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 2022

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 2022

INDEX	**PAGE**

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INDEPENDENT AUDITOR'S REPORT

To: the shareholders
JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)**, a Saudi joint-stock company, ("the Company") and its subsidiaries (together "the Group") which comprise the consolidated statement of financial position as at 31 December 2022, 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 including a 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 at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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 those 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 (the "Code"),that is relevant to our audit of the 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 As at December 31, 2022, the net book value of investment properties amounted to 227.2 Million Saudi riyals (as at December 31, 2021: 229.6 Million Saudi Riyals), which represents 44% of the total non-current assets of the Group. Investment properties are stated at cost after deducting accumulated depreciation and impairment, if any. For the purposes of impairment testing and fair value disclosure in the Group's consolidated financial statements, investment properties are evaluated by an accredited independent external valuation expert "the Evaluator" who performs the valuation process using recognized valuation methods and methodology based on assumptions and estimates related to several factors affecting the fair value of real estate properties. We considered this as a key audit matter as impairment testing of investment properties requires significant judgment by management and also involves significant estimates. Refer to note (4) to the consolidated financial statements for the significant accounting policies and note. (6) for the relevant disclosures about the accompanying consolidated financial statements.	**We have performed the following procedures regarding the investment properties:** • Evaluated the objectivity, independence and expertise of the Evaluator. • Compared the fair value of investment properties at the end of the financial year with the valuation results shown in the evaluators reports submitted by the Evaluator. • Reviewed the assessment methods and methodology used by the Evaluator. • Reviewed the real estate valuations carried out by the Evaluator, to ensure the reasonableness of the main assumptions that were used to determine the fair values of investment properties. • Obtained deeds of investment properties to verify the ownership . • Assess the appropriateness of the disclosures related to the investment properties of the Group in Note. (6) of the notes to the consolidated financial statements.

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

Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matters (Continued)

Key Audit Matter	How we addressed the matter during our audit
Revenues Revenue is an important component of the Group's performance and profitability. Auditing standards state the importance of assessing risks of management overriding internal controls 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. Refer to note (4) to the consolidated financial statements for the significant accounting policies for the relevant disclosures on the accompanying consolidated financial statements.	Our audit procedures included, among other things, based on our judgment: • Tested the control procedures and their operational effectiveness related to revenue recognition. Also performed cut-off procedures to ensure revenues are recorded in the correct period. • Tested a sample of sales transaction for the verification of the proper implementation of the revenue recognition policy. • Performed analytical procedures to identify the unusual variances which required further audit procedures.. • Assessed the appropriateness of accounting policies to realize the group's revenue and assess the extent of compliance of those policies with the International Financial Reporting Standard. "15".

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.
In connection with our audit of the consolidated financial statements, our responsibility is 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. 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 consolidated financial statements of the **Jazan Energy And Development Company (Jazadco)** for the year ended 31 December 2021 have been audited by another auditor who expressed an qualified opinion on those consolidated financial statements on 14 Shabaan 1443 H (corresponding to 17 March 2022).

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 Chartered and Professional 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 i.e. the Board of directors, are responsible for overseeing the Group`s financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To: the shareholders
JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A Saudi Joint Stock Company)
Report on the Audit of the Consolidated Financial Statements (Continued)

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 disclosures are 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.

From the matters communicated with those charged with governance, we detemine those matters that were of the most significance in the audit of the consolidated financial statements of the current year, and therefore the key audit matters. We describe these matters in our audit report unless laws or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences fo doing so would reasonably be expected to outweigh the public interest benefits of such communication.

RSM Allied Accountants for Professional Services

Mohammed Bin Farhan Bin Nader
License No. 435
Riyadh, Saudi Arabia
6 Ramadan 1444 AH (corresponding to March 28, 2023)

شركة ار اس ام المحاسبون المتحدون للإستشارات المهنية
س.ت: ٤٠٣٠٢٢٨٧٧٣
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JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2022

	Note	31 December 2022 SAR	(Restated note 33) 31 December 2021 SAR
Assets			
Non-current assets			
Property, plant and equipment, net	5	**221,417,357**	225,916,614
Investment properties, net	6	**227,233,700**	229,604,178
Investments in associated companies	7	**3,548,828**	18,824,848
Financial investments at fair value through OCI	8	**58,640,000**	47,900,000
Intangible assets, net	9	**2,500,808**	3,848,773
Right of use assets, net	10	**253,314**	337,752
Total non-current assets		**513,594,007**	526,432,165
Current assets			
Biological assets	11	**33,877,511**	24,182,051
Inventory, net	12	**30,314,268**	21,161,742
Financial investments at fair value through profit or loss	13	**23,257,325**	-
Accounts receivable, prepaid expenses and other debtors, net	14	**34,774,110**	45,686,624
Cash and cash equivalents	15	**2,045,809**	15,364,149
Total current assets		**124,269,023**	106,394,566
Total assets		**637,863,030**	632,826,731
Equity and Liabilities			
Equity			
Share capital	1	**500,000,000**	500,000,000
Statutory reserve	16	**85,409,994**	85,409,994
Reserve for revaluation of financial investments at FVOCI	8	**(7,910,000)**	2,900,000
Reserve of Foreign currency translation	7	**(1,365,674)**	-
Accumulated losses		**(29,724,136)**	(45,727,059)
Equity attributable to the Shareholders of the company		**546,410,184**	542,582,935
Non-controlling interests		**175,097**	1,013,613
Total equity		**546,585,281**	543,596,548
Liabilities			
Non-current liabilities			
Long term loans - non-current portion	17	**5,662,440**	21,170,954
Employees' defined benefit plan obligations	18	**7,826,008**	8,935,262
Non-current portion of lease liabilities	10	**184,969**	269,073
Total non-current liabilities		**13,673,417**	30,375,289
Current liabilities			
Long term loans - current portion	17	**19,081,916**	5,951,652
current portion of lease liabilities	10	**34,104**	78,969
Due to related party	19	**15,000**	15,000
Distributions of shareholders' entitlements		**5,625,183**	5,630,528
Commitment against the loan guarantee of an associate	20	**14,619,841**	14,619,841
Accounts payable, accrued expenses, and other creditors	21	**24,286,037**	19,907,408
Zakat provision	22	**13,942,251**	12,651,496
Total current liabilities		**77,604,332**	58,854,894
Total liabilities		**91,277,749**	89,230,183
Total equity and liabilities		**637,863,030**	632,826,731

The accompanying notes (1) to (36) form an integral part of these consolidated financial statements.

Financial Manager	Chief Executive Officer	Delegated Board Member
Ehab Refaei	Mohammad Bin Abdallah Alrasheed	AbdAlelah Melhem Almafeez

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 2022

Profit or loss	Note	2022 SAR	(Restated note 33) 2021 SAR
Revenues, net	31	**77,893,693**	98,509,218
Cost of revenues	31	**(66,427,892)**	(70,307,027)
Gains on proof of biological assets at fair value	23	**4,325,578**	12,736,367
Gross profit		**15,791,379**	40,938,558
Selling and marketing expenses	24	**(7,486,957)**	(6,347,661)
General and administrative expenses	25	**(24,008,707)**	(22,784,589)
Operating profit / (operating loss)		**(15,704,285)**	11,806,308
Finance costs	26	**(1,348,283)**	(779,995)
Unrealized gains from investments at fair value through profit or loss	13	**257,325**	-
Group's share in the profit / (loss) of the associate	7	**2,157,797**	(351,513)
Re-establish the investment in the associate company after closing the losses	7	**3,248,741**	-
Fair value differences of the Group's share in the investment in the associate	7	**2,191,211**	-
Gain on sale of property, plant and equipment, net	5	**25,396,769**	-
Other income	27	**3,368,117**	2,764,728
Net profit / (loss) for the year before zakat		**19,567,392**	13,439,528
Zakat	22	**(3,069,879)**	(1,778,239)
Net profit / (loss) for the year		**16,497,513**	11,661,289
Other comprehensive income			
Items that will be reclassified to the consolidated statement of profit or loss			
The company's share in foreign currency translation differences in an associate		**(1,365,674)**	-
Items that will be reclassified to the consolidated statement of profit or loss			
(Losses) / actuarial gain on re-measurement of employee benefit plan obligations	21	**(1,375,011)**	562,315
Group's share of other comprehensive income of the associate	9	**41,905**	22,222
Change in FV of investments at fair value through other comprehensive income	10	**(10,810,000)**	5,900,000
Other comprehensive income		**(13,508,780)**	6,484,537
Total comprehensive income / (comprehensive loss) for the year		**2,988,733**	18,145,826
Net profit/(loss) for the year attributable to:			
Shareholders of the parent company		**17,341,162**	12,128,716
Non-controlling interests		**(843,649)**	(467,427)
Net profit/ (loss) for the year		**16,497,513**	11,661,289
Total comprehensive income / (comprehensive loss) for the year attributable to:			
Shareholders of the parent company		**3,827,249**	18,610,311
Non-controlling interests		**(838,516)**	(464,485)
Total comprehensive income / (comprehensive loss) for the year		**2,988,733**	18,145,826
Earnings per share	31		
Basic and diluted share of operating profit / (operating loss)		**(0.31)**	0,24
Basic and diluted share of the net profit / (loss) for the year		**0.33**	0.23

The accompanying notes (1) to (36) form an integral part of these consolidated financial statements.

Financial Manager	Chief Executive Officer	Delegated Board Member
Ehab Refaei	Mohammad Bin Abdullah Alrasheed	AbdAlelah Melhem Almafeez

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Equity attributable to the Shareholders of the company							
	Share capital SAR	Statutory reserve SAR	Reserve for revaluation of financial investments at FVOCI SAR	Reserve foreign currency translation SAR	Accumulated losses SAR	Total SAR	Non-controlling interests SAR	Total equity SAR
Balance as of 1 January 2021	500,000,000	85,409,994	(3,000,000)	-	(58,437,370)	523,972,624	1,403,098	525,375,722
Net profit for the year (restated note 33)	-	-	-	-	12,128,716	12,128,716	(467,427)	11,661,289
Other comprehensive income	-	-	5,900,000	-	581,595	6,481,595	2,942	6,484,537
Total comprehensive loss for the year	-	-	5,900,000	-	12,710,311	18,610,311	(464,485)	18,145,826
The share of the non-controlling interest in the capital of the subsidiary	-	-	-	-	-	-	75,000	75,000
Balance as at 31 December 2021 (Restated)	500,000,000	85,409,994	2,900,000	-	(45,727,059)	542,582,935	1,013,613	543,596,548
Net profit for the year	-	-	-	-	17,341,162	17,341,162	(843,649)	16,497,513
Other comprehensive income	-	-	10,810,000)	(1,365,674)	(1,338,239)	(13,513,913)	5,133	(13,508,780)
Total comprehensive income	-	-	10,810,000)	(1,365,674)	16,002,923	3,827,249	(838,516)	2,988,733
Balance as at 31 December 2022	**500,000,000**	**85,409,994**	**(7,910,000)**	**(1,365,674)**	**(29,724,136)**	**546,410,184**	**175,097**	**546,585,281**

The accompanying notes (1) to (36) form an integral part of these consolidated financial statements

Financial Manager
Ehab Refaei

Chief Executive Officer
Mohammad Bin Abdullah Alrasheed

Delegated Board Member
AbdAlelah Melhem Almafeez

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 SAR	(Restated Note 33) 2021 SAR
Cash flows from operating activities		
Net profit / (loss) for the year before zakat	19,567,392	13,439,528
Adjustments to reconcile net profit / (loss) for the year before zakat:		
Depreciations of property, plant and equipment	8,654,119	8,332,818
Depreciation of investments properties	3,162,021	3,162,021
Amortization of intangible assets	1,373,090	1,337,028
Depreciation right of use assets	84,438	84,438
The group's share in the associate group's business results	(2,157,797)	351,513
Profits of the fair value difference of the Group's share in the investment in the associate	(2,191,211)	-
Re-establish the investment balance in the associate company	(3,248,741)	-
Provision for expected credit loss	3,084,253	-
Provision for advance payments to suppliers	500,000	-
provision for slump inventory	1,300,000	-
Unrealized gains from investments at fair value through profit or loss	(257,325)	-
Gain on disposal of property, plant and equipment	(25,413,776)	-
Closing the balance of projects under implementation	-	1,693,117
Gains on proof of biological assets at fair value	(4,325,578)	(12,736,367)
Provision for employees defined benefits plan obligations	1,144,476	1,104,812
The return on the provision for obsolete inventory	-	220,000
Accelerated payment discount from the Agricultural Development Fund	(524,999)	(1,049,998)
Proceeds from financial investments at fair value through profit or loss	2,000,000	515,686
Finance costs	1,348,283	779,995
	4,098,645	17,234,591
Changes in operating assets and liabilities:		
Due to related party	-	15,000
Inventory	(10,452,526)	1,696,691
Biological assets	(5,369,882)	637,483
Financial investments at fair value through profit or loss	(25,000,000)	-
Accounts receivable, prepaid expenses, and other assets	7,328,261	(3,672,857)
Accounts payable, accrued expenses, and other liabilities	5,273,785	2,832,828
Cash (used in)/generated from operations	(24,121,717)	18,743,736
Employees defined benefits obligations paid	(3,852,940)	(386,836)
Zakat paid	(1,779,124)	(3,534,974)
Finance costs paid	(1,103,053)	-
Net cash (used in) / generated from operating activities	(30,856,834)	14,821,926
Cash flows from investing activities		
Paid to purchase property, plant and equipment	(12,131,419)	(10,227,149)
Due to a related party	-	444,313
Paid in an investment in a subsidiary	-	300,000
Paid on investment property additions	(791,543)	-
Paid to purchase intangible assets	(25,125)	(796,076)
Paid for additions to projects under implementation	-	(9,039,596)
Proceeds from disposal of property and equipment	33,390,333	27,283
Net cash (used in)/ available from investing activities	20,442,246	(19,291,225)
Cash flows from financing activities		
Proceeds from long-term loans	2,678,246	18,508,452
Long-term loans paid	(5,426,653)	(4,995,817)
Payment of lease Liability	(150,000)	(100,000)
Payments for the capital of non-controlling equity interest	-	75,000
Dividends paid	(5,345)	(81,341)
Net cash (used in) / available from financing activities	(2,903,752)	13,406,294
Net change in cash and cash equivalents	(13,318,340)	8,936,995
Cash and cash equivalents at the beginning of the year	15,364,149	6,427,154
Cash and cash equivalents at end of the year	2,045,809	15,364,149

The accompanying notes (1) to (36) form an integral part of these consolidated financial statements.

Financial Manager Ehab Refaei	Chief Executive Officer Mohammad Bin Abdullah Alrasheed	Delegated Board Memeber Abdalelah Mehlem Almafeez

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 **SAR**	(Restated Note 33) 2021 SAR
Non-cash transactions		
Transferred from projects under construction to property, machinery and equipment	**18,833,396**	-
(Losses)/ gains on revaluation of investments at fair value through other comprehensive income	**(10,810,000)**	5,900,000
Actuarial (Losses)/ gains from remeasurement of employees' benefits obligations	**(1,375,011)**	562,315

The accompanying notes (1) to (36) form an integral part of these consolidated financial statements.

Financial Manager	Chief Executive Officer	Delegated Board Memeber
Ehab Refaei	Mohammad Bin Abdullah Alrasheed	Abdalelah Mehlem Almafeez

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 H (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 group 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 were 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
21/10/032101/001	1 Safar 1425 AH	Jazan	Shrimp breeding
431105114869	22 Safar 1433 AH	Sabya	Producing healthy drinking water
2210	13 Rajab 1438 AH	Samtah	Frozen shrimp production

The financial statements include the following branches of the group::

Branch name	CR No.	City	Activity
Jazadco Real Estate Company	5900011471	Jazan	Buying, selling, and renting land and real estate.
Jazadco Real Estate Company	5900114667	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	Mango cultivation and fruit seedlings.
Branch of Jazan Development Company (JAZADCO) for preparing, freezing, and packing shrimp	5907035800	Samtah	Preserving fish and importing feed.
Branch of Jazan Development Company (JAZADCO)	1010889407	Riyadh	Main office activities (supervision and management of other units in the company or organization)
Branch of Jazan Development Company (JAZADCO)	5906036052	Sabya	Refrigerated food stores
Branch of Jazan Development Company (JAZADCO)	5906336121	Sabya	Ground transportation of goods
Branch of Jazan Development Company (JAZADCO)	5906333517	Sabya	Cutting, packing and wrapping fruits and vegetables

Subsidiaries Companies

				Ownership percentage	
Company Name	Country	CR No.	Activity	As at December 31, 2022	As at December 31, 2021
Fish Day Company	Saudi Arabia	1010894462	Wholesale of fish and aquaculture, retail sale of fish and other seafood and seafood products, online retail, transportation of chilled and frozen goods.	80%	80%
Mango Jazan Trading Company	Saudi Arabia	5900022171	Internet retail.	60%	60%

The company's head office address is in Jizan, Corniche Road, P.O. 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 Chartered and Professional Accountants.

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 as shown (note 1). Subsidiaries are companies controlled by a group. The group controls the group when it has the right to variable returns 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 acquisition 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.

Non-controlling interest

Non-controlling interest is measured at its proportionate share of the identifiable net assets at the date of acquisition. A change in the Group's interest in a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Loss of control

When the Group loses control over subsidiaries, the assets, liabilities, non-controlling interests and other components of equity are eliminated and any profits or losses are recognized in the consolidated statement of profit or loss and any shares retained are recognized at fair value when control is lost.

Transactions excluded on consolidation of financial statements

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

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The company has adopted the following new standards and amendments for the first time, as of January 1, 2022:

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 (16), 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- IAS (37), 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Application of these amendments does not have any material impact on the financial statements during the period.

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 2022 and earlier application is permitted; however, the Group has not early adopted them in preparing these financial statements.

Amendments to IAS (1), Practice statement 2 and IAS (8)

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies

Amendment to IAS (12) – deferred tax related to assets and liabilities arising from a single transaction

These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

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:

- **Estimated useful lives of property, machinery, and equipment and investment properties**

Management reviews the useful lives of property, machinery and equipment and investment properties an to calculate depreciation . 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-

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **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.

- **Employee benefits obligations**

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, machinery and equipment

Property, machinery 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, machinery, and equipment have different useful lives, then they are accounted for as separate items (major components) of property, machinery, 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.

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, machinery and equipment.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Real estate investments Include (lands, buildings, part of buildings, lands, or both) held by the Group for rental income 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%

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

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, machinery, 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.

Biological Assets and agricultural production

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, machinery 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.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Biological Assets and agricultural production(CONTINUED)

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 and equipment and Intangible assets 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 in 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.

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.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

First: Financial assets (Continued)

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.

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 the person or entity associated with the group whose consolidated financial statements are prepared.

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.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related party transactions (Continued)

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) 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.

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.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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' 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 , Accrued Expense 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

The estimated zakat is an obligation on the company and it is redeemed in the attached financial statements by uploading it to the profit or loss statement in accordance with the zakat standard and the opinion issued by the Saudi Organization for Chartered and Professional Accountants, where it is calculated for the year as an estimate according to the accrual principle.

Zakat is calculated at the end of the year on the basis of the adjusted net income or the Zakat base, whichever is greater, according to the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.

Differences between the provision and the final assessment are addressed in the year in which the assessment is received.

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 performance of a specified obligation is transferred to the customer and the customer is able to use goods without restrictions or benefit from services provided under the contract.

Revenue from the sale of any by-products resulting from industrial waste is treated as other income in the consolidated statement of profit or loss.

If the Group differentiates between the selling price of the product at the delivery location at its headquarters and the selling price of the same product at the delivery location of the customer, the resulting difference will be treated as transfer revenue and the corresponding cost is included in cost of revenue.

Revenue from merchandise sales

Sale revenues are recognized in the consolidated statement of profit or loss when a risk is transferred to the customer. Revenue is recognized to the extent that it is highly probable that a material reflection will not occur in the amount of cumulative revenue recognized.

Variable consideration

The amount of variable consideration is estimated either at its expected value or at the most likely amount and is included in revenue to the extent that it is highly probable that revenue will not be reversed.

Significant financing component of the contract

The Group assesses a significant financing component if the period between customer payment and transfer of goods/services (whether for prepayments or late payments) is more than one year. The Group adjusts the amount promised to pay for the time value of money using an appropriate interest rate that reflects the credit.

Rental income

The Group leases several stores located within its stores under operating lease agreements. Rental income is recognized on a straight-line basis over the term of the lease. Rental income is recognized as an integral part of the total rental income over the term of the lease.

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.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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- PROPERTY, MACHINERY AND EQUIPMENT, NET

	Lands* SAR	Buildings SAR	Property and equipment SAR	Vehicles SAR	Furniture and fixtures SAR	Wells SAR	Computers SAR	Fruitful trees SAR	Building improvements SAR	Projects under construction SAR	Total SAR
Cost											
Balance as at 1 January 2022	17,074,855	213,376,978	118,035,469	10,250,693	5,086,490	977,071	3,040,961	23,486,155	216,791	9,895,857	401,441,32
Additions during the year	-	**193,221**	**2,603,694**	**288,087**	**53,039**	-	**55,839**	-	-	**8,937,539**	**12,131,41**
Disposals during the year	**(1,964,000)**	-	**(16,756,886)**	**(27,000)**	**(59,702)**	**(19,839)**	**(1,650)**	-	-	-	**(18,829,077**
Transferred from projects under construction	-	**13,295,422**	-	-	-	-	-	**5,537,974**	-	**(18,833,396)**	-
Balance as at 31 December 2022	**15,110,855**	**226,865,621**	**103,882,277**	**10,511,780**	**5,079,827**	**957,232**	**3,095,150**	**29,024,129**	**216,791**	-	**394,743,66**
Accumulated depreciation											
Balance as at 1 January 2022	-	79,721,057	74,000,957	7,262,694	4,366,637	785,506	2,360,290	6,995,517	32,046	-	175,524,70
Charged for the year	-	**2,723,879**	**4,631,120**	**558,965**	**171,451**	**27,516**	**111,183**	**423,385**	**6,620**	-	**8,654,11**
Disposals during the year	-	-	**(10,785,093)**	**(5,175)**	**(48,818)**	**(12,978)**	**(454)**	-	-	-	**(10,852,518**
Balance as at 31 December 2022	-	**82,444,936**	**67,846,984**	**7,816,484**	**4,489,270**	**800,044**	**2,471,019**	**7,418,902**	**38,666**	-	**173,326,30**
Net book value											
As at 31 December 2022	**15,110,855**	**144,420,685**	**36,035,293**	**2,695,296**	**590,557**	**157,188**	**624,131**	**21,605,227**	**178,125**	-	**221,417,35**

- The land item includes the value of lands mortgaged in favor of the Agricultural Development Fund in return for the loan granted by it to the company (note 17). The cost of those lands as on December 31, 2022 amounted to 12,982,980 Saudi riyals (December 31, 2021: 17,074,855 Saudi riyals).
- On May 18, 2022, the Board of Directors decided to sell the land of Khabet Al-Falaq, with an area of 1,153,000 square meters, for a net amount of 33,333,333 Saudi riyals. The sale resulted in a net profit of 31,369,334 Saudi riyals.
- On December 29, 2022, the Board of Directors decided to permanently stop the second production line of 12 liters in the healthy drinking water bottling plant, due to the low demand for the product, which led to high production costs and its economic infeasibility, and as a result resulted in disposal losses in the amount of 5,972,564 Saudi riyals.
- The amounts transferred from the Projects under construction represent the works executed by the group for the purposes of establishing a project for equipping shrimp ponds, amounted to 13,259,422 Saudi riyals, in addition to cultivating 4,726 mango trees, with an amount of to 5,537,974 Saudi riyals.

Depreciation expenses are allocated as at 31 December as follows:

	2022 SAR	2021 SAR
Cost of sales	**7,972,213**	7,620,438
Selling and marketing expenses (note 24)	**382,120**	499,886
General and administrative expenses (note 25)	**299,786**	212,494
	8,654,119	8,332,818

5- PROPERTY, MACHINERY 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 at 1 January 2021	17,074,855	213,230,790	109,406,349	10,246,103	5,006,509	977,071	2,944,046	23,486,155	2,780,357	385,152,235
Additions during the year	-	362,980	8,628,772	1,058,155	79,981	-	97,261	-	8,808,617	19,035,766
Disposals during the year	-	-	-	(1,053,565)	-	-	-	-	(1,693,117)	(2,746,682)
Balance as at 31 December 2021	17,074,855	213,593,770	118,035,121	10,250,693	5,086,490	977,071	3,041,307	23,486,155	9,895,857	401,441,319
Accumulated depreciation										
Balance as at 1 January 2021	-	77,004,068	69,748,561	7,723,986	4,162,849	757,359	2,249,213	6,572,133	-	168,218,169
Charged for the year	-	2,749,035	4,252,397	564,990	203,788	28,147	111,077	423,384	-	8,332,818
Disposals during the year	-	-	-	(1,026,282)	-	-	-	-	-	(1,026,282)
Balance as at 31 December 2021	-	79,753,103	74,000,958	7,262,694	4,366,637	785,506	2,360,290	6,995,517	-	175,524,705
Net book value										
As at 31 December 2021	17,074,855	133,840,667	44,034,163	2,987,999	719,853	191,565	681,017	16,490,638	9,895,857	225,916,614

6- INVESTMENT PROPERTIES, NET

	Lands SAR	Buildings* SAR	Projects under construction** SAR	Total SAR
Cost				
Balance as at 1 January 2022	26,515,841	224,020,585	15,480,883	266,017,309
Additions during the year	-	-	**791,543**	**791,543**
Balance as at 31 December 2022	**26,515,841**	**224,020,585**	**16,272,426**	**266,808,852**
Accumulated amortization				
Balance as at 1 January 2022	-	36,413,131	-	36,413,131
Charged for the year	-	**3,162,021**	-	**3,162,021**
Balance as at 31 December 2022	-	**39,575,152**	-	**39,575,152**
Net book value				
As at 31 December 2022	**26,515,841**	**184,445,433**	**16,272,426**	**227,233,700**

- The following is the measurement data for the fair value in accordance with International Financial Reporting Standard No. "13", as shown below:

Real estate	Evaluation method	Significant inputs and valuation assumptions	Fair value as at December 31, 2022 SAR	Fair value as at December 31, 2021 SAR
Land and building	Market method	Recent transactions	**303,093,000**	294,574,900

- The valuation techniques used are categorized as level 2 fair value.
- The real estate evaluation mechanism applied in the evaluation of investment properties is compatible with the International Valuation Standards Council and with the directives of the Saudi Authority for Accredited Valuers (Taqeem).

The following is the data of the evaluator who conducted an evaluation of the investment properties

Valuer	License number	Valuer's qualifications
Momtalakati group for real estate appraisal	1210000305	Licensed by the Saudi Authority for Accredited Residents (Taqeem)

- The investment real estate item includes the value of lands and buildings that were mortgaged in favor of Al Rajhi Bank in exchange for the loan granted by it to the company (note 17). The net book value of those lands and buildings as on December 31, 2022 amounted to 163,380,403 SAR (December 31, 2021: 166,059,172 SAR).
- The value of these investments was recorded according to the cost model. The group evaluated its investment properties, whose net book value amounted to 227,233,700 SAR, at fair value by an independent appraiser.
- The Projects under constructionas at December 31, 2022 are constructions on the land of the model plan, where the balance of the item amounted to 16,272,426 SAR, (December 31, 2021: 15,480,883 SAR).

Movement in investment properties for the year ended 31 December 2021 is as follows:

	Lands SAR	Buildings SAR	Projects under construction SAR	Total SAR
Cost				
Balance as at 1 January 2021	26,515,841	224,020,585	15,249,904	265,786,330
Additions during the year	-	-	230,979	230,979
Balance as at 31 December 2021	26,515,841	224,020,585	15,480,883	266,017,309
Accumulated amortization				
Balance as at 1 January 2021	-	33,251,110	-	33,251,110
Charged for the year	-	3,162,021	-	3,162,021
Balance as at 31 December 2021	-	36,413,131	-	36,413,131
Net book value				
As at 31 December 2021	26,515,841	187,607,454	15,480,883	229,604,178

7- INVESTMENTS IN ASSOCIATE COMPANIES

Investments in associate companies consist of the following:

Company	Country	Ownership percentage	**31 December 2022 SAR**	31 December 2021 (Restated note 31) SAR
Rakhaa for Agricultural Investment and Development	Egypt	%21.6	**3,548,828**	-
Jannat Agricultural Investment Company	KSA	%27.8	-	-
Tabuk Fish Company	KSA	%20	-	18,824,848
			3,548,828	18,824,848

Investment in Rakhaa for Agricultural Investment and Development Company

Jannat Agricultural Investment Company (a Saudi limited liability company) owns an investment of 77.73% of the capital of Rakhaa for Agricultural Investment and Development, which is a company based in the Arab Republic of Egypt (an Egyptian joint stock company) that produces agricultural crops. Due to the failure of Jannat Company and being under liquidation, on January 2, 2020, the ownership of 17,288 shares of Rakhaa for Agricultural Investment and Development Company was transferred to Jazan Energy and Development Company (JAZADCO), which represents 21.61% of the total number of shares of the company. Net assets of Rakhaa for Agricultural Investment and Development company, as at December 31, 2021, amounted to deficit of 259.6 million Egyptian pounds, which is equivalent to 61.7 million Saudi riyals, and the value of that investment was not recorded due to the existence of that deficit in shareholders' equity according to the company's latest audited financial statements. On July 18, 2022, the General Assembly of Rakhaa for Agricultural Investment and Development Company approved the decision of the Board of Directors dated March 20, 2022 to transfer the Saudi Fund for Development loan amounting to 327 million Egyptian pounds from a loan in favor of the Saudi Fund for Development loan to a loan in favor of the partners without any interest (Note 20), in addition to transfered the entire loan to the partners' equity to close the accumulated losses shown in the owners equity statement by amount 316 million Egyptian pounds, in addition to increase the capital upto the legal limit by amount 10.9 million Egyptian Pound, where it transferred the due amont for saudi fund to owners equity of Rakha for agricultural investment and development company under name "Capital increases" for capital increasing (additional capital). Because of these changes during 2022, reinstating the investment by amounting 3,548,828 SAR.

The movement in Rakhaa for Agricultural Investment and Development Company investment is as follows:

	31 December 2022 SAR	31 December 2021 SAR
Reinstating the investment balance in the associate company after recovering from losses	**3,248,741**	-
The company's share in the associate company's business results	**1,663,296**	-
The company's share in foreign currency translation differences	**(1,365,674)**	-
The company's share in the associate's other comprehensive income	**2,465**	-
Balance at the end of the year	**3,548,828**	-

Investment in Jannat Agricultural Investment Company

The activity of the Jannat Agricultural Investment Company is to establish agricultural projects, animal production and poultry, registered in the commercial register in Riyadh No. 1010241588. The partners in the Jannat Agricultural Investment Company decided to liquidate the group due to the accumulated losses exceeded more than half of its capital. Accordingly, the Jazan Energy and Development Company decided Close the entire value of the investment in the financial statements during the year 2018, with regard to the procedures related to the liquidation of Jannat Agricultural Investment Company, as the liquidation procedures are still continuing until the date of the consolidated financial position.

7- INVESTMENTS IN ASSOCIATE COMPANIES (CONTINUED)

Investment in Tabuk Fish Company

The activity of the Tabuk Fish Company is represented in fish farming and other aquatic life, fishing and collecting fish and marine life, marketing marine products, manufacturing marine products, manufacturing fish containers from polystyrene, plastic, etc., manufacturing fish feed and all industries related to the group's activity, wholesale and retail trade in equipment and supplies for fish projects, foodstuffs and commercial agencies And the establishment of restaurants and shops for the sale of fish, registered in the commercial register in the city of Riyadh No. 1010215142. During the period ended on March 31, 2022, the group estimated and confirmed its share in the results of the associate group's business (Tabuk Fish Company) based on internal financial statements prepared by the group's management due to the lack of issuance Approved financial statements up to the date of issuance of the consolidated financial statements for that period. During the period ended on September 30, 2022. The capital of the Tabuk Fish Company was amended to 200,000,000 Saudi riyals, and according to the capital certificate issued by the Tabuk Fish Company on April 20, 2022 and the amended Articles of Association on July 25, 2022, the share of Jazan Energy and Development Company (JAZADCO) was modified from 20% to become 10% of the capital The group's money, and as of that date, and based on the requirements of International Accounting Standard No. 28 "Investments in Associates", the group stopped using the equity method and classified its share in that investment within the financial investments at fair value through other comprehensive income, the group evaluated the investment In Tabuk Fish Company at fair value through an independent valuation expert accredited by the Saudi Residents Authority (Taqeem), who is the Alpha Consulting Group "Evaluation of Economic Establishments", holder of License No. 3912000019 and No. 4412000068, as the fair value of the group's share on April 30, 2022 amounted to 21,550,000 riyals As a result of the evaluation process, the profits of the fair value difference of the group's share in the investment in the associate group resulted in an amount of 2,191,211 Saudi riyals (Note 8). fair value using the market method, where the method used to derive the fair value is considered within level (3).

The movement in Tabuk Fish Company investment is as follows:

	31 December 2022 SAR	31 December 2021 (Restated Note 31) SAR
Balance as at the beginning of the year	**20,796,593**	21,125,884
The Group's share of the associate group's business results	**494,501**	(351,513)
The Group's share of the associate's other comprehensive income	**39,440**	22,222
	21,330,534	20,796,593
Impairment of the investment in the associate group	**(1,971,745)**	(1,971,745)
Transferred to financial investments at fair value through other comprehensive income (Note 8)	**(19,358,789)**	-
Balance at the end of the year	**-**	18,824,848

8- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial investments at fair value through other comprehensive income are represented by shares in companies that are not held for trading, for which the Group has irrevocably elected on initial recognition to recognize changes in fair value through other comprehensive income instead of the consolidated statement of profit or loss as that option more convenient. Investments carried at fair value through other comprehensive income are composed as follows:

					Reserve for revaluation of financial investments at fair value through other comprehensive income			
Group	Ownership percentage	Cost balance as at the beginning of the year SAR	Transferred from investment in associate (Note 7) SAR	Fair value of the Group's share in the investment at the date of transition SAR	As at the beginning of the year SAR	Revaluation loss during the year SAR	As at the end of the year SAR	Fair value as at the end of the year SAR
Al Reef Sugar Refining Company	%15	45,000,000	-	-	2,900,000	(9,520,000)	(6,620,000)	38,380,000
Tabuk Fish Company	%10	-	19,358,789	2,191,211	-	(1,290,000)	(1,290,000)	20,260,000
		45,000,000	**19,358,789**	**2,191,211**	**2,900,000**	**(10,810,000)**	**(7,910,000)**	**58,640,000**

Al Reef Sugar Refining Company

The group evaluated the investment in Al-Reef Sugar Refining Company at fair value through an independent valuation expert accredited by the Saudi Authority for Accredited Valuers (Taqeem), which is the Alpha Consulting Group for "Evaluation of Economic Establishments", with license No. 3912000019 and No. 4412000068 were the fair value of the company on December 31, 2022 amounted to an amount of 38,380,000 Saudi riyals, the evaluation process resulted in a revaluation of investments at fair value through other comprehensive income in the amount of 9,520,000 Saudi riyals. The fair value was determined using the market method, as the method used to derive the fair value is within Level (2).

Tabuk Fish Company

The group evaluated the investment in the Tabuk Fish Company at fair value through an independent valuation expert accredited by the Saudi Authority for Accredited Valuers (Taqeem), which is the Alpha Consulting Group "Evaluation of Economic Establishments", with license No. No. 3912000019 and No. 4412000068 were the fair value of the investment on December 31, 2022 amounted to an amount of 20,260,000 Saudi riyals, the evaluation process resulted in losses from the revaluation of investments at fair value through other comprehensive income in the amount of 1,290,000 Saudi riyals. The fair value was determined using the market method, as the method used to derive the fair value is within Level (2).

9- 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	Application SAR	Trademark SAR	Total SAR
Cost				
Balance as at 1 January 2022	2,461,010	3,670,269	5,000	6,136,279
Additions during the year	-	**25,125**	-	**25,125**
Balance as at 31 December 2022	**2,461,010**	**3,695,394**	**5,000**	**6,161,404**
Accumulated amortization				
Balance as at 1 January 2022	264,742	2,021,814	950	2,287,506
Charged for the year (Note 25)	**251,002**	**1,121,638**	**450**	**1,373,090**
Balance as at 31 December 2022	**515,744**	**3,143,452**	**1,400**	**3,660,596**
Net book value				
As at 31 December 2022	**1,945,266**	**551,942**	**3,600**	**2,500,808**

	Softwares SAR	application SAR	Trademark SAR	Total SAR
Cost				
Balance as at 1 January 2021	2,089,934	3,245,269	5,000	5,340,203
Additions during the year	371,076	425,000	-	796,076
Balance as at 31 December 2021	2,461,010	3,670,269	5,000	6,136,279
Accumulated amortization				
Balance as at 1 January 2021	52,248	897,730	500	950,478
Charged for the year (Note 25)	212,494	1,124,084	450	1,337,028
Balance as at 31 December 2021	264,742	2,021,814	950	2,287,506
Net book value				
As at 31 December 2021	2,196,268	1,648,455	4,050	3,848,773

10- LEASES

The following table shows the movement during the year on each of the right-of-use assets and lease liabilities:

A- Right of use Assets

	31 December 2022 SAR	31 December 2021 SAR
Cost		
Balance at the beginning of the year	**422,190**	-
Additions during the year	-	422,190
Balance as at the end of the year	**422,190**	422,190
Accumulated amortization		
Balance at the beginning of the year	**84,438**	-
Charged for the year (Note 25)	**84,438**	84,438
Balance as at the end of the year	**168,876**	84,438
Net book value		
As at the end of the year	**253,314**	337,752

10-LEASAES (CONTINUED)

B- Lease liabilities

	31 December 2022 SAR	31 December 2021 SAR
balance as at the beginning of the year	**348,042**	-
Additions during the year	-	422,190
Amortization intrest during the year (note 26)	**21,031**	25,852
Paid during the year	**(150,000)**	(100,000)
balance as at the end of the year	**219,073**	348,042
Non-current portion	**184,969**	269,073
Current portion	**34,104**	78,969

11- BIOLOGICAL ASSETS

	31 December 2022 SAR	31 December 2021 SAR
Biological Assets	**28,055,187**	8,073,749
Gains from fair value revaluation of biological assets*	**4,325,578**	12,736,367
	32,380,765	20,810,116
Agricultural crops	**1,496,746**	3,371,935
	33,877,511	24,182,051

*A measurement was made of the fair value of biological assets for the year ended on December 31, 2022 by an independent and accredited valuer specialized in assessing the quality of biological assets held by the group. The fair value of biological assets as at December 31, 2022 amounted to 4,325,578 SAR (December 31, 2021: Result About that, profits from the revaluation of vital assets amounted to 12,736,367 SAR).

Below is the data of the valuation expert:

Valuer	Membership No	Valuer's qualifications	Basis for valuation
The Saudi Group for Asset Evaluation and Valuation	1210000272	Accredited valuers registered with Saudi Authority for Accredited Valuers	Market value
The Saudi Group for Asset Evaluation and Valuation	1210000273	Accredited valuers registered with Saudi Authority for Accredited Valuers	Market value

12- INVENTORY, NET

	31 December 2022 SAR	31 December 2021 SAR
Finished goods	**24,956,915**	13,170,495
Raw material	**3,652,911**	5,134,080
Spare parts	**3,104,442**	2,907,384
Work in process inventory	-	49,783
	31,714,268	21,261,742
(Less): provision for obsolete goods, spare parts	**(1,400,000)**	(100,000)
	30,314,268	21,161,742

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

	31 December 2022 SAR	31 December 2021 SAR
Balance at the beginning of the year	**100,000**	320,000
Provided during the year	**1,300,000**	-
reversed during the year	-	(220,000)
Balance at the end of the year	**1,400,000**	100,000

13- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments at fair value through profit or loss are represented in an investment portfolio, managed by Yaqeen Capital, which is accounted at fair value through profit or loss. The following is a statement of the movement of these investments:

	31 December 2022 SAR	31 December 2021 SAR
Additions during the year	**25,000,000**	-
Disposals during the year	**(2,000,000)**	-
Unrealized gains on revaluation of investments at fair value through profit or loss	**257,325**	-
Balance at the end of the year	**23,257,325**	-

14- ACCOUNTS RECEIVABLE, PREPAID EXPENSES AND OTHER RECEIVABLES, NET

	31 December 2022 SAR	31 December 2021 SAR
Accounts receivable	**33,067,661**	43,623,028
(Less): Provision for expected credit losses	**(9,332,037)**	(6,247,784)
Accounts receivable, net	**23,735,624**	37,375,244
Advance payments to suppliers	**7,710,961**	7,244,103
(less):provision for advance payments to suppliers (note 25)	**(500,000)**	-
	7,210,961	7,244,103
Deposits with others	**2,076,133**	-
Prepaid expenses	**517,090**	225,717
Employees' receivables and custody	**648,723**	841,560
VAT	**560,661**	-
Others	**24,918**	-
	34,774,110	45,686,624

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

	31 December 2022 SAR	31 December 2021 SAR
Balance at the beginning of the year	**6,247,784**	6,247,784
Charged during the year (Note 25)	**3,084,253**	-
Balance at the end of the year	**9,332,037**	6,247,784

The movement in the provision for advance payments to suppliers is as follows:

	31 December 2022 SAR	31 December 2021 SAR
Charged during the year (Note 25)	**500,000**	-
Balance at the end of the year	**500,000**	-

The following table shows the aging of receivables with the Group as at:

	31 December 2022 SAR	31 December 2021 SAR
From 1 to 90 days	**13,471,010**	23,946,022
91 to 180 days	**3,867,011**	4,771,945
181 to 365 days	**5,294,081**	9,365,946
More than 365 days	**10,435,559**	5,539,115
	33,067,661	43,623,028

15- CASH AND CASH EQUIVALENTS

	31 December 2022 SAR	31 December 2021 SAR
Cash at bank	**1,728,172**	15,206,008
Cash on hand	**317,637**	158,141
	2,045,809	15,364,149

16- STATUTORY RESERVE

As per the Regulations for Companies in Saudi Arabia and article of association 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.

17- LONG TERM LOANS

The long-term loans represent as below:

Agricultural Development Fund loan

- On Shaaban 8, 1442 AH (March 21, 2021), Jazan Energy and Development Company signed a long-term loan agreement with the Saudi Agricultural Development Fund in the amount of 15,000,000 Saudi riyals for the purpose of financing the shrimp breeding project. The loan is secured by mortgaging land title deeds within property, machinery and equipment (Note 5), the loan agreement included conditions regarding Jazan Energy and Development Company's commitment to certain financial ratios and conditions. The amount of 15,000,000 SAR is to be paid in one installment on Ramadan 9, 1444 AH (corresponding to March 31, 2023).
- On Shaaban 8, 1442 AH (March 21, 2021), Jazan Energy and Development Company signed a long-term loan agreement with the Saudi Agricultural Development Fund in the amount of 5,902,781 Saudi riyals. An amount of 3,224,525 Saudi riyals was received for the purpose of financing the shrimp breeding project. The loan is secured by mortgaging title deeds. Lands within property, machinery and equipment (note 5). The loan agreement included conditions regarding Jazan Energy and Development Company's commitment to certain financial ratios and conditions. An amount of 3,224,525 SAR is to be paid in annual installments, the value of one installment is 590,278, provided that the first installment is paid on March 21, 2024.

Al Rajhi Bank loan

- On Shawwal 17, 1438 AH (corresponding to July 11, 2017), Jazan Energy and Development Company signed a facility agreement with Al-Rajhi Bank, and the value of those facilities amounted to 40,000,000 Saudi riyals. An amount of 14,996,712 Saudi riyals was received for the purpose of financing the group's projects in return for mortgaging buildings included in real estate investments (note 6) and the assignment of annual rents for the mortgaged buildings, in addition to promissory notes and a fine and performance guarantee signed by the main shareholders of the group. The loan balance as of December 31, 2022, amounted to 4,074,975 SAR. The loan agreement included conditions regarding the commitment of Jazan Energy and Development Company to some percentages. and financial terms.

The movement in long-term loans is as follows:

	31 December 2022 SAR	31 December 2021 SAR
Balance at the beginning of the year	**30,068,410**	16,036,532
Draw downs during the year	**2,678,246**	19,027,695
Loans repaid during the year	**(5,426,653)**	(4,995,817)
Balance at the end of the year	**27,320,003**	30,068,410
Less: present value of loan balances during the year	**(514,914)**	(1,166,848)
Less: amortization of interest offered for loans	**(485,736)**	(728,958)
Early repayment discount from the Agricultural Development Fund	**(1,574,997)**	(1,049,998)
Balance at the end of the year	**24,744,356**	27,122,606
Current portion of long-term loans	**19,081,916**	5,951,652
Non-current portion of long-term loans	**5,662,440**	21,170,954

17- LONG TERM LOANS (CONTINUED)

Below are the maturities of the loan:

For the year ending 31 December	31 December 2022 SAR	31 December 2021 SAR
2022	-	3,851,653
2023	19,329,975	19,329,975
2024	590,278	590,278
2025	590,278	590,278
2026	590,278	590,278
2027	590,278	590,278
2028	590,278	590,278
2029	590,278	590,278
2030	590,278	590,278
2031	590,278	590,278
2032	590,278	590,278
2033	590,278	590,278
Less: present value of loan balances and prepaid expenses for loans	(488,399)	(1,961,802)
	24,744,356	27,122,606

18- EMPLOYEES' BENEFITS OBLIGATIONS

The group determines the current value of the employee benefits obligations by making an actuarial valuation using the projected credit unit method. The following are the set of assumptions for determining the present value according to the actuarial valuation:

	31 December 2022	31 December 2021
Discount rate	5.15%	3.2%
Benefits increase rate	5%	3%
employees turnover rate	5%	13%

The movement in employees benefit obligations as at 31 December is as follows:

	31 December 2022 SAR	31 December 2021 SAR
Employees' benefits obligations' balance at the beginning of the year	8,935,262	8,544,701
Included in the consolidated statement of profit or loss		
current service cost	1,144,284	1,104,812
Interest cost (note 26)	224,391	234,900
Included in the consolidated statement of other comprehensive income		
Actuarial losses/ (Gains) from re-measurement of employees' benefits obligations	1,375,011	(562,315)
Paid during the year	(3,852,940)	(386,836)
Employees' benefits obligations' balance at the end of the year	7,826,008	8,935,262

Sensitivity in employees benefits obligation:

		31 December 2022 SAR	31 December 2021 SAR
	Basis		
	1% increase	8,490,591	9,736,925
Salaries change rate	1% decrease	7,087,985	8,138,823
	Basis		
	1% increase	7,128,297	8,186,252
Discount rate	1% decrease	8,456,606	9,696,729
Assumptions			
Average age of employees (in years)		31.95	32.55
Average years of previous experience		6.12	7.2

18- EMPLOYEES' BENEFITS OBLIGATIONS (CONTINUED)

The above sensitivity analysis has been determined in accordance with a method whereby the impact on employees' end of service benefits is expected as a result of reasonable changes in the underlying assumptions identified at the end of the reporting period. The sensitivity analysis is based on the occurrence of a change in significant assumptions, with all other assumptions remaining constant. The sensitivity analysis may not be indicative of an actual change in the defined benefit obligation as it is unlikely that changes in the assumptions will occur separately from each other.

19- 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 at 31 December represent the following:

A) Key transactions with related parties are as follows:

			Size of the transactions during the year			
			31 December 2022 SAR		31 December 2021 SAR	
Related party	**Nature of relationship**	**Nature of transactions**	**Debit**	**Credit**	**Debit**	**Credit**
Mrs. Sarah Al-Hamidi Rabih Al-Harbi	Partner in a subsidiary company	Finance	-	-	-	15,000

B) The balances due to a related party are as follows

	31 December 2022 SAR	31 December 2021 SAR
Mrs. Sarah Al-Hamidi Rabih Al-Harbi	**15,000**	15,000

20- LIABILITY AGAINST THE LOAN GUARANTEE OF AN ASSOCIATE

On October 24, 2016, the Saudi Fund for Development notified the Jannat Agricultural Investment Company that as of October 24, 2016, the loan due to the Fund from Rakhaa for Agricultural Investment and Development (an associate company) has been implicitly transferred to the guarantors of the loan with a guarantee of fines, performance, and the request of the guarantor partners to quickly pay the obligations on the partners, as Jazan Energy and Development Company (Jazadco) is a partner in the Jannat Agricultural Investment Company, so a provision has been made with a value equivalent to the loan guarantee percentage of Jazan Energy and Development Company (Jazadco), which is 21.61%, amounting to 14,333,220 Saudi riyals. The balance of the commitment against the loan of the associate group as at December 31, 2022 amounted to 14,619,841 Saudi riyals (December 31, 2021: 14,619,841 Saudi riyals) (Note 7).

21- ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2022 SAR	31 December 2021 SAR
Accounts Payable	**15,951,711**	13,127,674
Due to employees	**2,905,133**	-
Advances from customers	**1,386,709**	539,329
Revenue received in advance	**1,258,579**	1,432,890
Deposits for others	**681,350**	630,262
Present value of the loan (Note 17)	**514,914**	1,166,848
Dues of the executive committees	**425,636**	743,016
Dues to the Board of Directors members	**179,016**	591,000
Guarantees of good performance	**176,252**	176,252
Accrued expenses	**238,537**	882,080
VAT	-	102,247
Others	**568,200**	515,810
	24,286,037	19,907,408

22- ZAKAT PROVISION

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

	31 December 2022 SAR	31 December 2021 SAR
Equity	**575,416,764**	525,146,012
provisions at the beginning of the year and non-current liabilities	**72,064,548**	97,777,201
Non-current assets	**(558,819,236)**	(532,881,702)
Adjusted profit for the year	**28,252,633**	6,529,472

B) The following is the movement in Zakat provision:

	31 December 2022 SAR	31 December 2021 SAR
Balance at the beginning of the year	**12,651,496**	14,408,231
Provided during the year	**3,069,879**	1,778,239
Paid during the year	**(1,779,124)**	(3,534,974)
Balance at the end of the year	**13,942,251**	12,651,496

C) Zakat stutus

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. The dispute was requested to be settled before the Tax Zakat Dispute Settlement Committee of the Authority, but no satisfactory result was reached for the company. Claims have been registered before the tax zakat settlement committees, and it is expected that the amount of claims will be reduced to 50%.

Years from 2014 until 2018:

The General Authority for Zakat, Tax and Customs issued a zakat assessment on the group for those years by imposing additional zakat in the amount of 4,434,244 Saudi riyals, and the zakat differences claimed by the authority in the initial assessment were reduced, and the final additional difference was objected to, and the objection was escalated before the tax adjudication committees, and the decision of the adjudication committee was issued for the years from 2015 AD to 2018 AD, with the acceptance of the land deduction clause - which is one of the items affecting the differences - and the rest of the items were appealed, and it is expected that the total additional claims will be reduced by more than 50%. As for the year 2014 AD, it is still before the primary adjudication committees. It is expected that the decision of the department will be in favor of the group by nearly 50%.

2019 AD, 2020 AD

The Zakat, Tax and Customs Authority issued the zakat assessment by imposing additional zakat in the amount of 1,426,660 Saudi riyals for the year 2019 AD, and the amount of 1,920,951 Saudi riyals for the year 2020 AD, and an objection was submitted to the additional amounts, and a decision was issued by the Authority to reject the 2019 objection, and the objection was escalated before the tax adjudication committees, and awaiting the authority's decision regarding the 2020 objection.

The objections submitted by the group are based on the zakat law and the executive regulations, and it is expected that the total of the authority's claims will decrease by 50%, according to management estimates.

Fish Day Company (Subsidiary)

The company submitted zakat returns for the year ended on December 31, 2021 AD, and the company did not obtain the zakat assessment from the Zakat, Tax and Customs Authority.

Mango Jazan Company (subsidiary)

The company submitted zakat returns for the year ended on December 31, 2021 AD, and obtained a valid zakat certificate until April 30, 2023 AD, and the company did not obtain the zakat assessment from the Zakat, Tax and Customs Authority

23- GAINS FROM FAIR VALUE RECOGNITION OF BIOLOGICAL ASSETS

The amount represents the value of the gains arising upon the initial recognition of biological assets (Note 11) resulting from the change in the fair value of biological assets less selling costs, amounting during the year ended on December 31, 2022, to 4,325,578 SAR (December 31, 2021: 12,736,367 SAR).

24- SELLING AND MARKETING EXPENSES

	2022 SAR	2021 SAR
Salaries, wages, and the like	**3,355,404**	2,934,274
Transportation and shipment expenses	**1,573,236**	1,143,547
Advertising	**493,055**	514,489
Depreciation of property, machinery and equipment (note 5)	**382,120**	499,886
Maintenance and fuel	**347,208**	294,279
Fees and subscriptions	**306,875**	187,185
Insurance	**104,138**	104,976
Commissions	**100,393**	162,726
Rentals	**78,978**	39,000
Distribution expenses	**18,625**	158,644
Others	**726,925**	308,655
	7,486,957	6,347,661

25- GENERAL AND ADMINISTRATIVE EXPENSES

	2022 SAR	2021 SAR
Salaries, wages, and the like	**10,507,002**	8,791,887
Expected credit losses expense (Note 14)	**3,084,253**	-
Amortization of intangible assets (Note 9)	**1,373,090**	1,337,028
Employees' bonuses	**1,351,230**	1,254,776
Fees, subscriptions and insurance	**868,343**	2,704,304
Studies and consultations	**793,022**	1,472,635
Allowances and remunerations of the executive committees	**518,636**	435,000
Provision for advance payments to suppliers (note 14)	**500,000**	-
Rentals	**363,174**	248,389
Allowances and bonuses for members of the Board of Directors	**345,000**	1,190,000
Depreciation of property, machinery and equipment (Note 5)	**299,786**	212,494
Electricity, water and cleaning	**215,594**	302,239
Repair, maintenance and fuel	**196,375**	337,843
Hospitality	**109,986**	69,866
Amortization of the right to use assets (Note 10)	**84,438**	84,438
Mail and phone	**67,075**	85,312
Stationery and publications	**27,975**	38,424
Bank commissions	**23,139**	170,254
Projects under construction closed	-	1,693,267
Value added tax	-	60,000
Gifts and donations	-	67,500
Zakat differences	-	35,254
Others	**3,280,589**	2,193,679
	24,008,707	22,784,589

26- FINANCE COST

	2022 SAR	2021 SAR
Loans interest	**450,927**	400,041
Discount of the present value of loan balances during the year (Note 17)	**651,934**	119,202
Amortization of (actuarial) interest for employees' benefits (Note 18)	**224,391**	234,900
Amortization of interest on lease liabilities (Note 10)	**21,031**	25,852
	1,348,283	779,995

27- OTHER INCOME

	2022 SAR	2021 SAR
Shrimp sales support - Ministry of Agriculture	**3,110,146**	2,108,796
Reversal of provision for obsolete inventories (note 12)	-	220,000
Others	**257,971**	435,932
	3,368,117	2,764,728

28- SENIOR MANAGEMENT AND MEMBERS OF THE BOARD OF DIRECTORS

Related parties represent the members of the Board of Directors and key management personnel of the Group. Key management personnel are the persons exercising authority and responsibility for planning, managing and controlling the activities of the Group, directly or indirectly, including the directors. Those transactions were as follows:

	Nature of transaction	31 December 2022 SAR	31 December 2021 SAR
Senior management personnel	Salaries, allowances, and incentives	**5,975,856**	884,828
Independent BOD members	Bonuses, and allowances	**1,106,304**	1,092,000
Executive BOD members	Bonuses, and allowances	**153,000**	175,000
		7,235,160	2,151,828

29- EARNINGS 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.

30- FINANCIAL INSTRUMENTS RISK MANAGEMENT

Liquidity risks

Liquidity risk is the risk that the group may 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 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 are the maturities of assets and liabilities as at 31 December 2022, and 31 December 2021:

31 December 2022	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					
Trade receivables	**13,482,712**	**19,584,949**	-	-	**33,067,661**
Total	**13,482,712**	**19,584,949**	-	-	**33,067,661**
Liabilities					
Long-term loans	-	**19,329,975**	**5,902,780**	-	**25,232,755**
Employees' benefits obligations	-	-	-	**7,826,008**	**7,826,008**
Lease Liabilities	-	**34,104**	**184,969**	-	**219,073**
Dividends and dues to shareholders	**5,625,183**	-	-	-	**5,625,183**
Due to related party	-	**15,000**	-	-	**15,000**
A commitment against an associate company's loan guarantee	-	-	**14,619,841**	-	**14,619,841**
Accounts payable, accrued expenses and other credit balances	-	**24,286,037**	-	-	**24,286,037**
Zakat provision	-	**13,942,251**	-	-	**13,942,251**
Total	**5,625,183**	**57,607,367**	**20,707,590**	**7,826,008**	**91,766,148**

31 December 2021	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					
Trade receivables	23,921,668	19,701,360	-	-	43,623,028
Total	23,921,668	19,701,360	-	-	43,623,028
Liabilities					
Long-term loans	-	3,851,653	25,232,755	-	29,084,408
Employees' benefits obligations	-	-	-	8,935,262	8,935,262
Lease Liabilities	-	78,969	269,073	-	348,042
Dividends and dues to shareholders	-	15,000	-	-	15,000
Due to related party	5,630,528	-	-	-	5,630,528
A commitment against an associate company's loan guarantee	-	-	14,619,841	-	14,619,841
Accounts payable, accrued expenses and other credit balances	-	19,907,408	-	-	19,907,408
Zakat provision	-	12,651,496	-	-	12,651,496
Total	5,630,528	36,504,526	40,121,669	8,935,262	91,191,985

30-FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

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 risks on its bank balances and Accounts receivable as follows:

	31 December 2022 SAR	31 December 2021 SAR
Cash at banks	**1,728,172**	15,206,008
Accounts receivable	**33,067,661**	43,623,028
	34,795,833	58,829,036

Interest rate risk

The Group manages interest rate risk through the use of fixed rate debt and deposits. The group monitors changes in interest rates, and the management estimated the effect on the resulting profit for the year due to the increase or decrease in interest rates as immaterial.

Liquidity risk

Liquidity risk occurs when there is difficulty in selling a financial asset at the right time and quickly to prevent or reduce the loss. Liquidity risk is closely managed through regular monitoring of available liquidity and current and future commitments.

Credit risk

Credit risk is the risk that one party will fail to meet its obligations, causing the other party to incur a financial loss. The Group holds cash with local banks with good credit ratings.

Currency risk

Currency risk represents the risk that the value of a financial instrument will fluctuate as a result of fluctuations in foreign exchange rates. The management closely monitors changes in currency exchange rates.

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. Financial instruments consist of financial assets and financial liabilities.

The Group uses the following hierarchy for determining and disclosing fair value:

Level 1: Quoted prices in an active market for the identical financial instruments.

Level 2: quoted prices in an active market for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market information.

Level 3: Valuation techniques where the significant inputs are not based on observable market information.

As shown in the following table, fair value assessment as at December 31, 2022:

31 December 2022	**Level 1 SAR**	**Level 2 SAR**	**Level 3 SAR**	**Total SAR**
Financial investments at fair value through other comprehensive income	-	**58,640,000**	-	**58,640,000**
Financial investments at fair value through profit or loss	**23,257,325**	-	-	**23,257,325**
Biological assets	-	**33,877,511**	-	**33,877,511**
Total	**23,257,325**	**92,517,511**	-	**115,774,836**

31- 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, and sells coffee and mangoes.
- 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 at 31 December 2022, 2021, respectively, according to the nature of the activity:

	Agricultural sector SAR	Commercial sector SAR	Investment properties sector SAR	Total SAR
As at 31 December 2022:				
Total current assets	**61,008,824**	**14,382,108**	**48,878,091**	**124,269,023**
Total non-current assets	**250,933,786**	**61,621,033**	**201,039,188**	**513,594,007**
Total assets	**311,942,610**	**76,003,141**	**249,917,279**	**637,863,030**
Total current liabilities	**47,937,658**	**19,305,913**	**10,360,761**	**77,604,332**
Total non-current liabilities	**9,569,268**	**2,035,944**	**2,068,205**	**13,673,417**
Total liabilities	**57,506,926**	**21,341,857**	**12,428,966**	**91,277,749**

	Agricultural sector SAR	Commercial sector SAR	Investment properties sector SAR	Total SAR
As at 31 December 2021:				
Total current assets	51,369,912	13,868,915	41,155,739	106,394,566
Total non-current assets	256,698,541	64,075,920	205,657,704	526,432,165
Total assets	308,068,453	77,944,835	246,813443	632,826,731
Total current liabilities	36,302,920	14,705,828	7,846,146	58,854,894
Total non-current liabilities	19,088,163	7,161,603	4,125,523	30,375,289
Total liabilities	55,391,083	21,867,431	11,971,669	89,230,183

	Agricultural sector SAR	Commercial sector SAR	Investment properties sector SAR	Total SAR
For the year ended 31 December 2022:				
Revenue	**38,939,951**	**26,170,165**	**12,783,577**	**77,893,693**
Revenue cost	**(36,788,347)**	**(23,094,503)**	**(6,545,042)**	**(66,427,892)**
Gains on revaluation of biological assets	**4,325,578**	**-**	**-**	**4,325,578**
Gross profit for the year	**6,477,182**	**3,075,662**	**6,238,535**	**15,791,379**
Depreciation expense	**(5,699,216)**	**(2,288,552)**	**(3,828,372)**	**(11,816,140)**
Financing costs	**(1,325,866)**	**(22,417)**	**-**	**(1,348,283)**
Net profit for the year	**9,826,847**	**3,444,615**	**3,226,051**	**16,497,513**

31- SEGMENT INFORMATION (CONTINUED)

Revenue recognition:

	Agricultural sector SAR	Commercial sector SAR	Investment properties sector SAR	Total SAR
For the year ended 31 December 2022:				
A certain point in time	**38,939,951**	**26,170,165**	**-**	**65,110,116**
Over time	-	-	**12,783,577**	**12,783,577**
Total	**38,939,951**	**26,170,165**	**12,783,577**	**77,893,693**

	Agricultural sector SAR	Commercial sector SAR	Investment properties sector SAR	Total SAR
For the year ended 31 December 2021:				
Revenue	66,159,926	20,554,365	11,794,927	98,509,218
Revenue cost	(48,377,453)	(15,112,814)	(6,816,760)	(70,307,027)
Gains on revaluation of biological assets	12,736,367	-	-	12,736,367
Gross profit for the year	30,518,841	5,441,550	4,978,167	40,938,558
Depreciation expense	(5,226,490)	(2,448,930)	(3,819,419)	(11,494,839)
Financing costs	(754,027)	(25,968)	-	(779,995)
Net profit for the year	9,086,511	954,844	1,619,934	11,661,289

Revenue recognition:

	Agricultural sector SAR	Commercial sector SAR	Investment properties sector SAR	Total SAR
For the year ended 31 December 2021:				
A certain point in time	66,159,926	20,554,365	-	86,714,291
Over time	-	-	11,794,927	11,794,927
Total	66,159,926	20,554,365	11,794,927	98,509,218

32- PREVIOUS YEARS ADJUSTMENTS

During the year ended on December 31, 2021, the group's management accounted for its share in the results of the associate group's business (note 7) based on administrative financial statements. The recognized share according to those statements did not correspond to the audited financial statements issued by the independent auditor. Adjusting the group's share as a correction of previous years' mistakes, and the impact of this on the consolidated financial statements are as follows:

	Balance before adjustment SAR	Adjustment SAR	Balance after adjustment SAR
Investments in associate companies	20,447,907	(1,623,059)	18,824,848
Accumulated losses	(44,104,000)	(1,623,059)	(45,727,059)

33- COMPARATIVE FIGURES

A) Some comparative numbers have been reclassified as the reserve for revaluation of financial investments at fair value through other comprehensive income has been reclassified in the consolidated statement of changes in equity to the accumulated losses in consolidated equity and the effect of reclassification was as follows:

	Balance before reclassification SAR	reclassification SAR	Balance after reclassification SAR
Reserve for revaluation of financial investments at fair value through other comprehensive income	2,956,343	(56,343)	2,900,000
Accumulated losses	(44,160,343)	56,343	(44,104,000)

B) Some figures for the comparative year have been reclassified and classified to conform to the classification of figures for the current year, so the cost of revenues in the amount of SAR 212,494 has beenreclassified to general and administrative expenses.

The following is the effect of reclassification on the consolidated statement of profit or loss

	Balance before reclassification SAR	Reclassification SAR	Balance after reclassification SAR
Cost of revenue	(70,519,521)	212,494	(70,307,027)
General and administrative expenses	(22,572,095)	(212,494)	(22,784,589)

34- GENERAL

The figures included in the consolidated financial statements have been rounded to the nearest Saudi Riyal

35- SUBSEQUENT EVENTS

The new Companies Law promulgated by Royal Decree M/132 on Dhu al-Hijjah 1, 1443 AH (corresponding to June 30, 2022 AD), (hereinafter referred to as the "Law") entered into force on Jumada II 26, 1444 AH (corresponding to January 19, 2023 AD). With respect to some provisions, full compliance with them is expected no later than two years from Jumada II 26 1444 AH (corresponding to January 19, 2023 AD), and the Management is currently evaluating the impact of the new companies' law and will amend the company's articles of association for any changes to Comply with the articles with the provisions of the law (if any). After that, the company shall present the amended articles of association to the shareholders in the annual extraordinary general meeting for approval.

In the opinion of the management, there were no other significant subsequent events after December 31, 2022 and until the date of approval of the consolidated financial statements that could have a material impact on the consolidated financial statements as at December 31, 2022.

36- APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 6 Ramadan 1444 AH (corresponding to March 28, 2023)