

SINAD HOLDING COMPANY
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD
ENDED 31 MARCH 2023

**SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INDEX OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**

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

To the shareholders of
Sinad Holding 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 Sinad Holding Company (the “Company”) and its subsidiaries (together the “Group”), as of 31 March 2023, the interim condensed consolidated statement of income, interim condensed consolidated statement of other comprehensive income, the interim condensed consolidated statements of changes in equity and the interim condensed consolidated statement of cash flows for the three 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 statement in accordance with International Accounting Standard 34 – (“IAS 34”) “Interim Financial Reporting” endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information 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*” 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 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 consolidated financial statements, which states position of the two lawsuits against the seller of the land located in the north of Riyadh, at Al Khair District, and against the broker of the purchase deal. Our conclusion is not modified in respect of this matter.

Independent Auditor's Review Report on the Interim Condensed Consolidated Financial Information of Sinad Holding Company (the "Company") and its subsidiaries (together the "Group"), as of 31 March 2023 (Continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information 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 Al-Amri
Certified Public Accountant
License Number 362



Riyadh on: 27 Shawwal 1444 (H)
Corresponding to: 17 May 2023 (G)

SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

<i>For the three months period ended 31</i>			
<i>March</i>			
	Notes	2023	2022
Net sales	4	419,234,074	472,977,573
Cost of sales		(307,884,093)	(339,535,998)
GROSS PROFIT FROM SALES		111,349,981	133,441,575
Investments			
Dividend income from investments and financial assets		1,386,267	-
Gain from valuation of financial investments at fair value though profit or loss for trading		930,121	3,844,955
Profit from sale of investment properties		-	5,836,764
Group's share from the gain of an associate	7 (A)	-	5,152,777
TOTAL PROFIT FROM INVESTMENT		2,316,388	14,834,496
GROSS PROFIT		113,666,369	148,276,071
Selling and distribution expenses		(68,790,570)	(69,771,213)
General and administrative expenses		(46,060,467)	(48,454,434)
Other operating income / (expenses), net		917,646	(24,901)
TOTAL EXPENSES		(113,933,391)	(118,250,548)
NET (LOSS) / INCOME FROM OPERATIONS		(267,022)	30,025,523
Foreign currency exchange loss		(1,089,144)	(1,175,183)
Finance charges		(11,999,389)	(4,324,084)
Other income		509,017	3,222,079
(LOSS) / INCOME BEFORE ZAKAT AND INCOME TAX		(12,846,538)	27,748,335
Zakat	5 (A)	(9,412,706)	(4,205,281)
Income tax	5 (B)	(3,306,583)	(6,748,840)
NET (LOSS) / INCOME FOR THE PERIOD		(25,565,827)	16,794,214
NET (LOSS) / INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the Parent Company		(21,514,378)	10,235,332
Non-controlling interests		(4,051,449)	6,558,882
		(25,565,827)	16,794,214
Basic and diluted (loss) / earnings per share attributable to the Parent Company's shareholders			
Net (loss) / profit for the period	6	(0.17)	0.08
Weighted average number of common shares at the end of the period		126,388,889	126,388,889


Managing Director and CEO


Acting as Chief Financial Officer

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

SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

	<u>Notes</u>	<i>For the three months period ended 31 March</i>	
		2023	2022
NET (LOSS) / PROFIT FOR THE PERIOD		(25,565,827)	16,794,214
OTHER COMPREHENSIVE INCOME:			
<u>Items that may be reclassified subsequently to statement of income</u>			
Subsidiary's financial statements' translation differences		(26,663,565)	(27,718,986)
<u>Items that will not be reclassified to statement of income</u>			
Net losses on revaluation of equity instruments at fair value through other comprehensive income	7 (B)	(8,540,000)	(8,270,000)
TOTAL OTHER COMPREHENSIVE LOSS FOR THE PERIOD		(35,203,565)	(35,988,986)
NET OTHER COMPREHENSIVE LOSS FOR THE PERIOD		(60,769,392)	(19,194,772)
ATTRIBUTABLE TO:			
Shareholders of the Parent Company		(44,855,323)	(13,421,477)
Non-controlling interests		(15,914,069)	(5,773,295)
		(60,769,392)	(19,194,772)


Managing Director and CEO


Acting as Chief Financial Officer

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

SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IN SAUDI RIYALS)

	Notes	As of 31 March 2023 (Unaudited)	As of 31 December 2022 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		780,849,328	806,413,221
Right of use assets		42,719,861	39,919,885
Investment properties		5,000,000	5,000,000
Intangible assets		159,875,858	159,869,203
Investments and financial assets	7	632,202,220	640,742,220
Deferred tax assets		32,259	-
TOTAL NON-CURRENT ASSETS		1,620,679,526	1,651,944,529
CURRENT ASSETS			
Inventories		410,218,936	425,228,719
Trade receivables	8	258,598,822	260,860,672
Prepaid expenses and other assets	9	275,512,421	272,986,467
Assets available for sale		5,272,034	5,272,034
Investments at fair value through profit or loss for trading		28,997,982	28,067,861
Investment at amortized cost		11,194,395	-
Due from related parties		1,038,294	1,309,201
Cash and cash equivalent		97,340,255	293,525,613
TOTAL CURRENT ASSETS		1,088,173,139	1,287,250,567
TOTAL ASSETS		2,708,852,665	2,939,195,096
EQUITY AND LIABILITIES			
EQUITY			
Capital		1,263,888,890	1,263,888,890
Statutory reserve		219,249,829	219,249,829
Accumulated losses		(49,013,191)	(27,498,813)
Net loss on revaluation of equity instrument at fair value through other comprehensive income	7 (B)	(106,223,807)	(97,683,807)
Subsidiary's financial statements' translation differences		(134,829,884)	(120,028,939)
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		1,193,071,837	1,237,927,160
Non-controlling interests		333,646,228	349,560,297
TOTAL EQUITY		1,526,718,065	1,587,487,457
NON-CURRENT LIABILITIES			
Islamic Murabaha financing contracts and long-term loans	10	69,891,220	84,300,980
Lease liability		34,469,667	33,470,917
Employee's defined benefit obligations		89,048,283	94,469,651
Derivative financial instruments		17,494,995	17,837,774
Deferred tax liabilities		-	177,550
TOTAL NON-CURRENT LIABILITIES		210,904,165	230,256,872
CURRENT LIABILITIES			
Trade payables and other accruals		337,328,571	355,325,899
Islamic Murabaha financing and short-term loans	11	489,297,943	576,303,097
Islamic Murabaha contracts and long-term loans - Current portion	10	52,205,107	107,883,731
Lease liability – Current portion		15,711,998	12,658,780
Dividends payable		12,192,384	12,194,383
Due to related parties		445,868	793,360
Zakat and income tax provision	5	64,048,564	56,291,517
TOTAL CURRENT LIABILITIES		971,230,435	1,121,450,767
TOTAL LIABILITIES		1,182,134,600	1,351,707,639
TOTAL EQUITY AND LIABILITIES		2,708,852,665	2,939,195,096


Managing Director and CEO


Acting as Chief Financial Officer

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

SINAD HOLDING COMPANY
A SAUDI JOINT STOCK COMPANY)
(INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED))
IN SAUDI RIYALS)

Equity attributable to shareholders of the Parent Company

	Capital	Statutory reserve	Accumulated losses	Net (loss) / gain on revaluation 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
for the period ended 31 March 2023								
balance as at 1 January 2023	1,263,888,890	219,249,829	(27,498,813)	(97,683,807)	(120,028,939)	1,237,927,160	349,560,297	1,587,487,457
net loss for the period	-	-	(21,514,378)	-	-	(21,514,378)	(4,051,449)	(25,565,827)
subsidiary's financial statements' translation differences	-	-	-	-	(14,800,945)	(14,800,945)	(11,862,620)	(26,663,565)
loss from valuation of equity instruments at fair value through other comprehensive income	-	-	-	(8,540,000)	-	(8,540,000)	-	(8,540,000)
total comprehensive income	-	-	(21,514,378)	(8,540,000)	(14,800,945)	(44,855,323)	(15,914,069)	(60,769,392)
balance as at 31 March 2023	1,263,888,890	219,249,829	(49,013,191)	(106,223,807)	(134,829,884)	1,193,071,837	333,646,228	1,526,718,065
for the period ended 31 March 2022								
balance as at 1 January 2022	1,263,888,890	219,249,829	(40,135,864)	39,261,341	(80,435,824)	1,401,828,372	419,996,176	1,821,824,548
net profit for the period	-	-	10,235,332	-	-	10,235,332	6,558,882	16,794,214
subsidiary's financial statements' translation differences	-	-	-	-	(15,386,809)	(15,386,809)	(12,332,177)	(27,718,986)
loss from valuation of equity instruments at fair value through other comprehensive income	-	-	-	(8,270,000)	-	(8,270,000)	-	(8,270,000)
total comprehensive income	-	-	10,235,332	(8,270,000)	(15,386,809)	(13,421,477)	(5,773,295)	(19,194,772)
balance as at 31 March 2022	1,263,888,890	219,249,829	(29,900,532)	30,991,341	(95,822,633)	1,388,406,895	414,222,881	1,802,629,776


Managing Director and CEO


Acting as Chief Financial Officer

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

SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(IN SAUDI RIYALS)

	For the three months period ended 31 March	
	2023	2022
OPERATING ACTIVITIES		
(Loss) / profit before zakat and income tax	(12,846,538)	27,748,335
Adjustments for:		
Group's share from the gain of an associate	7 (A) -	(5,152,777)
Gain from investments at fair value through profit or loss for trading	(930,121)	(3,844,955)
Dividend income from investments and financial assets	(1,386,267)	-
Depreciation of property, plant and equipment and right of use assets	25,025,238	25,675,772
Amortization of intangible assets	107,752	101,550
(Gains) / losses from sale of property, plant and equipment	(686,005)	104,528
Profit from sale of investment property	-	(5,836,764)
Gains from derivative instruments at fair value through profit or loss	(299,308)	(93,934)
Finance charges	11,999,389	4,324,084
	<u>20,984,140</u>	<u>43,025,839</u>
Changes in operating assets and liabilities:		
Change in trade receivables, prepaid expenses and other assets	(9,542,423)	(54,983,835)
Change in inventories	(5,765,642)	(86,327,855)
Change in trade payable and other accruals	(5,727,450)	68,323,075
Change in due to related parties	(76,583)	357,307
Change in employees' defined benefit obligations	(5,421,368)	(552,908)
Cash from operations	<u>(5,549,326)</u>	<u>(30,158,377)</u>
Zakat and income tax paid	(1,457,820)	(1,276,385)
Finance charges paid	(10,412,627)	(1,495,515)
Net cash used in operating activities	<u>(17,419,773)</u>	<u>(32,930,277)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and assets under constructions	(5,352,016)	(13,287,620)
Proceeds from sale of property, plant and equipment	998,235	-
Proceeds from sale of investment properties	-	8,000,000
Payment for purchase of investments	(11,194,395)	(30,000,000)
Proceeds from investment income and financial assets	1,386,267	-
Net cash used in investing activities	<u>(14,161,909)</u>	<u>(35,287,620)</u>
FINANCING ACTIVITIES		
Proceed from Islamic Murabaha financing contracts and long and short-term loans	296,557,549	399,393,051
Paid to Islamic Murabaha financing contracts and long and short-term loans	(445,260,160)	(187,929,770)
Lease liabilities payment	(3,067,334)	(3,976,481)
Dividends paid	(1,999)	-
Net cash (used in) / generated from financing activities	<u>(151,771,944)</u>	<u>207,486,800</u>
NET CHANGE IN CASH AND CASH EQUIVALENT	<u>(183,353,626)</u>	<u>139,268,903</u>
Effect of exchange difference from translation of cash and cash equivalent	(12,831,732)	(13,697,329)
Cash and cash equivalent at the beginning of the period	293,525,613	149,233,146
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	<u>97,340,255</u>	<u>274,804,720</u>
MAJOR NON-CASH TRANSACTIONS FROM INVESTMENT AND FINANCING ACTIVITIES:		
Effect of exchange in a subsidiary's financial statements' translation differences	(26,663,565)	(27,718,986)
Net loss on revaluation of equity instrument at fair value through other comprehensive income	(8,540,000)	(8,270,000)


Managing Director and CEO


Acting as Chief Financial Officer

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

SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2023
(All amounts are presented in Saudi Riyals unless otherwise indicated)

1. COMPANY'S INFORMATION

Sinad Holding Company (Formerly 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).

On 9th January 2022 (corresponding to 6 Jumada al-Tahni 1443), the shareholder's General Assembly approved to amend the Company's commercial name to be "Sinad Holding". During the year ended 31 December 2022, all legal procedures have been completed and the new amended commercial registration and article of association have been issued.

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 (Dallah Al Baraka Holding Company) and 46.82% by other shareholders.

The capital of the Parent Company consists of 126,388,889 shares as of 31 March 2023, the value of each of which is 10 Saudi riyals (31 December 2022: 126,388,889 shares).

The Company's activity is represented in the following:

- Managing its subsidiaries, or participating in managing other Companies in which it contributes and providing the necessary support to them.
- Investing in stocks and other securities.
- Owning real estate and movables necessary to carry out its activity.
- Providing loans, guarantees and financing to its subsidiaries.
- Owning industrial property rights such as patents, trademarks, industrial rights, franchises and other moral rights, and exploiting and leasing them to its subsidiaries or others.
- Any other activity consistent with the nature of the Company.

The registered office of the Company is CMC tower, Almalqa district, King Fahad Road, Riyadh, Kingdome of Saudi Arabia.

2. BASIS OF PREPARATION AND SUMMEERY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These interim condensed 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 2022. Also, the results for the initial financial period ended on 31 March 2023 do not necessarily reflect the results that would be expected for the fiscal year ending on 31 December 2023.

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.

SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2023
(All amounts are presented in Saudi Riyals unless otherwise indicated)

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Saudi Riyals, which is the functional currency of the Group, unless 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 31 March 2023.

Below are the details of subsidiaries:

Subsidiary	Country of incorporation	Ownership percentage	
		31 March 2023	31 December 2022
Aseer Al Arabiah for Industrial Investment Company Limited (Single owner Company LLC) and subsidiaries (see notes A below)	Kingdom of Saudi Arabia	100%	100%
Al Khawatem for Trading and Contracting Company Limited (Single owner Company LLC)	Kingdom of Saudi Arabia	100%	100%
Al Mawajed International for Real Estate Development Company Limited (Single owner Company LLC)	Kingdom of Saudi Arabia	100%	100%
Fast Delivery Company for Logistics Services (Single owner Company LLC) *	Kingdom of Saudi Arabia	100%	100%

* During the year ended 31 December 2022, Sinad Holding Company established a new Company "Fast Delivery Company for Logistics Services". The Company's activity will be in logistics services (ground transportation of goods – light transportation – providing delivery services via electronic platforms).

SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2023
(All amounts are presented in Saudi Riyals unless otherwise indicated)

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

Subsidiary	Operation	Country of incorporation	Ownership percentage	
			31 March 2023	31 December 2022
Halawani Brothers Company (a Saudi Joint Stock Company) (see note B below)	Manufacturing, packaging, wholesale and retail trade of food products	Kingdom of Saudi Arabia	55.51%	55.51%
Al Rabie Saudi Foods Company (a Saudi Closed Joint Stock Company)	Manufacturing of dairy, dairy products, juices, drinks	Kingdom of Saudi Arabia	57.30%	57.30%
Textile & Readymade Garments Company Limited (Limited Liability Company)	Production of Saudi Thobe and uniforms	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	
		31 March 2023	31 December 2022
Halawani Brothers Company (a Closed Joint Stock Company)	Egypt	100%	100%

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

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 2022.

2.6 APPLICATION OF NEW AMENDED STANDARDS AND INTERPREPERATIONS

New standards, amendments to existing standards and interpretations

There are no new standards issued by the International Accounting Standards Board (IASB), however, a number of amendments to the standards are effective as of 01 January 2023, which were explained in the annual consolidated financial statements of the group as of 31 December 2022 and there is no material impact on the interim condensed consolidated financial statements of the group for the three months period ended 31 March 2023.

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:

SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2023
(All amounts are presented in Saudi Riyals unless otherwise indicated)

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:

	<i>Investment segment SR'000'</i>	<i>Industrial segment SR'000'</i>	<i>Total SR'000'</i>
31 March 2023			
Total assets	947,296	1,761,557	2,708,853
Total liabilities and non-controlling interests	253,283	1,262,498	1,515,781
Property, plant and equipment	3,470	777,379	780,849
Net sales and investment income	2,316	419,234	421,550
Gross profit	2,316	111,350	113,666
Depreciation and amortization of intangible assets	742	24,391	25,133
Capital expenditures	101	5,251	5,352
	<i>Investment segment SR'000</i>	<i>Industrial segment SR'000</i>	<i>Total SR'000</i>
31 December 2022			
Total assets	1,074,165	1,865,030	2,939,195
Total liabilities and non-controlling interests	355,722	1,345,546	1,701,268
Property, plant and equipment	3,604	802,809	806,413
Capital expenses	1,278	46,448	47,726

B) Geographical segments

	<i>Kingdom of Saudi Arabia</i>	<i>Egypt</i>	<i>Other Arab and foreign countries</i>	<i>Reconciliations</i>	<i>Total</i>
31 March 2023					
Description	<i>SR '000'</i>	<i>SR '000'</i>	<i>SR '000'</i>	<i>SR '000'</i>	<i>SR '000'</i>
Total assets	2,590,744	240,242	-	(122,133)	2,708,853
Total liabilities	1,064,026	127,195	-	(9,086)	1,182,135
Net sales	246,116	128,108	45,010	-	419,234
	<i>Kingdom of Saudi Arabia</i>	<i>Egypt</i>	<i>Other Arab and foreign countries</i>	<i>Reconciliations</i>	<i>Total</i>
31 December 2022					
Description	<i>SR '000'</i>	<i>SR '000'</i>	<i>SR '000'</i>	<i>SR '000'</i>	<i>SR '000'</i>
Total assets	2,811,644	271,622	-	(144,071)	2,939,195
Total liabilities	1,224,157	136,423	-	(8,872)	1,351,708
31 March 2022					
Net sales	273,670	159,109	40,292	(93)	472,978

SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2023
 (All amounts are presented in Saudi Riyals unless otherwise indicated)

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:

	For the period ended	
	31 March	31 March
	2023	2022
Food products	255,215,989	301,534,713
Drinks and beverages	164,018,085	170,764,348
Other	-	678,512
	419,234,074	472,977,573

5. ZAKAT AND INCOME TAX PAYABLE

The amount of zakat and income tax payable consists of the following:

	As of	
	31 March	31 December
	2023	2022
Zakat payable	49,117,208	41,162,322
Income tax payable	14,931,356	15,129,195
	64,048,564	56,291,517

A) Zakat

Movement in zakat on the Group was as follows:

	For the period / year ended	
	31 March	31 December
	2023	2022
Balance at the beginning of the period / year	41,162,322	41,875,530
Provided during the period / year	9,412,706	11,051,867
Paid during the period / year	(1,457,820)	(10,973,647)
Adjustments	-	(791,428)
Balance at the end of the period / year	49,117,208	41,162,322

Zakat charged to the interim condensed consolidated statement of income:

	For the period ended	
	31 March	31 March
	2023	2022
Provided during the period	9,412,706	4,205,281

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B) Income tax

Movement in income tax was as follows:

	For the period / year ended	
	31 March	31 December
	2023	2022
At the beginning of the period / year	15,129,195	25,820,054
Income tax during the period / year	3,486,356	23,294,516
Paid during the period / year	-	(21,114,500)
Translation differences	(3,684,195)	(12,870,875)
Balance at the end of the period / year	14,931,356	15,129,195

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

	For the period ended	
	31 March	31 March
	2023	2022
Current income tax	3,486,356	7,147,471
Deferred income tax	(179,773)	(398,631)
	3,306,583	6,748,840

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 2022.

6. EARNINGS PER SHARE

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

	For the period ended	
	31 March	31 March
	2023	2022
(Loss) / profit for the period attributable to the shareholders of the Parent Company	(21,514,378)	10,235,332
Weighted average number of outstanding ordinary shares	126,388,889	126,388,889
Basic and diluted (loss) / profit per share attributable to the shareholders of Parent Company	(0.17)	0.08

7. INVESTMENTS AND FINANCIAL ASSETS

	31 March	31 December
	2023	2022
Investments in associate (see note (a) below)	-	-
Equity instruments at fair value (see note "B" below)	629,557,165	638,097,165
Debt instruments at fair value through profit or loss (see note "C" below)	2,645,055	2,645,055
	632,202,220	640,742,220

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a) Investments in an associate

<i>Company's name</i>	Country of incorporation	Main activity	Shareholding percentage		31 March 2023	31 December 2022
			2023	2022		
Alessa Industries Company	Kingdom of Saudi Arabia	Wholesale and retail	38%	38%	-	-

During the period ended 31 March 2023, the associate Company decided to reduce the capital to extinguish the accumulated losses by cancelling 40 million shares, bringing the number of shares owned by the group to be 3.8 million shares (31 December 2022: 19 million shares of the total capital in Alessa Industries Company amounted to 50 million shares with 38% ownership of its equity). Movement of the investment is as follows:

	31 March 2023	31 December 2022
Investment balance at the beginning of the period / year	-	11,347,093
Group's share from loss of an associate	-	(11,347,093)
Group's share of other comprehensive income	-	-
	-	-

During the year ended 31 December 2022, the investment balance in the associate Company was fully reduced, accordingly the Company discontinued to recognize additional losses that are recorded in the books of the associate Company.

b) Equity instruments at fair value through OCI

	Quoted	Un-quoted	Total 31 March 2023	Total 31 December 2022
Cost:				
At the beginning of the period / year	390,600,000	345,180,972	735,780,972	743,867,824
Additions	-	-	-	-
Disposals	-	-	-	(8,086,852)
At the end of the period / year	390,600,000	345,180,972	735,780,972	735,780,972
Net losses from revaluation of investments and financial assets:				
At the beginning of the period / year	(46,410,000)	(51,273,807)	(97,683,807)	39,261,341
Revaluation loss	(8,540,000)	-	(8,540,000)	(140,270,152)
Transferred to accumulated losses	-	-	-	3,325,004
At the end of the period / year	(54,950,000)	(51,273,807)	(106,223,807)	(97,683,807)
Net book value	335,650,000	293,907,165	629,557,165	638,097,165

The Group owns 35 million shares as of 31 March 2023 (31 December 2022: 35 million shares) in Emaar the Economic City, with a value of 282 million Saudi Riyals as of 31 March 2023 (31 December 2022: 292 million Saudi Riyals). The group is required to obtain the approval of the Economic Cities Authority before disposing of the shares it owns.

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c) Debt instruments at fair value through profit or loss

	31 March 2023	31 December 2022
Balance as at the beginning of the period / year	2,645,055	112,435,000
Additions	-	2,645,055
Gain from revaluation of debt instruments at fair value through profit or loss	-	72,974,399
Accrued dividends	-	(166,899)
Disposals	-	(185,242,500)
Balance as at the end of the period / year	2,645,055	2,645,055

8. TRADE RECEIVABLES, NET

	31 March 2023	31 December 2022
Trade receivables	283,630,306	284,181,832
Provision of expected credit losses	(25,031,484)	(23,321,160)
	258,598,822	260,860,672

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 amounting to 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 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.

During November 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.

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On 19 Shaaban 1442 H corresponding to 01 April 2021, the Company received a letter from its legal consultant stating that the defendant (land's seller) filed a petition to the court on 05 Shaaban 1442H, corresponding to 18 March 2021, to overturn the verdict and dismiss the case after the expiry of the formal objection period and petition was accepted, and according to the Court dismissed the previous ruling and 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.

On 03 February 2022, the General Department for large cases of the General Court has issued a preliminary ruling in the favour of the Group, to terminate the sale's contract pertaining to north Riyadh land between the Company and the seller and what's entitled to it, and obligate the land seller to repay an amount of SR 202 million in favour of the Company.

On 24 April 2022, the Court of Appeal issued its ruling confirming the ruling issued by the General Department for large cases. Consequently, the Company applied to the Execution Court to execute the ruling, and the court has started to proceed with the execution by seizing assets owned by the seller.

On 08 March 2023, a preliminary rule was issued in favour of the Group obliging the broker to repay an amount of SR 5,239,441 in favour of the Company, and the period of objection to the issued ruling is 30 days starting from the following date of receiving a copy of the rule based on the legal pleadings system.

10. ISLAMIC MURABAHA CONTRACTS AND LONG-TERM LOANS

	31 March 2023	31 December 2022
Facilities and long-term loans	122,096,327	192,184,711
Amounts due within a year	(52,205,107)	(107,883,731)
Non-current portion	69,891,220	84,300,980

The group has a number of Islamic Murabaha contracts and long-term loans that were disclosed in the group's financial statements as of 31 December 2022, and during the period ended 31 March 2023, the Group finalized an Islamic Murabaha financing agreement and paid the total Murabaha balance amounting to SR 50 million as an early payment, as the last payment was due in December 2023.

11. ISLAMIC MURABHA FINANCING AND SHORT-TERM LOANS

	31 March 2023	31 December 2022
Balance at the beginning of the period / year	542,180,293	321,614,951
Net movement during the period / year	(52,882,350)	254,688,146
Balance at the beginning of the period / year	489,297,943	576,303,097

The group has a number of short-term Islamic Murabaha financing agreements that were disclosed in the group's financial statements as of 31 December 2022, in addition to the following agreement entered into by the group during the period ended on 31 March 2023, which is as follow:

One of the subsidiaries Company has entered into short term Murabaha contracts with a local bank to finance its working capital. The subsidiary pays its financing charges according to prevailing market rate plus a profit margin. As of 31 March 2023, the outstanding balance of these contracts amounted to SR 48 million (31 December 2022: Nil).

12. SIGNIFICANT EVENTS

Devaluation of the currency of the Arab Republic of Egypt

The impact of the devaluation of the Egyptian pound against the Saudi riyal still continuing. As a result, translation differences were recorded of a subsidiary Company during the period ended 31 March 2023 by SR 27 million (31 March 2022: by SR 28 million).

The impact of the war of the State of the Republic of Sudan

During April 2023, political turmoil broke out in the Republic of Sudan. This may have financial effects on many economic entities that have transactions with the Republic of Sudan, as well as on direct interests (such as suppliers, customers, investments, and lenders). The political events are constantly changing.

The main potential effects arising from the disruption of the political situation are as follows:

- Interruptions or suspension of production and closure of roads and facilities.
- Travel disturbances to the Republic of Sudan.
- Fluctuation of commodity and currency prices, which may lead to an increase in costs and expenses.
- Disruptions in banking systems and capital markets

The management closely monitors and analyzes market developments in this volatile situation. In spite of the current uncertainties, there is currently no indication of an impact on the Group's business or non-fulfillment of its obligations and future operational performance.

13. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by Board of Directors on 27 Shawwal 1444 (H) corresponding to 17 May 2023 (G).