

**ASEER FOR TRADING, TOURISM, INDUSTRY,  
AGRICULTURE,  
REAL ESTATE AND CONTRACTING COMPANY  
A SAUDI JOINT STOCK COMPANY**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE AND SIX MONTHS PERIODS  
ENDED 30 JUNE 2021 AND  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND  
CONTRACTING COMPANY (A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE  
AND SIX MONTHS PERIOD ENDED 30 JUNE 2021 (UNAUDITED)**

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

To the shareholders of

**Aseer for Trading, Tourism, Industrial, Agricultural, Real Estate and Contracting  
Company.**

**"A Saudi Joint Stock Company"**

Riyadh – Kingdom of Saudi Arabia

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Aseer for Trading, Tourism, Industrial, Agricultural, Real Estate and Contracting Company (the "Company") and its subsidiaries (together the "Group"), as at 30 June 2021, the interim condensed consolidated statement of income, interim condensed consolidated statement of other comprehensive income for the three and six months periods then ended, the interim condensed consolidated statements of changes in equity and the interim condensed consolidated statement of cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the entity"*, that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Emphasis of matter

We draw attention to note No. (9) to the accompanying interim condensed consolidated financial statements, which states that in December 2019, the Company filed two lawsuits at the Public Court in Riyadh against the seller of the land located in the north of Riyadh, at Al Khair District, and against the broker of the purchase deal in order to oblige both the land's seller and the purchasing broker to refund the amount paid to them. During November 2020 a court ruling has been issued in favour of the Company, where the seller of the land is obliged to pay an amount of SAR 202 million. During the period ended 30 June 2021, the seller of the land has filed a petition to the Court that was accepted. Accordingly, the Court decided to withdraw the previous ruling and dismiss the case due to lack of jurisdiction, and the Company has objected on the Court ruling. Our conclusion is not modified in respect of this matter.

### Conclusion

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

**For Dr. Mohamed Al-Amri & Co.**



Gihad A. Al-Amri  
Certified Public Accountant  
License Number 362




Riyadh on: 7 Muharram 1443 (H)  
Corresponding to: 15 August 2021 (G)

**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND CONTRACTING COMPANY (A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)  
(IN SAUDI RIYALS)**

		<i>For the three months period ended 30 June</i>		<i>For the six months period ended 30 June</i>	
	Notes	2021	2020	2021	2020
Net sales	4	403,398,914	389,532,436	829,603,417	795,742,335
Cost of sales		(288,927,642)	(273,717,016)	(589,525,500)	(558,756,221)
<b>GROSS PROFIT FROM SALES</b>		<b>114,471,272</b>	<b>115,815,420</b>	<b>240,077,917</b>	<b>236,986,114</b>
<b>Investments</b>					
Dividends income from investments and financial assets		2,800,000	-	2,800,000	-
Company's share from net profit of an associate Company	7 (A)	1,950,090	7,660,316	4,801,468	16,737,355
<b>TOTAL PROFIT FROM INVESTMENT</b>		<b>4,750,090</b>	<b>7,660,316</b>	<b>7,601,468</b>	<b>16,737,355</b>
<b>GROSS PROFIT</b>		<b>119,221,362</b>	<b>123,475,736</b>	<b>247,679,385</b>	<b>253,723,469</b>
Selling and distribution expenses		(61,929,994)	(66,185,348)	(129,573,129)	(130,729,510)
General and administrative expenses		(40,109,828)	(41,909,165)	(83,157,497)	(85,612,674)
Other operating income / (expenses)		2,443,172	(2,031,113)	3,206,175	(3,057,122)
<b>TOTAL EXPENSES</b>		<b>(99,596,650)</b>	<b>(110,125,626)</b>	<b>(209,524,451)</b>	<b>(219,399,306)</b>
<b>NET INCOME FROM OPERATIONS</b>		<b>19,624,712</b>	<b>13,350,110</b>	<b>38,154,934</b>	<b>34,324,163</b>
Foreign currency exchange gain /(loss)		283,357	(301,963)	243,462	(282,589)
Finance charges		(4,726,216)	(7,287,529)	(9,263,927)	(14,799,427)
Other income		335,995	452,004	1,158,878	885,944
<b>INCOME BEFORE ZAKAT AND INCOME TAX</b>		<b>15,517,848</b>	<b>6,212,622</b>	<b>30,293,347</b>	<b>20,128,091</b>
Zakat	5 (A)	(3,895,173)	(3,763,799)	(7,841,041)	(7,886,390)
Income tax	5 (B)	(7,428,206)	(5,657,298)	(14,226,660)	(12,435,585)
<b>NET INCOME / (LOSS) FOR THE PERIOD</b>		<b>4,194,469</b>	<b>(3,208,475)</b>	<b>8,225,646</b>	<b>(193,884)</b>
<b>NET INCOME FOR THE PERIOD</b>					
<b>ATTIBUTABLE TO:</b>					
Shareholders of the Parent Company		(784,905)	(3,235,464)	(2,173,559)	(3,069,288)
Non-controlling interests		4,979,374	26,989	10,399,205	2,875,404
		<b>4,194,469</b>	<b>(3,208,475)</b>	<b>8,225,646</b>	<b>(193,884)</b>
<b>Basic and diluted earnings per share attributable to the shareholders of the Parent Company</b>					
Net loss for the period	6	(0.01)	(0.03)	(0.02)	(0.02)
Weighted average number of common shares at the end of the period		126,388,889	126,388,889	126,388,889	126,388,889

  
Managing Director

  
Chief Finance Officer

The accompanying notes from 1 to 15 form an integral part of these interim condensed consolidated financial statements.

**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND CONTRACTING  
COMPANY (A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
(UNAUDITED)  
(IN SAUDI RIYALS)**

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2021	2020	2021	2020
<b>NET INCOME / (LOSS) FOR THE PERIOD</b>		<b>4,194,469</b>	<b>(3,208,475)</b>	<b>8,225,646</b>	<b>(193,884)</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
<u>Items that may be reclassified subsequently to consolidated statement of income</u>					
Subsidiary's financial statements' translation differences		121,353	(3,176,389)	149,229	(280,334)
<u>Items that will not be reclassified to consolidated statement of income</u>					
Net unrealized gains / (losses) on revaluation of equity instruments at fair value through OCI	7 (B)	74,340,000	(1,400,000)	127,470,000	(96,250,000)
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>74,461,353</b>	<b>(4,576,389)</b>	<b>127,619,229</b>	<b>(96,530,334)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>78,655,822</b>	<b>(7,784,864)</b>	<b>135,844,875</b>	<b>(96,724,224)</b>
<b>ATTRIBUTABLE TO:</b>					
Shareholders of the Parent Company		73,622,458	(6,398,679)	125,379,278	(99,474,904)
Non-controlling interests		5,033,364	(1,386,185)	10,465,597	2,750,680
		<b>78,655,822</b>	<b>(7,784,864)</b>	<b>135,844,875</b>	<b>(96,724,224)</b>

  
Managing Director

  
Chief Finance Officer

The accompanying notes from 1 to 15 form an integral part of these interim condensed consolidated financial statements.

**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND CONTRACTING COMPANY (A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(IN SAUDI RIYALS)**

	Notes	<i>As at</i> <b>30 June 2021</b> (Unaudited)	<i>As at</i> <b>31 December 2020</b> (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		912,509,705	945,960,658
Right of use assets		40,741,486	47,587,426
Investment properties		7,163,236	7,163,236
Intangible assets		158,333,091	158,451,840
Investments and financial assets	7	1,007,429,320	841,370,662
Deferred tax assets		643,443	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,126,820,281</b>	<b>2,000,533,822</b>
<b>CURRENT ASSETS</b>			
Inventories, net		359,245,220	366,787,300
Trade receivables, net	8	262,048,225	182,908,459
Prepaid expenses and other assets	9	262,943,865	239,546,361
Due from related parties		134,552	219,759
Cash and cash equivalent		174,638,613	177,571,679
<b>TOTAL CURRENT ASSETS</b>		<b>1,059,010,475</b>	<b>967,033,558</b>
<b>TOTAL ASSETS</b>		<b>3,185,830,756</b>	<b>2,967,567,380</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Capital		1,263,888,890	1,263,888,890
Statutory reserve		311,666,945	311,666,945
Accumulated losses		(65,857,619)	(63,684,060)
Net unrealised gains / (losses) on re-valuation of equity instrument at fair value through OCI	7(B)	76,292,739	(51,177,261)
Subsidiary's financial statements' translation differences		(80,311,741)	(80,394,578)
<b>TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY</b>		<b>1,505,679,214</b>	<b>1,380,299,936</b>
Non-controlling interests		410,894,310	434,213,174
<b>TOTAL EQUITY</b>		<b>1,916,573,524</b>	<b>1,814,513,110</b>
<b>NON-CURRENT LIABILITIES</b>			
Islamic Murabaha contracts and long-term loans	10	286,321,889	260,053,420
Lease liability		26,453,243	32,268,393
Employees benefits liabilities		108,089,514	119,660,393
Deferred tax liabilities		-	453,474
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>420,864,646</b>	<b>412,435,680</b>
<b>CURRENT LIABILITIES</b>			
Trade payables and other accruals		299,552,958	305,507,848
Islamic Murabaha financing and short-term loans	11	308,899,917	185,827,234
Islamic Murabaha contracts and long-term loans - Current portion	10	153,770,409	157,414,033
Lease liability – Current portion		13,148,919	12,546,977
Dividends payable		13,734,711	13,756,771
Due to related parties	12	11,250,427	1,044,485
Zakat and income tax	5	48,035,245	64,521,242
<b>TOTAL CURRENT LIABILITIES</b>		<b>848,392,586</b>	<b>740,618,590</b>
<b>TOTAL LIABILITIES</b>		<b>1,269,257,232</b>	<b>1,153,054,270</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,185,830,756</b>	<b>2,967,567,380</b>

  
Managing Director

  
Chief Finance Officer

The accompanying notes from 1 to 15 form an integral part of these interim condensed consolidated financial statements.



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
(IN SAUDI RIYALS)

	Equity attributable to shareholders of the Parent Company						Non-controlling interests	Total equity
	Capital	Statutory reserve	Accumulated losses	Net unrealised gains / (losses) on re-valuation of equity instrument at fair value through OCI	Subsidiary's financial statements' translation differences	Total equity attributable to the parent Company		
<b>For the period ended 30 June 2021</b>								
Balance as at 1 January 2021	1,263,888,890	311,666,945	(63,684,060)	(51,177,261)	(80,394,578)	1,380,299,936	434,213,174	1,814,513,110
Net loss for the period	-	-	(2,173,559)	-	-	(2,173,559)	10,399,205	8,225,646
Subsidiary's financial statements' translation differences	-	-	-	-	82,837	82,837	66,392	149,229
Unrealized gain from equity instruments at fair value through OCI	-	-	-	127,470,000	-	127,470,000	-	127,470,000
Total comprehensive income	-	-	(2,173,559)	127,470,000	82,837	125,379,278	10,465,597	135,844,875
Dividends in a subsidiary Company	-	-	-	-	-	-	(23,108,961)	(23,108,961)
Dividends payable in a subsidiary Company (Note 12)	-	-	-	-	-	-	(10,675,500)	(10,675,500)
Balance as at 30 June 2021	1,263,888,890	311,666,945	(65,857,619)	76,292,739	(80,311,741)	1,505,679,214	410,894,310	1,916,573,524
<b>For the period ended 30 June 2020</b>								
Balance as at 1 January 2020 (Restated – Note 14)	1,263,888,890	311,666,945	(18,193,072)	(73,584,262)	(82,148,934)	1,401,629,567	445,226,218	1,846,855,785
Net loss for the period	-	-	(3,069,288)	-	-	(3,069,288)	2,875,404	(193,884)
Subsidiary's financial statements' translation differences	-	-	-	-	(155,615)	(155,615)	(124,722)	(280,337)
Unrealized loss from equity instruments at fair value through OCI	-	-	-	(96,250,000)	-	(96,250,000)	-	(96,250,000)
Total comprehensive income	-	-	(3,069,288)	(96,250,000)	(155,615)	(99,474,903)	2,750,682	(96,724,221)
Dividend in a subsidiary Company	-	-	-	-	-	-	(13,982,573)	(13,982,573)
Balance as at 30 June 2020	1,263,888,890	311,666,945	(21,262,360)	(169,834,262)	(82,304,549)	1,302,154,664	433,994,327	1,736,148,991

  
Managing Director

Chief Finance Officer



The accompanying notes from 1 to 15 form an integral part of these interim condensed consolidated financial statements.



**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND CONTRACTING COMPANY (A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
(IN SAUDI RIYALS)**

		For the six months period ended 30 June	
	Notes	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before zakat and income tax		30,293,347	20,128,091
<b>Adjustments for:</b>			
Company's share from net profit of an associate Company	7 (A)	(4,801,468)	(16,737,355)
Dividends from investments and financial assets		(2,800,000)	-
Depreciation of property, plant and equipment and right of use assets		52,377,000	51,712,896
Amortization of intangible assets		118,884	3,314,096
Gains from sale of property, plant and equipment		(874,039)	(28,347)
Gains on derivative financial instruments at fair value through statement of income		(220,033)	-
Provision for expected credit loss on trade receivables		941,192	1,817,781
Provision for claims		2,290,152	1,479,160
Finance charges		9,248,459	14,799,427
		<u>86,573,494</u>	<u>76,485,749</u>
Changes in operating assets and liabilities:			
Change in trade receivables, prepaid expenses and other assets		(103,478,462)	49,337,645
Change in inventories		7,542,080	9,487,668
Change in trade payable and other accruals		(7,562,050)	68,158,369
Change in due to related parties		(384,351)	173,360
Change in employees' benefits liabilities		(11,570,879)	795,646
<b>Cash from operations</b>		<u>(28,880,168)</u>	<u>204,438,437</u>
Zakat and income tax paid		(39,452,119)	(23,177,616)
Finance charges paid		(8,973,716)	(14,799,427)
<b>Net cash (used in) / generated from operating activities</b>		<u>(77,306,003)</u>	<u>166,461,394</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(12,111,379)	(27,333,202)
Proceeds from sale of property, plant and equipment		905,311	63,571
Payment for purchase of investments		(33,787,190)	-
Proceeds from gains in investments and financial assets		2,800,000	-
<b>Net cash used in investing activities</b>		<u>(42,193,258)</u>	<u>(27,269,631)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net movement in Murabaha financing and short and long-term loans		146,557,648	(82,571,723)
Dividends paid		(22,060)	(6,111)
Share of non-controlling interest of dividend in a subsidiary Company		(23,108,961)	(13,982,573)
Lease liabilities paid		(6,950,013)	(6,306,134)
<b>Net cash generated from / (used in) financing activities</b>		<u>116,476,614</u>	<u>(102,866,541)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENT</b>		<u>(3,022,647)</u>	<u>36,325,222</u>
Effect of exchange difference from translation of cash and cash equivalent		89,581	884,100
Cash and cash equivalent at the beginning of the period		177,571,679	134,529,011
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>		<u>174,638,613</u>	<u>171,738,333</u>
<b>MAJOR NON-CASH TRANSACTIONS:</b>			
Effect of exchange in a subsidiary's financial statements' translation differences		149,229	(280,337)
Right of use assets and lease liabilities		578,729	4,923,826
Net unrealised gain / (loss) from investment's revaluation		127,470,000	(96,250,000)
Dividend payable to non-controlling interests		10,675,500	-
Amortization of administrative expenses to finance term financing		-	388,887

Managing Director

Chief Finance Officer

The accompanying notes from 1 to 15 form an integral part of these interim condensed consolidated financial statements.

**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND CONTRACTING COMPANY (A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2021**

(All amounts are presented in Saudi Riyals unless otherwise indicated)

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**1. COMPANY'S INFORMATION**

Aseer for Trading, Tourism, Industry, Agriculture, Real estate and Contracting Company ("the Company" or the "Parent Company") was incorporated as a Saudi Joint Stock Company, in accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, according to Royal Decree No. 78 dated 7 Dhul- Qadah 1395 H (corresponding to 11 November 1975). The Company operates under Commercial Registration No. 5850000276 issued in Abha on 15 Muharam 1397 H, (corresponding to 5 January 1977).

The Company is also listed in the Capital Market Authority in Kingdom of Saudi Arabia. The Parent Company is 53.18% owned by a major shareholder (Dala Al Baraka Holding Company) and 46.82% by other shareholders.

The capital of the parent company consists of 126,388,889 shares as of 30 June 2021, the value of each of which is 10 Saudi riyals (31 December 2020: 126,388,889 shares).

The Company is engaged in importing, exporting, trading agencies, establishing and investing in businesses and touristic, agricultural, commercial and industrial projects, including packaging, water bottling, real estate, acquisition and plotting of lands, contracting and any related activity, to operate jointly with other entities and companies engaged in similar activities, or merging into such entities or companies and forming subsidiaries alone or jointly with others. The company's subsidiaries are engaged in several activities such as manufacturing dairy, juice and dairy products, as well as manufacturing, packaging, wholesale and retail trading in food products, manufacturing textiles, manufacturing traffic signal lights and control devices, and manufacturing cardboards and its derivatives.

The registered office of the Company is CMC tower, Almalqa district, KING Fahad road, Riyadh, Kingdom of Saudi Arabia.

**2. BASIS OF PREPARATION AND SUMMEERY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION**

These interim condensed and consolidated financial statements have been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The interim condensed consolidated financial statements do not include all the information and explanations required in the annual financial statements, and they must be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2020. Also, the results for the initial financial period ending on 30 June 2021 do not necessarily reflect the results that would be expected for the fiscal year ending on 31 December 2021.

**2.2 BASIS OF MEASUREMENT**

These interim condensed consolidated financial statements have been prepared on a historical cost convention, except for financial instruments that have been measured at fair value. For employees' defined benefit liabilities that is measured at the present value of future obligations using the Projected Unit Credit Method.

**2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

These consolidated financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Group, except when otherwise indicated.

**2.4 BASIS OF CONSOLIDATION**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (together the "Group") as at 30 June 2021.

**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND CONTRACTING COMPANY (A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2021**

(All amounts are presented in Saudi Riyals unless otherwise indicated)

Below are the details of subsidiaries:

Subsidiary	Country of incorporation	Ownership percentage	
		30 June 2021	31 December 2020
Aseer Al Arabiah for Industrial Investment Company Limited (Single owner Company) and subsidiaries (see notes A below)	Kingdom of Saudi Arabia	100%	100%
Al Khawatem for Trading and Contracting Company Limited (Single owner Company)	Kingdom of Saudi Arabia	100%	100%
Al-Mawajed International Real Estate Development & Development Co., Ltd. (Single owner Company)	Kingdom of Saudi Arabia	100%	100%

A- Aseer Al Arabiah for Industrial Investment Company Limited consolidated financial statements include the following subsidiaries (a subsidiary of the Parent Company):

Subsidiary	Country of incorporation	Ownership percentage	
		30 June 2021	31 December 2020
Halawani Brothers Company (a Saudi Joint Stock Company) (see note B below)	Kingdom of Saudi Arabia	55.51%	55.51%
Al Rabie Saudi Foods Company Limited	Kingdom of Saudi Arabia	57.30%	57.30%
Textile & Readymade Garments Company Limited	Kingdom of Saudi Arabia	62.30%	62.30%

B- The consolidated financial statements of Halawani Brothers (Saudi Joint Stock Company) include the following subsidiary:

Subsidiary	Country of incorporation	Ownership percentage	
		30 June 2021	31 December 2020
Halawani Brothers Company (a closed joint stock company)	Egypt	100%	100%

According to the decision of the Board of Directors of Aseer Company for Trade, Tourism, Industry, Agriculture, Real Estate and Contracting (a Saudi joint stock Company) on 30 September, 2020, it was decided to liquidate Al Ostoul Arabia for Real Estate Development Company Limited (single owner Company), Al Nusrah International for Real Estate Development Company Limited (Single owner Company) and Al Telal Regional Investment Company Limited (Single owner Company). This is because there is no need to continue to these companies. This liquidation did not have an impact on the Group, as the assets and liabilities of these Companies were transferred to Aseer Company for Trade, Tourism, Industry, Agriculture, Real Estate and Contracting, and consequently the assets and liabilities of these Companies that were liquidated are still within the Group.

**ASEER FOR TRADING, TOURISM, INDUSTRY, AGRICULTURE, REAL ESTATE AND CONTRACTING COMPANY (A SAUDI JOINT STOCK COMPANY)**

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**2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies, judgments and estimates applied in preparing the accompanying interim condensed consolidated financial statements are the same as those mentioned in the group's consolidated financial statements as of 31 December 2020.

**3. SEGMENTAL INFORMATION**

A segment is a distinguishable component of the Group that is engaged either in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), and its profits and losses are different from other segments.

The Group uses business segment and geographical segment. The Group performs its activities in Kingdom of Saudi Arabia, Egypt and other countries. The selected financial information for geographical and business segments as follows:

**A) Business segments**

The Group's business segments are represented in the investment and industrial segments. Following is selected information about each of those two segments:

<b>30 June 2021</b>	<b><i>Investment segment SR'000'</i></b>	<b><i>Industrial segment SR'000'</i></b>	<b><i>Total SR'000'</i></b>
Total assets	1,295,019	1,890,812	3,185,831
Total liabilities and non-controlling interests	402,110	1,278,042	1,680,152
Property, plant and equipment	4,230	908,280	912,510
Net sales and investment income	7,601	829,604	837,205
Gross Profit	7,601	240,078	247,679
Depreciation and amortization of intangible assets	775	51,721	52,496
Capital expenditures	581	11,530	12,111
<b>31 December 2020</b>	<b><i>Investment segment SR'000'</i></b>	<b><i>Industrial segment SR'000'</i></b>	<b><i>Total SR'000'</i></b>
Total assets	1,124,897	1,842,670	2,967,567
Total liabilities and non-controlling interests	371,868	1,215,399	1,587,267
Property, plant and equipment	4,011	941,950	945,961
Capital expenditures	1,980	40,870	42,850
<b>30 June 2020</b>			
Net sales and investment income	16,737	795,742	812,479
Gross Profit	16,737	236,986	253,723
Depreciation and amortization of intangible assets	451	54,576	55,027

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**B) Geographical segments**

<b>30 June 2021</b>	<i><u>Kingdom of Saudi Arabia</u></i>	<i><u>Egypt</u></i>	<i><u>Other Arab and foreign countries</u></i>	<i><u>Reconciliations</u></i>	<i><u>Total</u></i>
<b>Description</b>	<b>SR '000'</b>	<b>SR '000'</b>	<b>SR '000'</b>	<b>SR '000'</b>	<b>SR '000'</b>
Total assets	3,058,608	269,341	-	(142,118)	3,185,831
Total liabilities	1,142,034	128,510	-	(1,287)	1,269,257
Net sales	470,496	313,318	45,887	(98)	829,603

<b>31 December 2020</b>	<i><u>Kingdom of Saudi Arabia</u></i>	<i><u>Egypt</u></i>	<i><u>Other Arab and foreign countries</u></i>	<i><u>Reconciliations</u></i>	<i><u>Total</u></i>
<b>Description</b>	<b>SR '000'</b>	<b>SR '000'</b>	<b>SR '000'</b>	<b>SR '000'</b>	<b>SR '000'</b>
Total assets	2,851,398	264,201	-	(148,032)	2,967,567
Total liabilities	1,036,885	117,733	-	(1,564)	1,153,054
30 June 2020 Net sales	411,251	256,944	127,547	-	795,742

**4. NET SALES**

Below is the classification of the Group's revenue from contracts with customers as per the various classifications affected by the nature of economic factors, amount and the timing of sales:

	<b>For period ended</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
Food products	555,195,912	557,537,854
Drinks and beverages	273,565,573	235,817,678
Other	841,932	2,386,803
	<b>829,603,417</b>	<b>795,742,335</b>

**5. ZAKAT AND INCOME TAX PAYABLE**

Provision for zakat and income tax payable consists of the following:

	<b>As at</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>
Zakat payable	34,523,978	39,491,244
Income tax payable	13,511,267	25,029,998
	<b>48,035,245</b>	<b>64,521,242</b>

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**A) Zakat**

Movement in zakat on the Group was as follows:

	<b>For the period / year ended</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>
Balance at the beginning of the period / year	<b>39,491,244</b>	35,685,642
Provided during the period / year	<b>7,841,041</b>	16,757,142
Paid during the period / year	<b>(12,564,597)</b>	(12,951,540)
Adjustments	<b>(243,710)</b>	-
Balance at the end of the period / year	<b>34,523,978</b>	39,491,244

Zakat charged to the interim condensed consolidated statement of income:

	<b>For the period ended</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
Provided during the period	<b>7,841,041</b>	7,886,390

**B) Income tax**

Movement in income tax was as follows:

	<b>For the period / year ended</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>
At the beginning of the period / year	<b>25,029,998</b>	21,070,394
Income tax during the period / year	<b>15,324,633</b>	28,716,805
Paid during the period / year	<b>(26,887,522)</b>	(25,203,361)
Translation differences	<b>44,158</b>	446,160
Balance at the end of the period / year	<b>13,511,267</b>	25,029,998

Income tax charged to interim condensed consolidated statement of income as follows:

	<b>For the period ended</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
Change in deferred tax liability	<b>15,324,633</b>	13,171,552
Income tax for the year	<b>(1,097,973)</b>	(735,967)
Balance at the end of the year	<b>14,226,660</b>	12,435,585

**C) Zakat and tax status**

There has been no material change in the group's zakat or tax status compared to the zakat and tax status for the year ended 31 December 2020.

**6. EARNINGS PER SHARE**

Basic and diluted earnings per share is calculated by dividing the net loss for the period attributable to the shareholders of the Parent Company by the number of outstanding ordinary shares as follows:

	<b>For the period ended</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
Net loss for the period attributable to the shareholders of the Parent Company	<b>(2,173,559)</b>	(3,069,288)
Weighted average number of outstanding ordinary shares	<b>126,388,889</b>	126,388,889
Basic and diluted earnings per share attributable to the shareholders of Parent Company	<b>(0.02)</b>	(0.02)

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**7. INVESTMENTS AND FINANCIAL ASSETS**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Investments in associate (see note "a" below)	<b>77,413,757</b>	72,612,289
Equity instruments at fair value through OCI (see note "b" below)	<b>820,160,563</b>	658,903,373
Debt instruments at fair value through profit or loss (see note "c" below)	<b>109,855,000</b>	109,855,000
	<b>1,007,429,320</b>	<b>841,370,662</b>

**a) Investments in an associate**

<i>Company's name</i>	<b>Country of incorporation</b>	<b>Main activity</b>	<b>Shareholding percentage</b>		<b>30 June 2021</b>	<b>31 December 2020</b>
			<b>2021</b>	<b>2020</b>		
Alessa Industries Company (see note below)	Kingdom of Saudi Arabia	Wholesale and retail	<b>38%</b>	38%	<b>77,413,757</b>	72,612,289

Number of shares owned by the Company is 28.5 million shares of the total share capital of Alessa Industries Company amounted to 75 million shares with ownership of 38% of its equity.

Movement in investment for the period ended 30 June is as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Investment balance at the beginning of the period / year	<b>72,612,289</b>	68,898,193
Group's share from net profit of an associate	<b>4,801,468</b>	4,835,981
Group's share of other comprehensive income	-	(1,121,885)
	<b>77,413,757</b>	72,612,289

**b) Equity instruments at fair value through OCI**

	<b>Total</b>		<b>Total</b>
	<b>Quoted</b>	<b>Un-quoted</b>	<b>31 December 2020</b>
<b>Cost:</b>			
At the beginning of the period / year	<b>390,600,000</b>	<b>319,480,634</b>	<b>710,080,634</b>
Additions	-	<b>33,787,190</b>	<b>33,787,190</b>
Disposals	-	-	-
At the end of the period / year	<b>390,600,000</b>	<b>353,267,824</b>	<b>743,867,824</b>
<b>Net unrealized gain / (loss) from revaluation of investments and financial assets:</b>			
At the beginning of the period / year	<b>8,400,000</b>	<b>(59,577,261)</b>	<b>(51,177,261)</b>
Revaluation gain	<b>127,470,000</b>	-	<b>127,470,000</b>
Transferred to accumulated losses	-	-	-
At the end of the period / year	<b>135,870,000</b>	<b>(59,577,261)</b>	<b>76,292,739</b>
<b>Net book value</b>	<b>526,470,000</b>	<b>293,690,563</b>	<b>820,160,563</b>



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The Group owns 35 million shares as of 30 June 2021 (31 December 2020: 35 million shares) in Emaar The Economic City, with a value of 448 million Saudi Riyals, as of 30 June 2021 (31 December 2020: 322 million Saudi Riyals). The group is required to obtain the approval of the Economic Cities Authority before disposing of the shares it owns. The investment is included in equity instruments at fair value through other comprehensive income (listed).

**c) Debt instruments at fair value through profit or loss**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Balance as at the beginning of the period / year	<b>109,855,000</b>	<b>118,020,000</b>
Revaluation of debt instruments at fair value through statement of income	-	<b>(8,165,000)</b>
Balance as at the end of the period / year	<b>109,855,000</b>	<b>109,855,000</b>

**8. TRADE RECEIVABLES, NET**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Trade receivables	<b>282,920,421</b>	202,814,926
Provision of expected credit losses	<b>(20,872,196)</b>	(19,906,467)
	<b>262,048,225</b>	182,908,459

**9. PREPAID EXPENSES AND OTHER ASSETS**

On 28 April 2019, the Company received a letter from the seller stating that the title deed of the purchased land in 2009 by SR 219,739,441 was revoked by an order issued from the Public Court in Riyadh for a reason outside the control of the seller and Company's will. The Company paid SR 207,239,441 and the remaining amount of SR 12,500,000 was unpaid. The decision has become final and must be adhered to and implemented. The seller presented some solutions and suggestions to the Company in a way that preserves all its rights. After receiving the above mentioned letter, the Company confirmed its validity through the concerned parties and is assured that the revocation is correct for reasons pertaining the seller as the revocation is attributive to the main title deed of the land and its scope. The Company has no relation or involvement in this matter and was not informed or involved in this matter, court hearings, sessions, discussions, or investigations. The Company inquired before purchasing the land, confirmed the validity of the title deed through a committee of attorney public composed of three members as per statement of permission issued on 28 Rajab 1430H.

On 18 Rabi II 1441H (corresponding to: 15 December 2019), the Company filed two lawsuits at the Public Court in Riyadh against the seller of the land located north of Riyadh, Al Khair District, and against the broker of the purchase deal requesting to compel both the land seller and purchase broker (claimers) to return the amount paid to them amounted to SR 207,239 million of the land value to the Company with retaining its right to claim any compensation for any losses or financial claims that have arisen or that may be caused due to revocation of the said land deed. Based on the opinion of the legal consultant of the Company and inquiries made with him, the documents and papers presented in both lawsuits are strong and explicit and form a legal evidence of contractual relationship and prove the right of the Company to collect and recover the purchase amount paid due to revocation of the title deed and its right as well as to collect and recover the brokerage fees paid to the sale broker.

During the year ended 31 December 2019, the Company de-recognized the total land amount from the books amounted to SR 181,500,000 and recognized as trade receivable on the seller and broker with total amount of SR 207,239,441 after deducting the remaining amount due to the seller of the land value of SR 12,500,000.

The book value of the land amounts to SR 181,500,000 representing purchase price of SR 219,739,441 less impairment previously recognized amounting to SR 38,239,441.

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During December 2020, a final ruling was issued in favor of the Company to revoke the sale contract between the Company and the seller of the land and bind the seller of the land to pay an amount of SR 202 million to the Company.

On 19 Shaaban 1442 H corresponding to 01 April 2021, the company received a letter from its legal counsel stating the following:

That the defendant (land's seller) filed a petition with a court on 05 Shaaban 1442 H, corresponding to 18 March 2021, to overturn the verdict and dismiss the case after the expiry of the formal objection period and after the Company applied to the Court of Execution to carry out the sentence against the defendant, and that the petition application was accepted and considered by the court that issued the verdict and ruled the case again as follows:

First: The Court dismissed the previous ruling that the sale contract between the plaintiff and the defendant and its right had been terminated, and obliged the defendant (land's seller) to pay 202 million Saudi Riyals to the plaintiff (the Company).

Second: Dismiss the case for lack of jurisdiction because the case is one of the big cases with amounts of more than 100 million Saudi Riyals.

The Company has objected the ruling as it was not valid, as the Company's legal advisor considers that the ruling violates the law and the rules of procedures in the courts. The Company's legal advisor believes that the court's rejection of the lawsuit will not have an impact on the Company's position, as it is a formal procedure, not subjective.

**10. ISLAMIC MURABAHA FINANCING CONTRACTS AND LONG-TERM LOANS**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Facilities and long-term loans	<b>440,092,298</b>	417,467,453
Amounts due within a year	<b>(153,770,409)</b>	(157,414,033)
<b>Non-current portion</b>	<b>286,321,889</b>	260,053,420

The group has a number of Islamic Murabaha contracts agreements and long-term loans that were disclosed in the group's financial statements as of 31 December 2020, in addition to the following contracts that the group entered into or cancelled during the period ended 30 June 2021, which are as follows:

During the period ended 30 June 2021, one of the subsidiaries entered into a financing agreement with Al Rajhi Bank amounted to 65 million Saudi Riyals. According to the terms of the agreement, the loan is repayable in quarterly installments of 4,167 million Saudi Riyals starting from 30 June 2021 and the last installment is due on 31 March 2024. The financing entails a financing fee (at the prevailing rate among Saudi banks plus a profit margin). The financing is secured by bond of an order issued to the bank. As of 30 June 2021, the net withdrawals from the agreement amounted to 50 million Saudi Riyals.

During the period ending on 30 June 2021, one of the subsidiaries entered into a financing agreement with Samba Financial Group, the total value of the financing amounted to 342 million Saudi Riyals, of which 150 million Saudi Riyals is a long-term loan. Five-year term including 6-month grace period. The Murabaha is subject to commission according to the prevailing inter-bank rates in the Kingdom of Saudi Arabia (SIBOR) plus a fixed commission rate. As of 30 June 2021, the net withdrawals of the long-term portion of the agreement amounted to 150 million Saudi Riyals.

During the year 2015, one of the subsidiaries signed a term loan agreement with the Saudi British Bank (SABB) amounting to 200 million Saudi Riyals. The loan balance as of 30 June 2021 is nil Saudi Riyals (31 December 2020: 106.8 million Saudi Riyals). During the period ended 30 June 2021, the Company terminated the agreement and paid the entire amount.

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During 2013, the Parent Company signed an Islamic Murabaha financing agreement with Samba Financial Group amounted to of 700 million Saudi Riyals. The Company provided a promissory note as security for the loan. According to the agreement, the loan is repaid in installments for a period of seven years ending on 14 September 2023, and the Murabaha is subject to a commission according to the prevailing inter-bank rates in the Kingdom of Saudi Arabia (SIBOR) plus a fixed commission rate. During the period ended 30 June 2021, the Parent Company entered into an agreement with the bank to reschedule the due installments amounted to 202.4 million Saudi Riyals, as it was agreed to amend the value and due dates of installments to be ended on 20 December 2023.

**11. SHORT-TERM ISLAMIC MURABAHA FINANCING**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Balance at the beginning of the period	<b>185,827,234</b>	202,408,826
Net movement during the period	<b>123,072,683</b>	(16,581,592)
Balance at the beginning of the period	<b>308,899,917</b>	185,827,234

The group has a number of short-term Islamic Murabaha financing agreements that were disclosed in the group's consolidated financial statements as at 31 December 2020, in addition to the following agreement entered into by the group during the period ending on 30 June 2021, which is as follows:

During the period ending on 30 June 2021, one of the subsidiary companies entered into an Islamic financing agreement with SAMBA Financial Group, the total value of the financing facilities amounted to 342 million Saudi Riyals. The agreement includes a short-term limit of 192 million Saudi Riyals, and the balance as of 30 June 2021, is 20 million Saudi Riyals.

**12. DUE TO RELATED PARTIES**

The balance of due to related parties as at 30 June 2021, includes an amount of 10,675,500 Saudi Riyals, which is represented in dividends due to non-controlling interests that were approved by the Al Rabie Saudi Foods Company Limited (one of its subsidiaries) and in accordance with the partner's decision on 6 June 2021.

**13. COVID-19 OUTBREAK**

In the light of the Corona pandemic, the Group's management assessed the impact on the group's overall operations and business aspects, including factors such as supply chain, travel restrictions, product demand, etc. as a result of the assessment that no substantial changes are required in key provisions and estimates. However, given the current uncertainty, any future change in assumptions and estimates could lead to results that may require a substantial adjustment to the book value of the asset or obligation affected in future period. As the situation is rapidly evolving with future uncertainty, management will continue to assess the impact based on the anticipated development and will take further actions as necessary and appropriate in response to the economic disruption and other consequences of COVID-19.

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**14. RESTATMENT OF PREVIOUS YEARS**

The company made an adjustment to the comparative figures for the fiscal year ended 31 December 2020 as a result of the classification of financial instruments from an equity instruments through other comprehensive income to a debt instrument through profit or loss, and there is no impact on the attached financial statements except on the balances in the statement of change in equity as of 1 January 2020 as follows:

	Capital	Statutory reserve	Accumulated losses	Net unrealised (losses) / gain on re-valuation of equity instrument at fair value through OCI	Subsidiary's financial statements' translation differences	Total equity attributable to the parent Company	Non-controlling interests	Total equity
Balance as of 1 January 2020	1,263,888,890	311,666,945	(25,484,572)	(78,808,350)	(82,148,934)	1,389,113,979	445,226,218	1,834,340,197
Adjustment	-	-	7,291,500	5,224,088	-	12,515,588	-	12,515,588
Balance as of 1 January 2020 after adjustment	1,263,888,890	311,666,945	(18,193,072)	(73,584,262)	(82,148,934)	1,401,629,567	445,226,218	1,846,855,785

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

Board of Directors approved these interim condensed consolidated financial statements for issue on 15 August 2021 G.