultivation of shrimp in the seas, the preservation of fish and fish products by cooling or freezing, cooling and freezing of fruits, the production, and packaging of pure filtered water, hotels, and heritage hotels, the purchase and sale of land and real estate, their division, and off-plan sales activities.

A license was obtained to practice the company's activities as follows:

Authorization number	Date	City	Purpose
2852 / p	30 Dhu al-Qidah 1428 AH	Jazan	Producing healthy drinking water
5/3/6524	1 Safar 1425 AH	Jazan	Shrimp breeding
5/3/6526	1 Safar 1425 AH	Jazan	Shrimp breeding
1279	29 Rabi` II 1439 AH	Sabya	Producing healthy drinking water
2210	13 Rajab 1438 AH	Samtah	Frozen shrimp production

The consolidated financial statements include the assets, liabilities, and results of the parent Company's operations and the below branch:

Branch name	CR No.	City	Activity
Jazadco Real Estate Company	5900011471	Jazan	Buying, selling, and renting land and real estate.
Jazadco Real Estate Company	590011467	Jazan	Buying, selling, and renting land and real estate.
Jazan Development Company Factory for the production of healthy drinking water	5906016169	Sabya	Bottled drinking water in closed containers.
Branch of Jazan Development Company (JAZADCO)	5900016170	Jazan	Establishing fish farms and practicing fishing.
Branch of Jazan Development Company (JAZADCO)	5900016168	Jazan	Establishing agricultural nurseries and fruit seedlings.
Branch of Jazan Development Company (JAZADCO) for preparing, freezing, and packing shrimp	5907035800	Samtah	Preserving fish and importing feed.

The consolidated financial statements as of 31 December 2020 include the activities of the parent company and the following subsidiary (the company and it is subsidiary company hereinafter referred to as the "Group").

Name of the subsidiary company	The main activity of the company	CR No.	Ownership percentage % 31 December 2020
Mango Jazan Trading Company	The main activities of the company are retail via the Internet.	5900022171	65%

On 16 February 2020, the group acquired Mango Jazan Trading Company, and accordingly, these consolidated financial statements are the first consolidated financial statements prepared for the company and the subsidiary company.

As of 31 December 2020, the group has a subsidiary company, which is Fish Day Company for the sale of fish with an ownership percentage of 80%. The company's activity is in the wholesale of fish and aquatic organisms, retailing of fish and other seafood and their products, retailing via the Internet, and transporting chilled and frozen goods, According to the company's articles of association, its first financial statements are prepared as of 31 December 2021 (note 8), and therefore they have not been consolidated and the activities of that group have not appeared in these consolidated statements.

The address of the company's head office is in Jazan, Corniche Road, PO Box 127, Kingdom of Saudi Arabia.

2- BASIS OF PREPARATION THE CONSOLIDATED FINANCIAL STATEMENTS

2-1 STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standard approved in the Kingdom of Saudi Arabia and other standards and publications issued by the Saudi Organization for Auditors and Accountants.

The Capital Market Authority has allowed listed companies to use the fair value model or the revaluation model to measure the property, and investment property Starting from January 1, 2022. It also obligated listed companies to continue to use the cost model to measure plant, equipment, and intangible assets.

2-2 PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a historical cost convention unless IFRS requires the use of another measurement basis, as indicated in the applied accounting policies (Note 4), and in accordance with the accrual principle and going concern.

2-3 FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Saudi Riyals, which is the Group's functional and presentation currency.

2-4 BASIS OF CONSOLIDATION

These consolidated financial statements include the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows as well as the notes complementing the consolidated financial statements of the group, as they include the assets, liabilities, and results of the group's business and its subsidiaries as well. It is shown in note (1). Subsidiaries are companies controlled by a group. The group controls the group when it has the right to various revenues as a result of its participation in the group and its ability to influence these revenues through its control of the group. Subsidiary companies are consolidated from the date on which the group controls the subsidiaries until the cessation of exercising that control. The group uses the purchase method to account for the consolidation of operations when control is transferred to the group. The cost of an acquisition is measured at the fair value of the assets acquired. The excess of the cost of acquisition plus the fair value of non-controlling interests over the net identifiable assets acquired is recognized as goodwill in the consolidated statement of financial position. Non-controlling interests are measured by the proportion of their share of the net assets of the controlling group at the date of acquisition. The share in profit or loss and net assets not owned by the group are presented and are presented as a separate item in the consolidated statement of profit or loss and other comprehensive income and within the shareholders' equity in the consolidated statement of other comprehensive income. Both transactions, as well as balances and unrealized profits and losses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are modified when necessary to ensure consistency with the policies adopted by the group. The Group and its subsidiaries prepare their financial statements for the same reporting periods.

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

3-1 The group has adopted the following new standards and amendments for the first time, starting from 1 January 2020:

3-1-1 Amendments to IFRS 3 - Business Definition

This amendment revises the definition of a business. According to feedback received by the IASB, the application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.

3-1-2 Amendments to International Accounting Standard No. 1 and International Accounting Standard No. 8 regarding the definition of materiality

These amendments are based on International Accounting Standard No. 1, "Presentation of Financial Statements", and International Accounting Standard No. 8, "Accounting Policies." Changes in estimates and accounting errors, and subsequent amendments to other IFRSs:

A) Use a consistent definition of materiality across all IFRSs and the conceptual framework for financial reporting;

B) Clarify the explanation of the definition of material; and

C) Incorporate some of the guidance in IAS 1 about immaterial information.

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS(CONTINUED)

3-1-3 Amendments to IFRS 9, IAS 39, and IFRS 7 – Interest rate benchmark reform

These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally, cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the Consolidated Statement of Profit or Loss. The adoption of the above amendments does not have any material impact on the Consolidated Financial Statements during the year.

3-2 Standards issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted them in preparing these Consolidated Financial Statements

3-2-1 Amendments to IAS 1, 'Presentation of financial statements on the classification of liabilities

These narrow-scope amendments to IAS 1, 'Presentation of financial statements, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

3-2-2 Amendments to IFRS 3, IAS 16, IAS 37

- IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- IAS 41, "Agriculture," Agreed with the requirements of fair value measurement in IAS 41 with those in other IFRSs.
- IAS 16, 'Property, plant, and equipment' prohibit a group from deducting from the cost of property, plant, and equipment amounts received from selling items produced while the group is preparing the asset for its intended use. Instead, a group will recognize such sales proceeds and related costs in the Consolidated Statement of Profit or Loss.
- IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a group includes when assessing whether a contract will be loss-making.

3-3 Annual Improvements to IFRSs (2018–2020 Cycle)

These improvements are effective on or after 1 January 2021.

IFRS 9, 'Financial Instruments' - Clarify the fees a group includes in performing the "10 % test" to assess whether to derecognize a financial liability.

- IFRS 16, 'Leases' - Remove the potential for confusion regarding lease incentives by amending an Illustrative Example 13 accompanying IFRS 16.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies are applied by the Group:

Use of judgments and estimates

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards endorsed in Saudi Arabia requires the management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues, and expenses. These estimates and judgments are based on management's best knowledge of current events and actions and other factors which form a base for estimating the carrying amount of assets and liabilities which can not be easily determined from other sources. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognized prospectively.

The following is information about assumptions and estimates that have a material impact on the amounts reported in the consolidated financial statements:

- **Going concern**

The management has evaluated the ability of the Group to continue as a going concern and believes the Group has sufficient recourses to continue its business in the near future. Also, the management has material uncertainty related to the ability of the Group to continue as a going concern. Therefore, the consolidated financial statements are still prepared based on the going concern.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Estimated useful lives of property, plant, and equipment and investment properties and intangible assets**

Management reviews the useful lives of property, plant and equipment and investment properties and intangible assets to calculate depreciation and amortization. These estimates are determined after taking into account the expected use of assets, obsolescence, and damage. The management reviews the residual value and useful lives annually and changes in depreciation expenses in current and future periods if any-

- **Provision for Slow Moving Inventory Items**

Management makes provisions for slow-moving and obsolete inventories. Inventory is measured at the lower of cost or net realizable value. Estimating of net realizable value is based on the most reliable evidence at the time the estimates are made. These estimates take into account price fluctuations or costs directly related to events that occur after the date of the consolidated financial statements.

- **Impairment of Non-Financial Assets**

Impairment exists when the carrying value of an asset or Cash Generating Unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation are based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future net cash-inflows and the growth rate used for extrapolation purposes.

- **Impairment of Non-derivative Financial Assets**

The Group recognizes allowances for expected credit losses ("ECL") for financial assets measured at amortized cost such as trade accounts receivable. The Group assesses future credit losses using the ECL model for financial assets measured at amortized cost. For trade accounts receivable, the Group applies the simplified approach, which measures the loss allowance at an amount equal to lifetime expected credit losses for all trade accounts receivable since the initial recognition. To assess the ECL, accounts receivable are grouped based on shared risk characteristics and aging. The expected loss rates were calculated based on historical information of the Group and adjusted to reflect the expected future results which include future information on macroeconomic factors such as inflation and GDP growth rate. Other financial assets such as employees' receivables and bank balances have low credit risk and applying the ECL model is considered insignificant.

- **Fair value measurements of financial instruments including derivative financial instruments**

When the fair value of the financial assets and liabilities in the consolidated statement of financial position cannot be measured based on quoted prices in an active market, when IFRS require those assets or liabilities to be measured based on fair value, their fair value is determined using valuation techniques including using the present value of expected cash flows or any other techniques as stated in IFRS 13. The inputs to these techniques are taken from active markets, where possible. However, If this is not possible, a degree of judgment is required to determine the fair value and such estimates take liquidity risk, credit risk, and volatility into account. Changes in the assumptions relating to these factors can affect the reported fair value of the financial instruments.

- **Benefits and defined-benefit plans (Employee benefits)**

Post-employment defined benefits and the current value of those benefits are determined actuarial valuations. The actuarial valuation includes further assumptions regarding variables that are required such as discount rates, rate of salary increase and returns on assets, mortality rates, increase in future pensions. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, a defined benefit liability is highly sensitive to changes in these assumptions. All actuarial assumptions are reviewed at the date of every consolidated statement of financial position.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value

Fair value is 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. Fair value definition includes the assumption that the Group will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

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: Quoted market prices in active markets for identical assets.

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.

Classification of assets and liabilities from "current" to "non-current"

The Group presents assets and liabilities in the statement of financial position on a current / non-current basis. The assets are current as follows:

- When it is expected to be realized or is intended to be sold or consumed during the normal cycle of operations.
- If it is acquired primarily for trading.
- When it is expected to be achieved within twelve months after the fiscal year, or
- When they are cash and cash equivalents unless there are restrictions on their replacement or use to pay any liabilities for not less than twelve months after the financial year.
- All other assets are classified as "non-current".

All liabilities are currently as follows:

- When it is expected to be paid during the normal business cycle
- If it is acquired primarily for trading.
- When it matures within twelve months after the fiscal year, or
- When there is no unconditional right to defer the payment of liabilities for not less than twelve months after the financial year.

All other liabilities are classified as "non-current".

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. If significant parts of an item of property, plant, and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment. Expenditures on maintenance and repairs are expensed, while expenditures for improvements are capitalized. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. Sold or disposed of asset and their accumulated depreciation are written-off at the date of sale or disposal. Profit or loss on disposal is recognized in the statement of profit or loss.

The estimated useful lives of the principal classes of assets are:

Statement	Depreciation rate
Buildings	1.5%-3%
Property and equipment	5%-15%
Vehicles	10%
Furniture and fixtures	10%-20%
Wells	5%
Computers	10%
Fruitful trees	2.5%-3.85%

The depreciation method and useful lives are reviewed periodically to ensure that the depreciation method is appropriate with the expected economic benefits of property, plant and equipment.

The Group has selected to apply the cost model to measure the property, plant and equipment, in accordance with the resolution of Capital Market Authority which obligates listed entities to apply the cost model dated 16/1/1438H (17/10/2016).

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Purchased intangible assets are recorded at cost less accumulated amortization and any accumulated impairment losses if any. They are amortized over their estimated useful life of Range from 3 years to 10 years using the straight-line method. If there is an indication of a significant change in the useful life or residual value of this intangible asset, the amortization is adjusted in the future to reflect the new expectations

Investment properties

Real estate investments Include (lands, buildings, part of buildings, lands, or both) held by the Group for lease or capital appreciation, or both. Investment properties are measured at cost, net of accumulated depreciation, and any impairment losses if any. Depreciation is calculated based on the amount subject to depreciable, which is the cost of the asset or any other amount less residual amount. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will acquire the property at the end of the lease term. Cost is depreciated by the straight-line method over the estimated useful lives of the assets. When parts of a real estate investment have different useful lives, they are accounted for as separate items (major components) investment property, and equipment. The cost of replacing a part of an item of investment property is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of that part is derecognized. The daily service cost of investment property is recognized in the consolidated statement of profit or loss income when incurred.

Capital work-in-progress is stated at cost which represents construction works at the Group's project, including consultancy, demolition, site development, rocks removal, construction works, and other costs related to assets that are ready to be transferred to the location and to get ready for their intended use. Gains or losses on the disposal of an investment property (which represent the difference between sales proceeds and carrying amounts of disposed of investment property) are recognized in the consolidated statement of profit or loss.

The depreciation rates for the principal classes of assets are as follows:

Statement	Depreciation rate
Buildings	1.5%-3%

Projects under Construction

Projects under construction represent the expenses incurred by the Group in building and constructing new equipment and facilities. Projects under construction are transferred to property, plant, and equipment or investment properties when the asset is intended for use in its intended purpose.

Investments in associates

An associate is a facility over which the Group exercises significant influence, not a subsidiary or joint venture. The group's investment in the associate is accounted for according to the equity method, according to which the investment in the associate is recognized in the statement of financial position at cost adjusted by changes in the firm's share of the net assets of the associate, less any impairment in value, if any. Any reversal of an impairment loss is recognized within the range in which the collectible amount of the investment subsequently increases. When the group reduces its ownership interest in an associate but continues to use the equity method.

Goodwill

Goodwill represents the excess of the cost of the acquisition of the investment over the fair value of the net assets acquired upon business combination. To review the impairment of goodwill, goodwill is allocated to each cash-generating unit (or group of cash-generating units) from which the business combination is expected to benefit. Goodwill is evaluated annually to determine the amount of impairment and is recorded at cost less impairment losses. Impairment losses are not reversed after they have been recorded. Gain or loss on disposal of an entity includes the carrying value of the goodwill relating to the entity sold.

If the cost of the investment acquired is less than its fair value on the date of acquisition, then this difference is settled by reducing the fair values of the non-current assets of the acquired group in proportion to its carrying value, except for long-term investments in securities.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-controlling interests

Non-controlling interests are measured at their proportionate share of net identifiable assets at the date of acquisition.

The change in the Group's interest in a subsidiary that does not result in a loss of control is accounted for as equity transactions.

The Group does not account for its indirect share in subsidiaries owned through investments in investee using the equity method. When calculating shares attributable to non-controlling interests, shares owned directly or indirectly by other subsidiaries are only taken into consideration.

Loss of control

If the Group loses control over a subsidiary, it derecognizes the related assets, liabilities, noncontrolling interest, and other components of equity, while any resultant gain or loss is recognized in the consolidated statement of profit or loss. Any investment retained is recognized at fair value when control is lost.

Transactions eliminated when consolidating the financial statements

Balances, transactions, unrealized expenses, and income arising from transactions between Group companies are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only if there is no indication of impairment.

Biological Assets

Biological assets are the shrimp which is still in the growing stage Biological assets are measured at fair value minus selling cost when fair value can be measured clearly and reliably when the fair value measurement cannot be reliably relied upon, and there are no active market prices for biological assets, in which case biological assets are measured at cost on that date when applying International Accounting Standard No. (2) "Inventory".

Selling costs include additional selling costs and the estimated costs of bringing them to market but do not include financing costs. Aquaculture costs such as larval expenses, labor costs, and feed costs are charged as expenses incurred in measuring the biological assets at fair value.

Fruit trees are considered seed-bearing plants and are thus shown and accounted for as property, plant and equipment. However, the fruits that grow on those trees are accounted for as vital assets up to the date they are harvested. Harvested fruits are transferred to inventory at fair value minus the costs of selling at harvest. Changes in the fair value of fruits before harvest are recognized in the consolidated statement of profit or loss.

The fair value of the biological assets is determined using a discounted cash flow model based on the expected return from the quantities raised, the market price of mature fish after taking into account the following:

Harvest costs, the contribution of the asset cost of the land the ownership of trees to the group, and other costs not yet incurred in obtaining the fish until maturity. But if there are no active market prices for fish and the fair value cannot be determined clearly and reliably, then in such a case, the biological asset must be measured at cost.

Impairment of assets

At each statement of financial position date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If there is any indication that assets have suffered an impairment loss, the recoverable amount of any affected asset (or group of assets) is estimated and compared to its carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of profit or loss.

When an impairment loss subsequently reverses other than goodwill, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately consolidated statement of profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that relate directly to the purchase or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through the statement of profit or loss) are added to the fair value of financial assets and financial liabilities or deducted from them, as appropriate, upon initial recognition. Transaction costs that are directly related to the purchase of financial assets and liabilities and are measured at fair value through the statement of profit or loss are recognized directly in the consolidated statement of profit or loss.

4-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

First: Financial assets

Financial assets are classified into the following specified categories: Financial assets 'at fair value through profit or loss', Financial assets measured at fair value through other comprehensive income, and financial assets measured at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. A regular way to purchase or sale of financial assets is recognized using trade date. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A) Financial assets measured at fair value through profit or loss

Financial assets are measured at fair value through the statement of profit or loss if they have been acquired or held for the purpose or selected to be classified in this category.

Financial assets are classified as held for trading if:

- If they were acquired mainly to be sold in near future.
- If they represent a known portfolio of financial instruments managed by the Group and include the actual pattern of a financial instrument that generates profits in the short term.
- If they represent a derivative but not classified or effective as a hedging instrument.

Financial assets measured at fair value through the statement of profit or loss are stated at their fair value, and any gain or loss resulting from the revaluation is recognized in the consolidated statement of profit or loss.

Net profit or loss includes any dividends or interest due from the financial asset and is included in the consolidated statement of profit or loss.

B) Financial assets measured at Fair value through other comprehensive income (FVOCI)

Profits and losses arising from changes in fair value are included in the statement of other comprehensive income and are added to the statement of accumulated changes in fair value of investments within equity other than impairment losses which are included in the consolidated statement of profit and loss. If the investment is disposed or suffered an impairment, profits and losses resulted from the previous evaluation which was recognized in investment revaluation reserve are included in the statement of other comprehensive income.

Dividends income from investments is recognized in equity instruments at fair value through the statement of other comprehensive income when the Group's right to receive payment has been established and is shown as income in the statement of profit or loss unless dividends represent a recovery of part of the investment cost. Other profits and losses are recognized in the statement of other comprehensive income and are never reclassified to the consolidated statement of profit or loss.

C) Financial assets measured at amortized cost

Accounts receivable, including trade and other receivables, bank balances, and cash are measured at amortized cost using the effective interest method less any impairment loss and charged to the consolidated statement of profit or loss.

Interest income is determined using the effective interest rate, except for short-term receivables when the discount effect is insignificant.

Second: Financial liabilities:

Financial liabilities (including loans and accounts payable) are measured subsequently at amortized cost using the effective interest method.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled, or have expired. The difference between the carrying amount of disposed financial liabilities and the amount paid is charged to the consolidated statement of profit or loss.

Effective interest rate method

The effective interest method is an accounting practice used for calculating the amortized cost of a debt instrument and for distributing interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (Including all fees and points paid or received, which form an integral part of the effective interest rate, transaction costs, installments, or other discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

4-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost or net realizable value, except for spare parts and raw materials that are stated at cost. Costs of inventories are determined on a weighted average basis. A provision for obsolete and slow-moving items based on management estimates at the reporting date of the consolidated financial statements.

Related party transactions

Related party

A related party is a person or entity associated with the Group that prepares its financial statements.

A) If the person or a member of his family is closely related to the company whose consolidated financial statements are prepared:

- Has joint control or control over the company preparing its consolidated financial statements;
- It has a material impact on the company preparing its consolidated financial statements. or
- He is a member of the top management of the company whose consolidated financial statements are prepared or the parent company of the company that prepares its consolidated financial statements.

B) If the facility is related to the company that prepares its consolidated financial statements if any of the following conditions are fulfilled:

- The establishment and the company that prepares its consolidated financial statements are members of the same group (which means that both the parent company, subsidiaries, and associates have a relationship with the other).
- One of the two companies is an associate or a joint venture of the other company (or an associate or a joint venture of a member of the group of which the other company is a member).
- Both companies are joint ventures of the same third party.
- One of the two companies is a joint venture of a third company and the other company is an associate of the third company.
- A company is a post-employment benefit plan for the employees of any company that prepares its financial reports or a company related to the company that prepares its consolidated financial statements. If the company preparing its consolidated financial statements is the same as preparing those plans, the sponsoring work sponsors are also related to the company that prepares its consolidated financial statements.
- The company is jointly controlled or controlled by a person specified in Paragraph (a).
- The person identified in paragraph (a) (1) has a material influence on the company or is a member of the top management in the company (or the parent company).
- The company or any member of the group provides part of the services of senior management employees of the company that prepares its consolidated financial statements or to the parent company of the company that prepares its financial statements.

Accounts receivable

Accounts receivable are stated at the original amount of invoice, less provision for expected credit losses. An allowance against expected credit losses is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Bad debts are written off as incurred against related receivables. Provisions are charged to the consolidated statement of profit or loss. Any receivables recovered subsequently that were previously written off are recorded under other revenues.

Lesses

A) The group as a lessee

The group establishes the asset (right to use) and lease liability on the start date of the lease contract. The asset (right of use) is initially measured at the cost that consists of the initial amount of the modified lease obligation for any lease payments made on or before the start date. (Right to use) or the end of the lease term, whichever is earlier. The estimated useful lives of (right-of-use) assets are determined on the same basis used for property and equipment. Also, the asset (right to use) is periodically reduced by impairment losses, if any.

The lease commitment is initially measured at the present value of lease payments that were not paid at the commencement date of the lease and discounted using the interest rate implicit in the lease agreement or if that rate is difficult to determine reliably, the group uses the additional borrowing rate.

Short-term and low-value leases

The Group has chosen not to prove the assets (right to use) and lease obligations for short-term leases of 12 months or less and low-value lease contracts, the Group recognizes the lease payments associated with these contracts as expenses in the consolidated statement of profit or loss on a straight-line basis over a period lease.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lesses(Continued)

B) Group as a lessor

The group recognizes lease payments received under the lease contracts as income in the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

Cash and cash equivalent

Cash and cash equivalent comprise cash on hand and bank balances, time deposits, and other highly liquid short-term investments with original maturities of three months or less. from the acquisition date which is available to the Group without restrictions.

Loans

Loans are initially recognized at the transaction price (I.e. the present value of the bank's due to funding bodies, including transaction costs). Loans are measured at amortized cost.

Employees' defined benefit obligations

- **End service indemnities**

The end-of-service indemnity provision is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur and are not charged to the consolidated statement of profit or loss.

- **Retirement benefits**

The Group makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. These payments are expensed when incurred.

- **Short-term employee benefits**

Liabilities recognized in respect of short-term employee benefits related to wages and salaries are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Governmental grants

Government grants are recognized at fair value in the consolidated statement of profit or loss when there is reasonable assurance that the grant will be received and that the group has fulfilled all the conditions for that grant. The grants that are received when the group has not yet complied with all the attached conditions are recognized as liabilities (and are included in deferred revenue within the payables and other payables) and those grants are recorded in the list of profit or loss upon fulfillment of all the conditions of that grant.

Accounts payable, accrued expenses, and other credit balances

Liabilities are recognized for amounts to be paid in the future for services received, whether billed or not by suppliers.

Zakat provision

Zakat is a liability on the Group and provided for in the accompanying financial statements. Zakat is charged to the statement of profit or loss on an accruals basis, in accordance with Zakat standard issued by SOCPA. where it is calculated for the year in accordance with the principle of accrual.

The zakat charge is computed at year-end on Zakat base or adjusted net income whichever is higher, in accordance with the regulations of the General Authority of Zakat and Income Tax in Saudi Arabia.

Differences arising from the final assessment are accounted for in the reporting period in which such assessments are finalized.

Withholding taxes

The group collects taxes on transactions with non-resident parties in the Kingdom of Saudi Arabia and on dividends paid to non-resident shareholders in accordance with the regulations of the General Authority for Zakat and Income in the Kingdom of Saudi Arabia.

Value-added tax

Expenses and assets are recognized net of the amount of value-added tax, except:

When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognized when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Provisions are measured to the best of the expected fair value of the liability as at the consolidated statement of financial position date, taking into account risks and uncertainties surrounding the obligation. When an allowance is measured using estimated cash flows to settle the present obligation, the receivable is recognized as an asset if the receipt and replacement of the amount are confirmed and the amount can be measured reliably.

Revenue

Revenue is recognized when the Group fulfills its obligations in contracts with customers with an amount that reflects the material compensation that the entity expects for goods or services. Specifically, the standard provides a five-step model for revenue recognition:

Step 1: Identify the contract with the customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when or as the entity satisfies a performance obligation.

- Revenue is recognized when the contractual obligations are performed, i.e. when control over goods or services related to the performance of a specified obligation is transferred to the customer and the customer can use goods without restrictions or benefit from services provided under the contract.
- Revenue from the sale of any by-products from industrial waste is recorded as other income in the consolidated statement of profit or loss.
- If the Group separated a product selling price from its location or delivered to the customer's location, the difference arising from this separation will be considered other revenue and its corresponding cost will be charged to costs of revenue.

Other Revenue

Other revenues are recognized when realized.

Expenses

All direct expenses related to sales comprise salaries, wages, materials, and Indirect costs and are charged to the cost of sales. Selling and marketing expenses include all expenses related to the selling and marketing function. All other expenses are classified as general and administrative expenses. Common expenses are allocated between general and administrative expenses, selling, marketing expenses. Common expenses are allocated consistently.

Board of directors remunerations

The remuneration of the members of the board of directors is recorded through the consolidated statement of profit or loss.

Finance costs

Borrowing costs directly attributable to construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets until the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Contingent Liabilities and Assets

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Offset

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Segment information

An operating segment is an element of a group that relates to its activities through which it earns revenue and incurs expenses including revenues and expenses related to transactions with any other elements of the group. All operating results of the operating sectors are reviewed regularly by the heads of the business sector in the group, who make decisions about the resources that are allocated to the sectors and evaluate their performance and for which detailed financial information is available. Segment results reported to the firm's business heads include items directly attributable to the segment as well as those that can be distributed on a reasonable basis.

Earnings per share

Basic and diluted earnings per share are calculated based on the weighted average number of shares outstanding at the end of the year.

Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date of the consolidated statement of financial position are translated into Saudi riyals at the exchange rates prevailing at end of the period. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of profit or loss.

5- Business combination

During 2020, the group acquired 65% equity interest in Mango Jazan Trading Company, a Saudi Arabian limited liability company, to expand its customer base and sell its products through an electronic platform. The purchase consideration for such equity interest was agreed to be Saudi Riyals 2.1 million which was settled during 2020 in cash amounting to Saudi Riyals 1.4 million and the balance of Saudi Riyals 0.7 million was settled in kind.

There were no significant tangible assets and liabilities at the date of the acquisition and management has performed the purchase price allocation exercise which resulted in the recognition of cash and cash equivalents of Saudi Riyals 0.01 million and separately identifiable intangible assets of Saudi Riyals 3.2 million. The Company's share in the acquired assets approximates the purchase consideration paid for such acquisition.

The assets and liabilities that were recognized as a result of the acquisition were as follows:

	Fair value at the date of acquisition SAR
Total identifiable assets	**2,100,000**
Total acquisition cost	**2,100,000**
Cash flow issued on acquisition	
Net cash acquired from the subsidiary	**6,500**
Cash compensation paid	**(2,100,000)**
Net cash flow issued	**(2,093,500)**

6-PROPERTY, PLANT AND EQUIPMENT, NET

	Lands* SAR	Buildings SAR	Property and equipment SAR	Vehicles SAR	Furniture and fixtures SAR	Wells SAR	Computers SAR	Fruitful trees SAR	Projects under construction** SAR	Total SAR
Cost										
Balance as of 1 January 2020	17,874,855	207,914,594	106,927,463	9,784,503	4,752,825	977,071	2,659,506	23,486,155	1,693,116	376,070,088
Additions during the year	-	180,394	2,478,886	461,600	253,684	-	284,540	-	1,087,241	4,746,345
Transferred from investments properties (Note 7)	-	5,135,802	-	-	-	-	-	-	-	5,135,802
Balance as of 31 December 2020	17,874,855	213,230,790	109,406,349	10,246,103	5,006,509	977,071	2,944,046	23,486,155	2,780,357	385,952,235
Accumulated depreciation										
Balance as of 1 January 2020	-	74,431,445	65,620,050	7,209,963	3,966,330	728,914	2,141,901	6,148,748	-	160,247,351
Charged for the year	-	2,572,623	4,128,511	514,023	196,519	28,445	107,312	423,385	-	7,970,818
Balance as of 31 December 2020	-	77,004,068	69,748,561	7,723,986	4,162,849	757,359	2,249,213	6,572,133	-	168,218,169
Net book value										
As of 31 December 2020	17,874,855	136,226,722	39,657,788	2,522,117	843,660	219,712	694,833	16,914,022	2,780,357	217,734,066

* The land item includes the value of lands that have been marginalized on the assets of their title deeds with a mortgage in favor of the Agricultural Development Fund against the loan granted to the group (Note 20), and the cost of those lands as of 31 December 2020 amounted to SAR 17,874,855 (31 December 2019: SAR 17,874,855). (1 January 2019: SAR 17,874,855).

** The projects under construction are represented in projects established and still not ready for the purpose for which it was prepared, and their data are as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Water factory construction project	1,693,116	1,693,116	-
Shrimp ponds breeding project	1,087,241	-	-
	2,780,357	1,693,116	-

Depreciation expenses are allocated as of 31 December as follows:

	2020 SAR	2019 SAR
Cost of sales	7,475,705	7,451,010
Selling and marketing expenses (note 27)	469,043	408,869
General and administrative expenses (note 28)	26,070	138,396
	7,970,818	7,998,275

6- PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

	Lands	Buildings	Property and equipment	Vehicles	Furniture and fixtures	Wells	Computers	Fruitful trees	Projects under construction	Total
	SAR	SAR	SAR	SAR	SAR	SAR	SAR	SAR	SAR	SAR
Cost										
Balance as of 1 January 2019	17,874,855	206,619,769	102,874,907	9,138,003	4,492,319	977,071	2,444,508	23,486,155	-	367,907,587
Additions during the year	-	1,294,825	4,052,556	646,500	260,506	-	214,998	-	1,693,116	8,162,501
Balance as of 31 December 2019	17,874,855	207,914,594	106,927,463	9,784,503	4,752,825	977,071	2,659,506	23,486,155	1,693,116	376,070,088
Accumulated depreciation										
Balance as of 1 January 2019	-	71,306,483	61,938,688	6,773,055	3,771,626	700,109	2,033,752	5,725,363	-	152,249,076
Charged for the year	-	3,124,962	3,681,362	436,908	194,704	28,805	108,149	423,385	-	7,998,275
Balance as of 31 December 2019	-	74,431,445	65,620,050	7,209,963	3,966,330	728,914	2,141,901	6,148,748	-	160,247,351
Net book value										
As of 31 December 2019	17,874,855	133,483,149	41,307,413	2,574,540	786,495	248,157	517,605	17,337,407	1,693,116	215,822,737
As of 1 January 2019	17,874,855	135,313,286	40,936,219	2,364,948	720,693	276,962	410,756	17,760,792	-	215,658,511

7-INVESTMENTS PROPERTIES, NET

	Lands SAR	Buildings* SAR	Projects under construction ** SAR	Total SAR
Cost				
Balance as of 1 January 2020	25,715,841	222,440,216	20,385,706	268,541,763
Additions during the year	-	**1,580,370**	-	**1,580,370**
Transferred to property, plant and equipment (Note 6)	-	-	**(5,135,802)**	**(5,135,802)**
Balance as of 31 December 2020	**25,715,841**	**224,020,586**	**15,249,904**	**264,986,331**
Accumulated amortization				
Balance as of 1 January 2020	-	30,109,558	-	30,109,558
Charged for the year	-	**3,141,553**	-	**3,141,553**
Balance as of 31 December 2020	-	**33,251,111**	-	**33,251,111**
Net book value				
As of 31 December 2020	**25,715,841**	**190,769,475**	**15,249,904**	**231,735,220**

* The buildings item includes the value of buildings that have been mortgaged in favor of Al-Rajhi Bank against the loan granted to the group (Note 20) and the net book value of those buildings as of 31 December 2020 amounted to SAR 162,931,112, (31 December 2019: SAR 165,025,460), (1 January 2019 SAR 167,855,549).
**The projects under construction are constructions on the land of the model plan, where the balance as of 31 December 2020 amounted to SAR 15,249,904, (31 December 2019: SAR 20,385,706), (1 January 2019 SAR 20,122,715).

The group evaluated its investment properties except for projects under construction at fair value through an independent valuation expert accredited by the Saudi Residents Authority (Taqeem), which is Mumtalakati Real Estate Appraisal Company with license number 1210000305, where the fair value of real estate investment as of 31 December 2020 amounted to SAR 300,050,000. (31 December 2019: SAR 300,050,000) (1 January 2019 SAR 300,050,000).

Movement in investment properties for the year ended 31 December 2019 is as follows:

	Lands SAR	Buildings SAR	Projects under construction SAR	Total SAR
Cost				
Balance as of 1 January 2019	46,340,841	236,659,608	20,122,715	303,123,164
Additions during the year	-	101,858	262,991	364,849
Disposal during the year	(20,625,000)	(14,321,250)	-	(34,946,250)
Balance as of 31 December 2019	25,715,841	222,440,216	20,385,706	268,541,763
Accumulated amortization				
Balance as of 1 January 2019	-	28,468,813	-	28,468,813
Charged for the year	-	3,359,295	-	3,359,295
Disposal during the year	-	(1,718,550)	-	(1,718,550)
Balance as of 31 December 2019	-	30,109,558	-	30,109,558
Net book value				
As of 31 December 2019	25,715,841	192,330,658	20,385,706	238,432,205
As of 1 January 2019	46,340,841	208,190,795	20,122,715	274,654,351

8-INVESTMENTS IN SUBSIDIARIES

Investments in subsidiary companies consist of the following:

Company	Legal entity	Country	Ownership percentage	**31 December 2020 SAR**	31 December 2019 SAR	1 January 2019 SAR
Fish Day Company for Selling Fish **	Limited liability company	Saudi Arabia	%80	**1,000,000**	-	-
				1,000,000	-	-

The activity of the Fish Day Company for the sale of fish is the wholesale sale of fish and aquatic organisms, the retail sale of fish and other seafood and their products, the retail via the Internet, and the transport of chilled and frozen goods. Registered in the commercial registry in Riyadh with the number 1010894462, and according to the company's articles of association, the first financial statements of the company are prepared as of 31 December 2021, consequently, this company has not been consolidated within the group's financial statements.

Movement on the investments in subsidiary companies is as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Balance at the beginning of the year	-	-	-
Additions during the year	**1,000,000**	-	-
Balance at the end of the year	**1,000,000**	-	-

9- INVESTMENTS IN ASSOCIATES, NET

Investments in associate companies consist of the following:

Company	**Country**	**Ownership percentage**	**31 December 2020 SAR**	**31 December 2019 SAR**	**1 January 2019 SAR**
Tabuk Fish Company *	Saudi Arabia	%20	**19,154,139**	18,133,881	17,920,262
Jannat Agricultural Investment Company **	Saudi Arabia	%27.8	-	-	-
Rakhaa Company for Agricultural Investment and Development **	Arab Republic Of Egypt	%21.6	-	-	-
			19,154,139	18,133,881	17,920,262

- The group assesses and records its share in the results of the associate companies in the absence of update financial statements for these associate companies.

* Tabuk Fish Company is engaged in the cultivation of fish and other aquatic organisms, fishing, and gathering of fish and marine organisms, marketing of marine products, the manufacture of marine products, the manufacture of fish containers from polystyrene, plastic, etc., the manufacture of fish feed and all industries related to the company's activity, and wholesale and retail trade in the equipment and supplies of fish projects and in foodstuffs and agencies Commercial establishments, restaurants and shops for selling fish are registered in the Commercial Registry of Riyadh City with the number 1010215142.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

9- INVESTMENTS IN ASSOCIATES, NET (CONTINUED)

Movement on the investments in associate companies is as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Balance at the beginning of the year	**20,105,626**	19,892,007	19,955,653
Group's share in the profit / (loss) of the associate	**987,579**	(51,196)	172,035
Group's share in the items of other comprehensive income/ (other comprehensive loss) of the associate	**32,679**	264,815	(235,681)
	21,125,884	20,105,626	19,892,007
Impairment in the investment value of the associate	**(1,971,745)**	(1,971,745)	(1,971,745)
Balance at the end of the year	**19,154,139**	18,133,881	17,920,262

** The activity of Jannat Agricultural Investment Company is represented in establishing agricultural projects, livestock, and poultry production, registered in the commercial register in Riyadh City No. 1010241588. The partners decided to liquidate the company because of the accumulated losses exceeding more than half of its capital, and the entire investment value was closed in the financial statements during 2018 Whereas, Jannat Agricultural Investment Company owns an investment of 77.73% of the capital of Rakhaa Agricultural Investment Company, a company based in the Arab Republic of Egypt that produces agricultural crops, and due to the stumbling block of Jannat Company and it is being under liquidation, on 2 January 2020, the ownership of 17,288 shares of the shares were transferred. Rakhaa Company for Agricultural Investment and Development to the Jazan Energy and Development Company (JAZADCO). The deficit of shareholders in Rakhaa Agricultural Investment and Development Company, as of 31 December 2019 reached 305.6 million Egyptian pounds, equivalent to its value on the date of the financial position, amounting to 72.7 million Saudi riyals. The value of that investment has not been proven due to the existence of that deficit in the rights of the shareholders according to the company's latest audited financial statements. The liquidation procedures of Jannat Agricultural Investment Company are still ongoing until the date of the consolidated financial position. (Note 22).

10 -FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial investments at fair value through other comprehensive income represent an investment in Al-Reef Sugar Refining Company at a rate of 15% of its capital, where the company's activity is in the manufacturing industries and its branches according to industrial licenses, wholesale and retail trade with agricultural crops and commercial services, and the purchase and sale of land, ownership, leasing, and investment of real estate and the construction of buildings on it and its investment For the company.

The following is a statement of that investment as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Al-Reef Sugar Refining Company	**45,000,000**	45,000,000	45,000,000
Reserve for revaluation of financial investments at FVOCI	**(3,000,000)**	(3,810,000)	(3,810,000)
Balance at the end of the year	**42,000,000**	41,190,000	41,190,000

The movement in the reserve for revaluation of financial investments at FVOCI is as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Balance at the beginning of the year	**41,190,000**	41,190,000	41,190,000
Change in fair value of investments at fair value through other comprehensive income	**810,000**	-	-
Balance at the end of the year	**42,000,000**	41,190,000	41,190,000

11- INTANGIBLE ASSETS, NET

Intangible assets are represented in accounting programs and applications used in operation where they are amortized over a period ranging from 3 years to 10 years, and the following is the movement on intangible assets as follows:

	Softwares SAR	Mango application SAR	Trademark SAR	Total SAR
Cost				
Balance as of 1 January 2020	-	-	-	-
Additions during the year	-	3,245,269	5,000	3,250,269
Transferred from advance payments to purchase intangible assets (Note 12)	2,089,934	-	-	2,089,934
Balance as of 31 December 2020	2,089,934	3,245,269	5,000	5,340,203
Accumulated amortization				
Balance as of 1 January 2020	-	-	-	-
Charged for the year (Note 28)	52,248	897,730	500	950,478
Balance as of 31 December 2020	52,248	897,730	500	950,478
Net book value				
As of 31 December 2020	2,037,686	2,347,539	4,500	4,389,725
As of 31 December 2019	-	-	-	-

12- ADVANCE TO PURCHASE INTANGIBLE ASSETS

The advance payment for the purchase of intangible assets represents the purchase value of an ERP System. As it was completed on 1, October 2020, and converted into an item of intangible assets during the year 2020. The movement of the advance payments to purchase intangible assets is as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Balance at the beginning of the year	**1,984,970**	1,658,726	1,370,857
Additions during the year	**104,964**	326,244	287,869
Transferred to intangible assets (Note 11)	**(2,089,934)**	-	-
Balance at the end of the year	-	1,984,970	1,658,726

13- RELATED-PARTY TRANSACTIONS

The Group deals, through its normal activities, with related parties, and these transactions include providing financing services without returns and other operational services. Transactions with related parties as of 31 December are represented by the following:

A) Key transactions with related parties are as follows:

Related party	Nature of relationship	Nature of transaction	Size of the transaction during the year ended December 31 — **31 December 2020 SAR**	31 December 2019 SAR
Rakhaa Company for Agricultural Investment and Development	Associate company	Finance	-	360,150
		Close balance	**139,002**	-
Fish Day to sell fish Company	Subsidiary company	Finance	**255,687**	-

B) The balances due from the related party are as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Rakhaa Company for Agricultural Investment and Development	**4,151,555**	4,290,557	1,630,506
less: Transferred from the liability balance against the loan guarantee of an associate	**(4,151,555)**	(4,151,555)	(1,630,506)
	-	139,002	-

13- RELATED-PARTY TRANSACTIONS (CONTINUED)

The movement of the transferred from the liability balance against the loan guarantee of an associate is as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Balance at the beginning of the year	**4,151,555**	1,630,506	-
Transferred from liability against loan guarantee to an associate (Note 22)	-	2,521,049	1,630,506
Balance at the end of the year	**4,151,555**	4,151,555	1,630,506

C) The balances due to related party are as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Fish Day to sell fish Company	**255,687**	-	-

14- BIOLOGICAL ASSETS

The biological assets represented in shrimp and mangoes as they are in the stage of growth and which has been proven at fair value minus its selling costs, the fair value was determined by an independent valuer with experience in the related business, about mango crops, there was no ability to measure it at fair value in a reliable way, so it was recognized at cost, the statement of those biological assets is as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Shrimps	**10,572,534**	-	-
Mangoes	**1,510,633**	-	-
	12,083,167	-	-

15- INVENTORY, NET

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Finished goods	**15,605,449**	18,508,371	10,099,694
Raw materials	**5,073,944**	7,819,084	8,400,357
Spare parts	**2,719,040**	2,965,985	3,604,345
	23,398,433	29,293,440	22,104,396
(Less): provision for slow-moving goods	**(320,000)**	(320,000)	(320,000)
	23,078,433	28,973,440	21,784,396

The movement in the provision for slow-moving goods is as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Balance at the beginning of the year	**320,000**	320,000	320,000
Balance at the end of the year	**320,000**	320,000	320,000

16- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial investments at fair value through profit or loss are represented in the investment in the bank's portfolio At Investments Capital, a subsidiary of the Saudi Investment Bank. The movement of financial investments at fair value through profit or loss is as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Balance at the beginning of the year	**391,033**	368,464	523,219
Unrealized gain / (loss) from FVTPL investments	**124,653**	22,569	(154,755)
Balance at the end of the year	**515,686**	391,033	368,464

17- ACCOUNTS RECEIVABLE, PREPAID EXPENSES AND OTHER DEBTORS, NET

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Accounts receivable	**34,593,511**	19,994,387	35,245,336
(Less): Provision for expected credit loss	**(6,247,784)**	(5,448,364)	(7,739,598)
Accounts receivable, net	**28,345,727**	14,546,023	27,505,738
Prepayments to supplier	**11,187,821**	5,115,843	3,742,969
Prepaid expenses	**1,176,605**	2,078,375	1,423,289
Shrimp sales support accrued - Ministry of Agriculture	**1,110,018**	-	-
Employees receivables and custody	**922,554**	1,541,872	1,319,183
Accrued revenue	-	-	1,842,411
	42,742,725	23,282,113	35,833,590

The movement in the provision for expected credit losses is as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Balance at the beginning of the year	**5,448,364**	7,739,598	6,789,141
Provided during the year	**799,420**	-	950,457
Used during the year	-	(2,291,234)	-
Balance at the end of the year	**6,247,784**	5,448,364	7,739,598

The following table shows the ages of receivables with the group as in:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
From 1 to 90 days	**21,094,283**	4,661,724	13,014,986
91 to 180 days	**1,900,809**	418,621	1,506,908
181 to 360 days	**6,591,569**	4,619,542	17,377,798
More than 360 days	**5,006,850**	10,294,500	3,345,644
Balance at the end of the year	**34,593,511**	19,994,387	35,245,336

18- CASH AND CASH EQUIVALENT

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Cash at bank	**6,263,042**	20,430,166	5,540,516
Cash on hand	**164,112**	175,804	87,559
	6,427,154	20,605,970	5,628,075

19- STATUTORY RESERVE

As per the Regulations for Companies in Saudi Arabia, and the Company's by-laws of the parent company a statutory reserve of 10% of net income must be appropriated until the reserve equals 30% of the share capital. The reserve is not available for distribution as dividends to shareholders and the group did not make that transfer during the year due to accumulated losses.

20- LONG TERM LOAN

The long-term loans represent as below:

Agricultural Development Fund loan

- On 22 Dhu al-Qi'dah 1431 AH (30 October 2010), the Jazan Energy And Development Company signed a long-term loan agreement with the Saudi Agricultural Development Fund in the amount of 20,999,997 Saudi riyals to finance the shrimp breeding project. The loan is secured by marginalizing the title deeds of land within property, plant and equipment (note 6), the loan agreement included conditions regarding the Jazan Energy And Development Company commitment to some financial ratios and conditions, the loan is to be repaid in ten installments, the first installment is due on 22 Dhul-Qi'dah 1433 AH (corresponding to 8 October 2012) and the last installment on 22 Dhul-Qi'dah 1442 AH (corresponding to 2 July 2021).

Al-Rajhi Bank loan

- On 17 Shawwal 1438 AH (corresponding to 11 July 2017), the Jazan Energy And Development Company signed a loan agreement with Al-Rajhi Bank to be repaid in semi-annual installments in the amount of 14,996,712 Saudi riyals for Financing Projects for the Jazan Energy and Development Group the loan is secured by a mortgage on buildings included in real estate investments (note 7). and assignment of annual rents for the mortgaged buildings, the loan agreement included conditions regarding the Jazan Energy And Development Company commitment to some financial ratios and conditions, the first installment due on 9 Jumada Al-Akhir 1440 AH (corresponding to 14 February 2019) and the last installment on 18 Muharram 1444 AH (corresponding to 16 August 2022).

Movement in long-term loans is as follows:

	31 December 2020 **SAR**	31 December 2019 SAR	1 January 2019 SAR
Balance at the beginning of the year	**17,866,894**	23,396,708	27,825,349
Repayments from loans during the year	**(1,794,452)**	(5,004,815)	(3,462,366)
Less of the present value of loan balances (Note 23)	**(35,910)**	-	-
Less of expedited payment from the Agricultural Development Fund	-	(524,999)	(966,275)
Balance at the end of the year	**16,036,532**	17,866,894	23,396,708
Current portion of long-term loans	**11,961,557**	7,840,267	5,529,814
Non-current portion of long-term loans	**4,074,975**	10,026,627	17,866,894

Below are the maturities of the loan:

Year	**31 December 2020** **SAR**	31 December 2019 SAR	1 January 2019 SAR
2019	-	-	5,529,814
2020	**6,009,905**	7,840,267	7,840,267
2021	**5,951,652**	5,951,652	5,951,652
2022	**4,074,975**	4,074,975	4,074,975
	16,036,532	17,866,894	23,396,708

21- EMPLOYEES' DEFINED BENEFIT PLAN OBLIGATIONS

The group determines the current value of the defined employee benefit plan obligations by making an actuarial valuation using the projected credit unit method, after taking into account the following set of assumptions:

	31 December 2020	31 December 2019	1 January 2019
Discount rate	**2,75%**	2,97%	4,38%
Benefits increase rate	**3%**	3%	4,38%

The movement in defined employees benefit plan liabilities as of 31 December is as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Employees benefits plan obligations balance the beginning of the year	**8,307,641**	10,094,401	8,640,999
Charged to the statement consolidated statement of profit or loss			
Cost of current service	**1,107,602**	1,245,915	1,195,195
Interest cost	**246,737**	442,135	345,640
Charged to the consolidated statement of other comprehensive income			
Actuarial losses/ (Gain) from re-measurement of defined employees benefit plan obligation	**130,079**	(621,528)	264,465
Paid during the year	**(1,247,358)**	(2,853,282)	(351,898)
Employees benefits plan obligations balance at the end of the year	**8,544,701**	8,307,641	10,094,401

22- COMMITMENT AGAINST THE LOAN GUARANTEE OF AN ASSOCIATE

On 24 October 2016, the Saudi Fund for Development notified Jannat Agricultural Investment Company that, as of 24 October 2016, the loan due to the fund from the Rakha Agricultural Investment and Development Company (an associate company) is considered implicitly transferred to the guarantor of the loan with a fine guarantee and the performance and demand of the guarantor partners to quickly repay the obligations The implications for the partners, as the Jazan Energy and Development Company (JAZADCO) is a partner in Jannat Agricultural Investment Company, so a provision has been made in the amount equivalent to the loan guarantee percentage of the Jazan Energy and Development Company (JAZADCO), which is 18.85%, at an amount of 18,771,396 Saudi riyals. (Note 32)

Movement in commitment against the loan guarantee of an associate is as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Balance at the beginning of the year	**14,619,841**	17,140,890	18,771,396
paid from obligation and transferred to meet the balance required from a related party (Note 13)	-	(2,521,049)	(1,630,506)
Balance at the end of the year	**14,619,841**	14,619,841	17,140,890

23- ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CREDITORS

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Accounts Payable	**8,515,801**	10,055,953	16,305,860
Value-added tax	**1,968,769**	73,482	-
Revenue received in advance	**1,492,947**	1,313,963	1,706,755
Dues to the Board of Directors members	**706,766**	252,241	-
Dues to the executive committees	**537,000**	-	-
Insurances for others	**506,293**	2,245,494	1,849,723
IPO surplus	**479,900**	479,900	479,900
Accrued finance costs	**449,906**	-	-
Due to employees	**392,913**	415,880	247,128
Advances from customers	**374,672**	-	-
Guarantees of good implementation	**223,502**	1,268,237	1,268,237
Accrued expenses	**223,353**	904,454	1,997,828
Deferred revenue - Government grants (Note 20)	**35,910**	-	-
	15,907,732	17,009,604	23,855,431

24- ZAKAT PROVISION

A) The principal elements of the Zakat base for the group are the following:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Shareholders' equity	**585,422,994**	551,517,769	579,965,395
provisions at the beginning of the year and non-current liabilities	**67,386,965**	48,399,968	54,329,785
Non-current assets	**(586,618,753)**	(71,326,835)	(76,380,270)
Net income / (loss) Adjusted	**15,013,649**	(5,224,137)	776,417

B) The following is the movement in Zakat provision:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Balance at the beginning of the year	**12,692,014**	12,679,736	12,370,678
Provided during the year	**2,086,217**	1,783,171	1,909,507
Paid during the year	**(370,000)**	(1,770,893)	(1,600,449)
Balance at the end of the year	**14,408,231**	12,692,014	12,679,736

C) Zakat position

Jazan Energy and Development Company (JAZADCO)

Years from 2006 until 2010 :

The General Authority for Zakat and Income has issued the amended zakat and tax assessment by imposing additional zakat of 11,844,023 riyals, and a withholding tax (paid in excess) of 1,134,079 riyals. As the company's objection to the amended assessment is still in the objection stage with the Authority, and the dispute settlement has been requested before the Authority's Tax Dispute Settlement Committee, it is expected to reduce the amount of zakat claims by 50%.

24- ZAKAT PROVISION (CONTINOUED)

C) Zakat position (Continoued)

Jazan Energy and Development Company (JAZADCO)

Years from 2014 until 2018:

The General Authority for Zakat and Income issued a zakat assessment on the company for those years by imposing additional zakat of 4,434,244 riyals. The differences in zakat that the authority demanded in the initial assessment have been reduced, and this final difference has been contested, and the objection has been escalated before the tax separation committees, as well as the settlement of the dispute, has been requested before the Authority's Zakat and Tax Dispute Settlement Committee, and it is expected that the amount of zakat claims will be reduced by 50%. The objections submitted by the company are based on the zakat system and the implementing regulations. It is expected that all disputes for these years will be resolved within three months if the settlement is agreed upon with the Authority, and it is difficult to determine the time required to end these disputes when litigating before the tax separation committees.

In the year 2019

The company submitted zakat returns for the previous years until the year 2019, and a zakat certificate was obtained for that year.

Mango Jazan Trading Company

The company has registered with the General Authority of Zakat and Income, and the declaration will be submitted for the financial statements, which cover the period from 16 December 2019 to 31 December 2020.

25- REVENUE, NET

	2020 SAR	2019 SAR
Shrimp sales	**46,784,537**	34,189,711
Water sales	**19,857,939**	28,031,749
Rental income	**11,276,603**	9,660,278
Mango sales	**6,964,976**	-
Others	**249,771**	-
Less:		
Discount allowed for water sales	**(62,222)**	-
	85,071,604	71,881,738

26- GAINS IN PROOF OF BIOLOGICAL ASSETS AT FAIR VALUE

The amount represents the value of the gains arising on the initial recognition of the biological assets (note 14) resulting from the change in the fair value of the biological assets minus the selling costs, which amounted during the year ended 31 December 2020 amounted to 6,526,546 Saudi riyals (31 December 2019: nothing).

27- SELLING AND MARKETING EXPENSES

	2020 SAR	2019 SAR
Salaries, wages, and equivalents	**2,910,386**	4,179,139
Transportation and shipment expenses	**567,619**	582,019
Depreciation of property, plant and equipment (note 6)	**469,043**	408,869
Maintenance and fuel	**319,898**	376,519
Fees and subscriptions	**151,756**	-
Commissions	**142,762**	-
Advertising	**116,915**	422,059
Insurance	**112,550**	194,653
Rentals	-	252,500
Others	**373,273**	509,159
	5,164,202	6,924,917

28- GENERAL AND ADMINISTRATION EXPENSES

	2020 SAR	2019 SAR
Salaries, wages, and equivalents	**9,284,653**	10,950,426
Studies and consultations	**1,420,584**	5,431,016
Amortization of intangible assets (note 11)	**950,478**	-
Fees and subscriptions	**892,690**	558,312
Board members' allowances and remuneration	**723,000**	329,000
Allowances and remuneration for executive committees	**591,000**	-
Repair and maintenance	**688,876**	102,503
Electricity, water and cleaning	**184,119**	201,578
Rentals	**124,541**	3,735
Mail and phone	**88,113**	59,166
Hospitality	**31,147**	113,471
Depreciation of property, plant and equipment (note 6)	**26,070**	138,396
Stationery	**24,030**	27,224
Others	**1,341,299**	1,447,061
	16,370,600	19,361,888

29- OTHER INCOME

	2020 SAR	2019 SAR
Shrimp sales support - Ministry of Agriculture	**1,813,015**	-
Close insurances for others	**1,348,717**	-
Close of guarantees well-executed	**926,029**	-
Gain from selling investments properties	-	272,300
	4,087,761	272,300

30- TRANSACTIONS WITH GROUP'S SENIOR EXECUTIVES

Related parties represent non-executive directors, key management personnel of the Group who are considered those personnel exercising authority and responsibility for planning, managing, and controlling the activities of the Group, directly or indirectly, including the managers. Transactions for the year ended 31 December are:

	Nature of transaction	31 December 2020 SAR	31 December 2019 SAR
Senior management personnel	Salaries, allowances, and incentives	**2,170,608**	2,689,092
Independent BOD members	Bonuses, and allowances	**487,000**	48,000
Non-executive BOD members	Bonuses, and allowances	**236,000**	18,000
		2,893,608	2,755,092

31- EARNING PER SHARE

Earnings per share from net income is calculated by dividing the net income for the year by the weighted average number of shares outstanding at the end of the year amounting to 50,000,000 shares.

Earnings per share from operating profit is calculated by dividing the operating profit for the year by the weighted average number of shares outstanding at the end of the year amounting to 50,000,000 shares.

32- PREVIOUS YEARS ADJUSTMENTS

- On 24 October 2016, the Saudi Fund for Development notified Jannat Agricultural Investment Company that as of 24 October 2016, the loan owed by Rakha Agricultural Investment and Development Company (an associate company) is considered implicitly transferred to the guarantors of the loan with a fine guarantee and the performance and demand of the guarantor partners to quickly repay the obligations due to the partners, and since the Jazan Energy and Development Company (JAZADCO) is a partner in Jannat Agricultural Investment Company, therefore, the carrying balance of a commitment in exchange for the guarantee of an associate company's loan in the amount of 18,771,396 Saudi riyals was established, at a value equivalent to the Jazan Energy and Development Company (JAZADCO) guarantee for the loan, which is 18.85% This is in accordance with the requirements of International Accounting Standard No. (8) accounting policies and changes in accounting estimates and errors.
- The amount of 162,833 Saudi riyals recognized during the year 2019 was reclassified as other comprehensive income, which represents the share of Jazan Energy and Development Company (JAZADCO) of the other comprehensive income of the associate companies, where the amount was recognized as a reduction in the reserve item re-evaluation of financial investments at fair value through other comprehensive income The amount has been reclassified as an adjustment of previous years' errors so that it can be proven directly on the accumulated losses in accordance with the requirements of International Accounting Standard No. (8) accounting policies and changes in accounting estimates and errors.
- During the year ending on 31 December 2019, an amount of 1,554,862 Saudi riyals was recognized within the general and administrative expenses instead of being recognized as additions to the item of projects in progress under the item of property, plant, and equipment, which represent consulting expenses for acquisitions and feasibility studies this is in accordance with the requirements of International Accounting Standard No. 8 (Accounting Policies and Changes in Accounting Estimates and Errors).
- During the year ended 31 December 2019, the balance of the advance payments to purchase financial investments has been closed amounted to 2,978,637 Saudi riyals within the general and administrative expenses, which are represented in the payments made to acquire shares in the Bakri International Energy Company Ltd, as the Board of Directors decided on 29 December 2019 not to proceed with the acquisition transaction of these shares in accordance with the requirements of International Accounting Standard No. 8 (accounting policies and changes in accounting estimates and errors).
- As of 1 January 2019, the book balance of the investment in an associate company was reduced by an amount of 63,646 Saudi riyals and increased in the accumulated losses by the same amount as a result of accounting errors in the investment proof according to the equity method, in accordance with the requirements of International Accounting Standard No. (8) accounting policies and changes in accounting estimates and errors.
- As of 31 December 2019, the book balance of the investment in an associate company was increased by an amount of 688,928 Saudi riyals, with proof of the company's share in the company's business results for the year 2019 by an amount of 324,926 in the consolidated statement of profit or loss and an amount of 427,648 riyals in the consolidated statement of other comprehensive income as a result of accounting errors in a proof of the investment according to the equity method in accordance with the requirements of International Accounting Standard No. (8) accounting policies and changes in accounting estimates and errors.
- As of 1 January 2019, an amount of 12,228,430 Saudi riyals has been reclassified from the item of property, plant, and equipment to the item of investment real estate, according to the nature of those properties and the purpose for which they are used in accordance with the requirements of International Accounting Standard No. (40) - Investment Real Estate. Whereas, the definition of investment property is real estate (land or building - or part of a building - or both) that is held (by the owner or by the lessee under a finance lease contract) to earn rental income or to develop capital or both, and not to be used in the production or Supplying goods, providing services, or for administrative purposes; or to sell it in the normal course of business.

32- PREVIOUS YEARS ADJUSTMENTS (CONTINUED)

- As of 31 December 2019, an amount of 12,228,430 Saudi riyals has been reclassified from the item of property, plant, and equipment to the item of investment real estate, according to the nature of those properties and the purpose for which they are used in accordance with the requirements of International Accounting Standard No. (40) - Investment Real Estate. Whereas, the definition of investment property is real estate (land or building - or part of a building - or both) that is held (by the owner or by the lessee under a finance lease contract) to earn rental income or to develop capital or both, and not to be used in the production or Supplying goods, providing services, or for administrative purposes; or to sell it in the normal course of business.
- As of 1 January 1, 2019, and 31 December 2019, the item of accounts receivables, prepaid expenses, and other debtors was reduced by an amount of 3,258,770 Saudi riyals, and the accumulated losses increased by the same amount as a result of accounting errors in the failure to establish a provision for impairment in the value of payments made to suppliers in accordance with the requirements of International Accounting Standard No. (8) Accounting policies and changes in accounting estimates and errors.
- As of 1 January 2019 and 31 December 2019, account receivables, prepaid expenses, and other debtors were reduced by 934,620 Saudi riyals, the accumulated losses increased by 850,875 Saudi riyals, and the item of accounts payable, accrued expenses, and other creditors was reduced by 83,745 Saudi riyals as a result of accounting errors in not proving the provision for decrease In the value of accrued revenues and reclassification of accounts payable, accrued expenses and other creditors in accordance with the requirements of International Accounting Standard No. (8) accounting policies and changes in accounting estimates and errors.
- The following is the effect of adjustments of accounting errors for previous years on the statement of the financial position as of 1 January 2019 as follows:

	Balance before adjustment SAR	Adjustment SAR	Balance after adjustment SAR
Property, plant and equipment, net	227,886,941	(12,228,430)	215,658,511
Investments properties, net	262,425,921	12,228,430	274,654,351
Investments in associates, net	17,983,908	(63,646)	17,920,262
Due from related parties, net	1,630,506	(1,630,506)	-
Accounts receivable, prepaid expenses and other debtors, net	40,026,980	(4,193,390)	35,833,590
Accumulated losses	(33,892,225)	(22,944,687)	(56,836,912)
Commitment against the loan guarantee of an associate	-	17,140,890	17,140,890
Accounts payable, accrued expenses, and other creditors	23,939,176	(83,745)	23,855,431

32- PREVIOUS YEARS ADJUSTMENTS (CONTINUED)

- The following is the effect of adjustments of accounting errors for previous years on the statement of the financial position as of 31 December 2019 as follows:

	Balance before adjustment SAR	Adjustment SAR	Balance after adjustment SAR
Property, plant and equipment, net	229,606,029	(13,783,292)	215,822,737
Investments properties, net	226,203,775	12,228,430	238,432,205
Investments in associates, net	17,444,953	688,928	18,133,881
Advance payments to purchase financial investments	2,978,637	(2,978,637)	-
Due from related parties, net	4,290,557	(4,151,555)	139,002
Accounts receivable, prepaid expenses and other debtors, net	27,475,503	(4,193,390)	23,282,113
Reserve for revaluation of financial investments at FVOCI	(3,972,833)	162,833	(3,810,000)
Accumulated losses	(41,966,055)	(26,888,445)	(68,854,500)
Commitment against the loan guarantee of an associate	-	14,619,841	14,619,841
Accounts payable, accrued expenses, and other creditors	17,093,349	(83,745)	17,009,604

- The following is the effect of adjustments of accounting errors for previous years on the statement of profit or loss and other comprehensive income as of 31 December 2019 as follows:

	Balance before adjustment SAR	Adjustment SAR	Balance after adjustment SAR
General and administrative expenses	(14,828,389)	(4,533,499)	(19,361,888)
Company's share in the results of the business of associates	(376,122)	324,926	(51,196)
Net loss for the year	(8,695,358)	(4,208,573)	(12,903,931)
Company's share in other comprehensive income of the associate	(162,833)	427,648	264,815
Total comprehensive loss for the year	(8,236,663)	(3,780,925)	(12,017,588)

32- PREVIOUS YEARS ADJUSTMENTS (CONTINUED)

- The following is the effect of adjustments of accounting errors for previous years on the statement of changes in Shareholders' equity as of 1 January 2019 as follows:

	Share capital SAR	Statutory reserve SAR	Reserve for revaluation of financial investments at FVOCI SAR	Accumulated losses SAR	Total SAR
Balance as of 1 January 2019 as previously disclosed	500,000,000	85,409,994	(3,810,000)	(33,892,225)	547,707,769
Adjustment of accounting errors on the balance of investments in associates	-	-	-	(63,646)	(63,646)
Adjustment accounting errors on accounts receivable, prepaid expenses, and other debtors	-	-	-	(4,109,645)	(4,109,645)
Adjustment of accounting errors on the balance of commitment against the loan guarantee of an associate	-	-	-	(18,771,396)	(18,771,396)
Balance as of 1 January 2019 (restated)	500,000,000	85,409,994	(3,810,000)	(56,836,912)	524,763,082

The following is the effect of adjustments of accounting errors for previous years on the statement of changes in Shareholders' equity as of 13 December 2019 as follows:

	Share capital SAR	Statutory reserve SAR	Reserve for revaluation of financial investments at FVOCI SAR	Accumulated losses SAR	Total SAR
Balance as of 31 December 2019 as previously disclosed	500,000,000	85,409,994	(3,972,833)	(41,966,055)	539,471,106
Adjustment of accounting errors on the balance of Reserve for revaluation of financial investments at FVOCI	-	-	162,833	(162,833)	-
Adjustment of accounting errors on the balance of commitment against the loan guarantee of an associate	-	-	-	(18,771,396)	(18,771,396)
Adjustment of accounting errors on the balance of property, plant, and equipment	-	-	-	(1,554,862)	(1,554,862)
Adjustment of accounting errors on the balance of investments in associates	-	-	-	688,928	688,928
Adjustment of accounting errors on the balance of advance payments to purchase financial investments	-	-	-	(2,978,637)	(2,978,637)
Adjustment accounting errors on accounts receivable, prepaid expenses, and other debtors	-	-	-	(4,109,645)	(4,109,645)
Balance as of 31 December 2019 (restated)	500,000,000	85,409,994	(3,810,000)	(68,854,500)	512,745,494

33- SEGMENT INFORMATION

Segment information relates to the group's activities and business, which the group's management has relied on as a basis for preparing its financial information, in line with internal reporting methods. Transactions between sectors are carried out on the same terms as dealing with other parties.

The sectors 'operating assets, liabilities, and operating activities include items directly related to a specific sector and items that can be distributed among the different sectors on a reasonable basis. Items that cannot be distributed between sectors are classified under the heading of joint assets and liabilities. The group sectors are as follows:

- The agricultural sector, where the group cultivates and reaps shrimp, in addition to the fruit farm.
- The commercial sector, where the group purifies and distributes bottled mineral water.
- Investment properties sector, where the group leases buildings for commercial and residential purposes.

The following is a summary of the financial segments information in Saudi riyals as of 31 December 2020, 2019, respectively, according to the nature of the activity:

	Agricultural sector SAR	Commercial sector SAR	Investment properties sector SAR	Total SAR
For the year ended 31 December 2020:				
Revenues	**53,999,284**	**19,795,717**	**11,276,603**	**85,071,604**
Gross profit	**21,097,726**	**4,107,696**	**5,579,387**	**30,784,809**
For the year ended 31 December 2019:				
Revenues	34,189,711	28,031,749	9,660,278	71,881,738
Gross profit	17,250,873	(3,175,823)	1,668,607	15,743,657

	Agricultural sector SAR	Commercial sector SAR	Investment properties sector SAR	Total SAR
For the year ended 31 December 2020:				
Total assets	**285,459,060**	**75,220,363**	**240,180,892**	**600,860,315**
Total liabilities	**46,182,590**	**19,614,226**	**9,687,777**	**75,484,593**
For the year ended 31 December 2019:				
Total assets	274,650,010	75,658,009	238,647,332	588,955,351
Total liabilities	47,862,041	18,233,019	10,114,797	76,209,857

34- FINANCIAL INSTRUMENTS RISK MANAGEMENT

Credit risks

Credit risk is the risk that one party may fail to discharge an obligation and will cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances and receivables as follows:

	31 December 2020 SAR	31 December 2019 SAR	1 January 2019 SAR
Cash at banks	**6,263,042**	20,430,166	5,540,516
Accounts receivable, net	**28,345,727**	14,546,023	27,505,738
	34,608,769	34,976,189	33,046,254

34- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

Liquidity risks

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments that the group commits to in the interest of others.

To reduce the liquidity risk and associated losses which may affect the business of the Group, the group maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The Group avoids financing long-term capital requirements through short-term borrowing. Long-term projects are currently funded with long-term loans only. The Group has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funding to meet these liabilities in a timely manner.

The following is the maturities of assets and liabilities as of 31 December 2020, and 31 December 2019:

31 December 2020	3 months or less SAR	More than 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
Assets					
Accounts receivable, prepaid expenses and other debtors, net	29,243,497	13,499,228	-	-	42,742,725
Total	29,243,497	13,499,228	-	-	42,742,725
Liabilities					
Long-term loans	-	11,961,557	4,074,975	-	16,036,532
Due to related party	255,687	-	-	-	255,687
Distributions of shareholders' entitlements	-	5,711,869	-	-	5,711,869
Employees' defined benefit obligations	-	-	-	8,544,701	8,544,701
A commitment against the loan guarantee of an associate	-	-	-	14,619,841	14,619,841
Accounts payable, accrued expenses and other creditors	1,968,769	13,938,963	-	-	15,907,732
Zakat provision	2,086,217	12,322,014	-	-	14,408,231
Total	4,310,673	43,934,403	4,074,975	23,164,542	75,484,593

31 December 2019	3 months or less SAR	More than 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
Assets					
Due from reaated party	139,002	-	-	-	139,002
Accounts receivable, prepaid expenses and other debtors, net	4,661,724	18,620,389	-	-	23,282,113
Total	4,800,726	18,620,389	-	-	23,421,115
Liabilities					
Long-term loans	-	7,840,267	10,026,627	-	17,866,894
Distributions of shareholders' entitlements	5,713,863	-	-	-	5,713,863
Employees' defined benefit obligations	-	-	-	8,307,641	8,307,641
A commitment against the loan guarantee of an associate	-	-	-	14,619,841	14,619,841
Accounts payable, accrued expenses, and other credit balances	17,009,604	-	-	-	17,009,604
Zakat provision	12,592,014	100,000	-	-	12,692,014
Total	35,315,481	7,940,267	10,026,627	22,927,482	76,209,857

34- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

Market price risk

Market risk is the risk that arises from changes in the fair value of future cash flows of financial instruments due to changes in market prices. Market rates have 3 types: Interest rate risk. Currency risk and other price risks such as Shares price risk and commodity price risk, and includes financial liabilities affected by market price risk on loans, accounts receivables, and payables.

Interest rate risk

Interest rate risk is the risk that arises from changes in the fair value of future cash flows of financial instruments because of a change in the interest rate of the market. The group's financial assets and liabilities as of the balance sheet date, except for long-term loans, are not exposed to interest rate risk. Long-term loans carry interest in addition to credit margin based on prevailing market interest rates.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's primary transactions are in Saudi riyals and US dollars. Management monitors currency fluctuations.

Fair value

Fair value is 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. Fair value definition includes the assumption that the Group will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

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: Quoted market prices in active markets for identical assets.

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.

31 December 2020	Level 1	Level 2	Level 3	Total
Financial investments at fair value through other comprehensive income	-	-	42,000,000	42,000,000
Biological assets - Shrimps	-	10,572,534	-	10,572,534
Financial investments at fair value through profit or loss	515,686	-	-	515,686
Total	515,686	10,572,534	42,000,000	53,088,220

31 December 2019	Level 1	Level 2	Level 3	Total
Financial investments at fair value through other comprehensive income	-	-	41,190,000	41,190,000
Financial investments at fair value through profit or loss	391,033	-	-	391,033
Total	391,033	-	41,190,000	41,581,033

31 January 2019	Level 1	Level 2	Level 3	Total
Financial investments at fair value through other comprehensive income	-	-	41,190,000	41,190,000
Financial investments at fair value through profit or loss	368,464	-	-	368,464
Total	368,464	-	41,190,000	41,558,464

34- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

Capital risks management

The group's policy is to maintain a strong capital base to maintain the confidence of investors, creditors, and the market and to maintain the future development of business. The group monitors its capital base using the ratio of net debt to equity, net debt is calculated based on Murabaha less Cash and cash equivalents.

The following is the net debt to equity ratio of the group at the end of the year:

	31 December 2020 **SAR**	31 December 2019 SAR	1 January 2019 SAR
Long-term financing Murabaha	**16,036,532**	17,866,894	23,396,708
Less: Cash and cash equivalents	**(6,427,154)**	(20,605,970)	(5,628,075)
Net debt	**9,609,378**	(2,739,076)	17,768,633
Total Equity	**525,375,722**	512,745,494	524,763,082
Net debt-to-equity ratio	**1.8%**	(0.5%)	3.4%

35- GENERAL

The amounts in these consolidated financial statements are rounded to the nearest Saudi Riyal.

36- COMPARATIVE FIGURES

Certain comparative figures for the year have been reclassified to conform to the classification of the current year of the consolidated financial statements.

37- IMPORTANT MATTERS DURING THE YEAR

In response to the spread of the Covid-19 in GCC and other territories where the Group operates and its resulting disruptions to the social and economic activities in those markets, Management had proactively assessed its impacts on its operations and took a series of preventive measures, including the creation of on-going crisis management teams and processes, to ensure the health and safety of its employees, customers, consumers, and the wider community as well as to ensure the continuity of supply of its products throughout its markets. Notwithstanding these challenges, the Group's operations remained largely unaffected as the food industry, in general, was exempt from the various bans and constraints imposed by various regulatory authorities including exemption from curfew hours and cargo shipping and flight operations restrictions. The underlying demand from retail and wholesale customers for the Group's products has been largely unaffected, although some small shifts in product mix were apparent. Based on these factors, Management believes that the Covid-19 pandemic has had no material effect on Almarai's reported financial results for the year ended 31 December 2020. The Group continues to monitor the Covid-19 situation closely although at this time management is not aware of any factors that are expected to change the impact of the pandemic on the Group's operations during 2021 or beyond.

38- SUBSEQUENT EVENTS

On 7 December 2020, the group announced the signing of a binding agreement to acquire all shares in Jazel Investment Group, by increasing the capital of Jazan Energy and Development Group through the issuance of shares to the partners in the Jazzel Investment Group, and the submission was made to the General Authority for Competition and the Financial Market Authority to obtain The necessary approvals to complete the acquisition, and on 8 February 2021, a no-objection was obtained from the General Authority for Competition to complete the acquisition, and the group is still waiting up to this date for the approval from the Capital Market Authority.

In the opinion of the management, there were no other significant events subsequent to 31 December 2020 that are expected to have a significant impact on these consolidated financial statements as of 31 December 2020.

39- APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the board of directors on 12 Shaaban 1442 (March 25, 2021).