SAUDI INDUSTRIAL DEVELOPMENT COMPANY AND ITS SUBSIDIARIES (SIDC)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2021

TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

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PKF

Ibrahim Ahmed Al-Bassam & Co
Certified Public Accountants - Al-Bassam & Co.
(member firm of PKF International)

Independent Auditor's Review Report on the Interim Condensed Consolidated Financial Information

To the Shareholders of Saudi Industrial Development Company and its Subsidiaries (SIDC)
(A Saudi Joint Stock Company)
Jeddah, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Saudi Industrial Development Company and its Subsidiaries (SIDC)** (A Saudi Joint Stock Company) **("The Company")** and its subsidiaries **("The Group")** as of 30 June 2021, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial information in accordance with International Accounting Standard (IAS 34), "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

Other Matters

- We would like to draw attention in note (18) to the legal case raised by the Company demanding a financial compensation from a former partner in one of the Company's subsidiaries against financial abuses and liabilities, in which the executive court ruling was issued to indemnify the Company by an equivalent amount of SR 15,193,873.

- The Consolidated Financial Information for the year ended 31 December 2020 was audited by another Auditor who expressed unmodified opinion on these Consolidated Financial Information on 17 Sha'ban 1442H corresponding to 30 March 2021.

For Al-Bassam & Co.

Ibrahim A. Al Bassam
Certified Public Accountant
License No. 337
19 August 2021
11 Muharram 1443H
Jeddah, Kingdom of Saudi Arabia

البسام وشركاه
محاسبون قانونيون
رقم الترخيص ٣٣٣/١١/٥٢٠
C.R.1010385804
license 520/11/323
Al-Bassam & Co.
Certified Public Accountants

SAUDI INDUSTRIAL DEVELOPMENT COMPANY AND ITS SUBSIDIARIES (SIDC)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021
(Expressed in Saudi Riyals)

	Note	30 June 2021 (Unaudited)	31 December 2020 (Audited)
ASSETS			
Non-current assets			
Property, machinery, plant and equipment, net	8	**87,214,017**	89,883,954
Goodwill		**62,356,409**	62,356,409
Right of use assets, net	9	**9,262,713**	11,068,409
Intangible assets, net		**394,355**	561,361
Financial assets at fair value through other comprehensive income	10	**49,940,669**	44,024,506
Advance payments on operating lease		**185,608**	261,195
Total non-current assets		**209,353,771**	208,155,834
Current assets			
Inventory	11	**52,447,199**	47,192,397
Accounts receivable, net	12	**19,795,321**	16,042,467
Prepayments and other debit balances		**9,690,217**	8,679,938
Financial assets at fair value through profits or losses	13	**1,294,797**	956,050
Cash and cash equivalents		**14,362,765**	16,980,510
Total current assets		**97,590,299**	89,851,362
Total assets		**306,944,070**	298,007,196
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	**400,000,000**	400,000,000
Foreign currencies translation reserve		**(32,215,398)**	(32,279,754)
Fair value change reserve		**(123,037,732)**	(133,107,018)
Re-measurement reserve of employee benefit obligations		**995,820**	995,820
Accumulated losses		**(28,971,811)**	(25,192,741)
Total equity attributable to shareholders of the Parent Company		**216,770,879**	210,416,307
Equity for non-controlling interests		**7,085,480**	6,592,858
Total equity		**223,856,359**	217,009,165
Non-current liabilities			
Employee benefit obligations		**14,434,654**	13,626,166
Lease liabilities - non-current portion		**7,301,390**	7,324,235
Deferred tax liabilities		**729,460**	707,143
Total non-current liabilities		**22,465,504**	21,657,544
Current liabilities			
Accounts payable		**24,093,701**	21,873,188
Credit facilities	14	**4,028,368**	4,037,368
Lease liabilities - current portion		**3,036,708**	4,176,850
Accruals and other liabilities		**12,663,666**	9,951,411
Other provisions		**4,454,930**	3,967,760
Provision for zakat and income tax	15	**5,993,936**	8,983,012
Underwriting surplus		**6,350,898**	6,350,898
Total current liabilities		**60,622,207**	59,340,487
Total liabilities		**83,087,711**	80,998,031
Total equity and liabilities		**306,944,070**	298,007,196

The accompanying notes from 1-21 form an integral part of these interim condensed consolidated financial information

بندر بن عبدالله الحميضي
نائب رئيس مجلس الإدارة العضو المنتدب

سمير بن فضل
المدير المالي للمجموعة

SAUDI INDUSTRIAL DEVELOPMENT COMPANY AND ITS SUBSIDIARIES (SIDC)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE
(Expressed in Saudi Riyals)

		FOR THE THREE-MONTH PERIOD ENDED 30 JUNE		FOR THE SIX-MONTH PERIOD ENDED 30 JUNE	
	Note	**2021 (Unaudited)**	2020 (Unaudited)	**2021 (Unaudited)**	2020 (Unaudited)
Sales	7	**41,939,007**	41,575,156	**87,476,397**	81,876,851
Cost of sales		**(34,700,973)**	(30,474,457)	**(71,184,027)**	(62,941,216)
Gross profit		**7,238,034**	11,100,699	**16,292,370**	18,935,635
Selling and distribution expenses		**(3,590,273)**	(2,615,362)	**(7,173,778)**	(6,431,674)
Expected Credit losses provision	12	**(624,287)**	-	**(624,287)**	-
General and administrative expenses		**(7,198,588)**	(5,484,387)	**(14,951,683)**	(13,810,405)
(Loss) / profit from operations		**(4,175,114)**	3,000,950	**(6,457,378)**	(1,306,444)
Realized gain from financial assets at fair value through profit or loss	13	**-**	54,913	**-**	324,736
Unrealized gain from financial assets at fair value through profit or loss	13	**181,973**	5,982,381	**338,747**	-
Realized loss from financial assets at fair value through profit or loss	13	**-**	(4,328,565)	**-**	(4,328,565)
Finance costs		**(390,291)**	(320,750)	**(482,053)**	(652,080)
Other income		**941,496**	993,392	**2,458,105**	2,145,859
Net (loss) /profit before zakat and income tax		**(3,441,936)**	5,382,321	**(4,142,579)**	(3,816,494)
Zakat and income tax	15	**(698,507)**	(676,589)	**(1,406,538)**	(1,273,477)
Deferred Taxes		**(10,212)**	-	**(20,179)**	-
Net (loss) / profit for the period		**(4,150,655)**	4,705,732	**(5,569,296)**	(5,089,971)
Other Comprehensive income items:					
Items that are not transferable subsequently to the statement of profit or loss:					
Unrealized gain from financial assets at fair value through other comprehensive income	10	**7,383,075**	-	**10,069,286**	-
Realized gain from financial assets at fair value through other comprehensive income		**-**	-	**2,282,848**	-
Items that are transferable subsequently to the statement of profit or loss:					
Settlement foreign currency translation		**32,847**	(523,943)	**64,356**	(113,762)
Fair value changes reserve		**-**	6,393,394	**-**	(137,701)
Total Comprehensive income items		**7,415,922**	5,869,451	**12,416,490**	(251,463)
Total comprehensive income / (loss) for the period		**3,265,267**	10,575,183	**6,847,194**	(5,341,434)
(Loss) / profit attributable to:					
Parent Company's Shareholders		**(4,321,476)**	4,337,446	**(6,061,918)**	(5,682,288)
Equity for non-controlling interests		**170,821**	368,286	**492,622**	592,317
		(4,150,655)	4,705,732	**(5,569,296)**	(5,089,971)
Total comprehensive income / (loss) attributable to:					
Parent Company's Shareholders		**3,094,446**	10,206,897	**6,354,572**	(5,933,751)
Equity for non-controlling interests		**170,821**	368,286	**492,622**	592,317
		3,265,267	10,575,183	**6,847,194**	(5,341,434)
Earnings / (Loss) per share:					
(Loss) / profit from operations	17	**(0.10)**	0.07	**(0.16)**	(0.03)
(Loss) / profit for the period attributable to shareholders (Basic and diluted)	17	**(0.11)**	0.11	**(0.15)**	(0.14)

The accompanying notes from 1-21 form an integral part of these interim condensed consolidated financial information

بندر بن عبدالله الحمدي
نائب رئيس مجلس الإدارة المفوض بالتنفيذ

سمير بن فضل
المدير المالي للمجموعة

SAUDI INDUSTRIAL DEVELOPMENT COMPANY AND ITS SUBSIDIARIES (SIDC)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
(Expressed in Saudi Riyals)

	Share Capital	Statutory Reserve	Foreign currencies translation reserve	Fair value change reserve	Re-measurement reserve of employee benefit obligations	Accumulated Losses	Total equity attributable to shareholders of the Parent Company	Equity for non-controlling interests	Total Equity
Balance as at 1 January 2020 (Audited)	400,000,000	8,099,375	(32,646,894)	(132,762,299)	1,096,750	(25,854,743)	217,932,189	8,553,628	226,485,817
Transferred from statuary reserve to offset Accumulated losses during the period	-	(8,099,375)				8,099,375			-
Other comprehensive income	-	-	(113,762)	(137,701)	-	137,701	(113,762)	-	(113,762)
Loss for the period	-	-	-	-	-	(5,682,288)	(5,682,288)	592,317	(5,089,971)
Total comprehensive income	-	-	(113,762)	(137,701)	-	(5,544,587)	(5,796,050)	592,317	(5,203,733)
Net movement in non-controlling interests	-	-	-	-	-	-	-	(32,053)	(32,053)
Balance as at 30 June 2020 (unaudited)	400,000,000	-	(32,760,656)	(132,900,000)	1,096,750	(23,299,955)	212,136,139	9,113,892	221,250,031
Balance as at 1 January 2021 (Audited)	**400,000,000**		**(32,279,754)**	**(133,107,018)**	**995,820**	**(25,192,741)**	**210,416,307**	**6,592,858**	**217,009,165**
Other Comprehensive income	**-**	**-**	**64,356**	**12,352,134**	**-**	**-**	**12,416,490**	**-**	**12,416,490**
Recycling of realized gain from financial assets at fair value through other comprehensive income to accumulated loss	**-**	**-**	**-**	**(2,282,848)**	**-**	**2,282,848**	**-**	**-**	**-**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(6,061,918)**	**(6,061,918)**	**492,622**	**(5,569,296)**
Total comprehensive income	**-**	**-**	**64,356**	**10,069,286**	**-**	**(3,779,070)**	**6,354,572**	**492,622**	**6,847,194**
Balance as at 30 June 2021 (Unaudited)	**400,000,000**	**-**	**(32,215,398)**	**(123,037,732)**	**995,820**	**(28,971,811)**	**216,770,879**	**7,085,480**	**223,856,359**

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The accompanying notes from 1-21 form an integral part of these interim condensed consolidated financial information

SAUDI INDUSTRIAL DEVELOPMENT COMPANY AND ITS SUBSIDIARIES (SIDC)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
(Expressed in Saudi Riyals)

	FOR THE SIX-MONTH PERIOD ENDED 30 JUNE	
	2021 (Unaudited)	2020 (Unaudited)
Cash flows from operating activities:		
Loss for the period before zakat and income tax	**(4,142,579)**	(3,816,494)
Adjustments:		
Depreciation of right of use assets	**1,936,700**	795,254
Depreciation and amortization	**5,216,839**	5,338,067
Finance costs	**1,952,144**	-
Expected credit losses provision	**624,287**	-
Realized gain from financial assets at fair value through profit or loss	**(338,747)**	(324,736)
Amortization of advance payment on operating lease	**75,587**	75,587
Employee benefit obligations provision	**1,550,368**	1,434,083
Changes in operating assets and liabilities:		
Accounts receivable	**(4,377,141)**	(1,812,145)
Inventory	**(5,254,802)**	6,422,096
Prepayments and other debit balances	**(934,692)**	(2,407,436)
Accounts payables	**2,220,513**	(3,949,527)
Accruals and other liabilities	**2,712,255**	4,574,085
Other provisions	**487,170**	672,277
Deferred tax liabilities	**22,317**	12,449
Cash from operating activities	**1,750,219**	7,013,560
Zakat and income tax paid	**(6,923,715)**	(1,384,529)
Employee benefits paid	**(741,880)**	(187,865)
Net cash (used in) / generated from operating activities	**(5,915,376)**	5,441,166
Investing activities		
Additions to property, machinery and equipment	**(2,379,896)**	(1,570,363)
Proceeds from disposal of Financial Assets through Other Comprehensive Income	**6,435,971**	37,968,557
Net cash generated from investing activities	**4,056,075**	36,398,194
Financing activities		
Lease liabilities paid	**(789,157)**	-
Net cash used in financing activities	**(789,157)**	-
Net change in cash and cash equivalents	**(2,648,458)**	41,839,360
Cash and cash equivalents at beginning of the period	**16,980,510**	9,580,847
Foreign currency translation differences	**30,713**	(306,265)
Cash and cash equivalents at end of the period	**14,362,765**	51,113,942
Non-cash Transaction		
*Unrealized gain from financial assets at fair value through Other Comprehensive Income	**(10,069,286)**	-
*Right of use assets	**(131,004)**	-

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial information

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Saudi Industrial Development Company (SIDC) ("the Company") was established in Kingdom of Saudi Arabia as a Saudi joint stock Company pursuant to the decision of the Minister of Commerce No. 673 dated 20 Jumada Al-Thani 1413H, (corresponding to 14 December 1992). The Company obtained its Commercial Registration No. 4030092792, which is issued in Jeddah on 17 Rajab 1413H (corresponding to 1 January 1993).

The Company's authorized, issued and fully paid share capital is SR 400 million which is divided into 40 million shares stated at SR 10 each (2020: 40 million shares stated at SR 10 each).

The Company's activities represent manufacture of sanitary ware from plastics, including (washing basins, showers, toilets ... etc.), the manufacture of sponge products.

The Company's ordinary shares are listed on the Saudi Stock Exchange "Tadawul" under No. 2130.

The Company has the following branches:

Description	Commercial Registration No.	Date	Location
SIDC Ceramic Plant	4700005290	9 Jumada Al-Awwal 1416 H (corresponding to 3 October 1995)	Yanbu
Branch of Saudi Industrial Development Company (SIDC)	1010480324	27 Rabi' al-awwal 1440 H (corresponding to December 5, 2018)	Riyadh

The branch is engaged in the production of toiletries, wall tiles, ceramic floors and acrylic bathtubs pursuant to the decision of the Minister of Commerce No. 542, dated 5 Dhu al-Qa'dah 1411H.

These interim condensed consolidated financial information as of 30 June 2021, and for the periods then ended comprise of the financial information of the Company, its branch, and its subsidiaries (collectively referred as "The Group", and individually referred to as "the Company"), as mentioned in note 5 to these interim condensed consolidated financial information, the Group's subsidaries, their principal activities and the Group's share in each subsidiary were disclosed.

The coronavirus ("COVID-19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. The financial and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications. The Group has formed a work team to assess the expected impacts on the Group's business inside and outside the Kingdom (if any), and to conduct a preliminary study for the purpose of reviewing and evaluating potential risks related to the raw materials supply chain, human resources, current stock levels, and ensuring the continued operation of production facilities for the Group's companies without interruption.

The uncertainties caused by COVID-19, have required to update the inputs and assumptions used for the determination of expected credit losses ("ECL") as at 30 June 2021. ECLs were estimated based on a range of forecast economic conditions as at that date and considering that the situation is fast evolving, The Group has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination.

In addition, the Group has taken special considerations regarding the impact of (Covid-19) on the qualitative and quantitative factors when determining whether there are indicators of impairment in the value of non-financial assets, the results of which were reflected in the decline in the value of non-financial assets as at that date.

The Group has taken into consideration the potential effects of the current economic fluctuations in determining the reported amounts of its financial and non-financial assets. These are management's best estimates in light of the information currently available. However, these reported amounts remain highly sensitive to market fluctuations.

2. BASIS OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION PREPARATION

Statement of compliance

The interim condensed consolidated financial information have been prepared in accordance with the International Accounting Standard (34) Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's last annual consolidated financial statements for the year ended 31 December 2020, which prepared in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA considering that the financial performance for the interim condensed consolidated financial periods ended 30 June 2021, may not necessarily indicative of the expected results for the year that will be ended on 31 December 2021, whereas no allocation has been made to the profit for the periods, for the provisions calculated at the annual consolidated financial statements at 31 December 2021.

The interim condensed consolidated financial statements do not include all of the information required for the annual consolidated financial information. ("IAS 34") stating that the objective of preparing the interim condensed consolidated financial information is to update on the annual financial information. Therefore, the International Accounting Standard (34) require less disclosure in the interim condensed financial information to be reported compared to the disclosure required by the International Financial Reporting Standards ("IFRS") in the annual financial information.

Basis of measurement

This interim condensed consolidated financial information of the Group has been prepared on a historical cost basis except for the items which measured at fair value, present value, net realizable value, and replacement cost in line with the accrual basis of accounting and going concern assumption of the Group.

3. FUNCTIONAL AND PRESENTATION CURRENCY

This interim condensed consolidated financial information is presented in Saudi Riyals (SR) which is the Group's functional and presentation currency.

4. ACCOUNTING ESTIMATES

The preparation of the Group's interim condensed consolidated financial information requires management to make estimates and judgments that affect the application of accounting policies and stated values of assets, liabilities, revenue and expenses. Actual results may differ from these estimates due to changes in the conditions and circumstances in the future. However, the Group has reviewed the key sources of uncertainties related to the last estimations that disclosed in the annual consolidated financial information against the backdrop of the (COVID-19) pandemic (see note 1), the other sources of uncertainties remain the same as those disclosed in the last annual financial information. Management will continue to assess the situation and reflect any required changes in future reporting periods.

5. BASIS OF CONSOLIDATING THE INTERIM CONDESED FINANCIAL INFORMATION

The interim condensed consolidated financial information includes the financial information of Saudi Industrial Development Company (SIDC) (the "Company" or the "Parent Company"), its branch and its subsidiaries (comprised together "the Group") as of 30 June 2021. The control is realized when the Group is exposed to or has the right to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns.

5. BASIS OF CONSOLIDATING THE INTERIM CONDESED FINANCIAL INFORMATION (Continued)

The Company controls an investee if the Group has only:

- Power over the entity (has the rights that give it the current ability to direct the activities of the investee company),
- Exposure, or rights, to variable returns from its involvement with the entity; and
- The ability to use its power over the entity to influence the amount of the entity's returns.

Generally, there is a presumption that a majority of the voting rights result in control. When the Group has less than a majority of the voting rights or similar rights in the investee, the Group takes into account all the facts and circumstances when determining whether or not it exercises control over the investee, including:

- Arrangement (arrangements) with the other voting rights holders of the investee Company.
- Rights arising from other contractual arrangements that grant the Parent Company the ability to direct related activities.
- The Group's voting rights and any potential voting rights.

The Group re-ascertains whether or not it exercises control over the investee company if facts and circumstances indicate that a change in one or more of the three elements of control.

Consolidation of a subsidiary begins when the control of the subsidiary is transferred to the Group, and this is discontinued when the Group loses control of the subsidiary.

The assets, liabilities, revenue and expenses of the subsidiary acquired during the year are included in the interim condensed consolidated financial information starting from the date on which control is transferred to the Group and until such control ceases to be exercised.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Parent Company of the Group and to the non-controlling shares interests, even if this results in the non-controlling shares interests having a deficit balance.

When necessary, adjustments are made to the interim condensed financial information of subsidiaries to bring them in line with the Group's accounting policies.

All assets, liabilities, shareholders' equity, income, expenses and inter-company cash flows related to intercompany transactions in the Group are completely eliminated in the interim condensed consolidated financial information.

Any change in ownership of the subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control of the subsidiary, it:

- Discontinues recognizing the assets (including goodwill) and liabilities of the subsidiary,
- Discontinues recognizing the carrying amount of any non-controlling interest,
- Discontinues recognizing the cumulative transfer differences, which are recorded under the shareholders' equity,
- Recognizes the fair value of the compensation received,
- Recognizes the fair value of any held investment,
- Recognizes any surplus or deficit in profit or loss,
- Reclassify the Parent Company's share of the items previously recognized in the consolidated statement of other comprehensive income to the consolidated statement of profit or loss, or retained earnings, as appropriate, as required if The Group directly excludes the related assets and liabilities.

Subsidiaries of the Group

The interim condensed consolidated financial information comprises the Company and its subsidiaries accounts. Balances and all material intra-Group transactions, are eliminated in the interim condensed consolidated financial information.

5. BASIS OF CONSOLIDATING THE INTERIM CONDESED FINANCIAL INFORMATION (Continued)

Subsidiaries of the Group (Continued)

The non-controlling interest is calculated as a share of the net assets of the subsidiaries as presented in the financial statements of the subsidiaries. The following subsidiaries, which are owned directly or indirectly by more than 50% and / or the Company can exercise control over them, are consolidated in these interim condensed consolidated financial statements on the basis of the interim condensed financial statements of these subsidiaries:

Subsidiary	Country of incorporation	Main activity	Direct and indirect ownership percentage
SIDC Commercial Investment Limited Company	Kingdom of Saudi Arabia	Wholesale and retail trade in cement, gypsum, natural and industrial marble, tubes and pipes, kitchens, ceramic products, faience, ceramics, porcelain, tools, sanitation sets, carpets, rugs, mattresses, beds, sponges, pillows, bed sheets, bedspreads, sheets, quilts, blankets and all sleeping accessories.	100%
SIDC Projects Investment Limited Company	Kingdom of Saudi Arabia	General contracting for residential, commercial, government, industrial and health buildings and complexes, wholesale and retail trade in building materials, furniture, furnishings, wooden, office and household tools, accessories, bathrooms, clothes, carpets, rugs, silver, crystals, traditional jewelry and precious stones.	100%
Global Marketing Company for Sleeping System Ltd. (Sleep High)	Kingdom of Saudi Arabia	Production of zipper mattresses, sponges, tire materials, seat covers and special polyester for mattress fillings.	100%
Arabian Co. For Manufacturing Sponges & Springs Mattresses Ltd. (Sleep High Egypt)	Egypt	Production of zipper and sponge mattresses.	100%
Emmdad Logistic Services Company	Kingdom of Saudi Arabia	Transporting goods and errands for a fee on land roads	100%

5. BASIS OF CONSOLIDATING THE INTERIM CONDESED FINANCIAL INFORMATION (Continued)

Subsidiaries of the Group (Continued)

Direct and Indirect Ownership in the Branch and Subsidiaries of the Company

Company	Direct Ownership percentage	Indirect Ownership percentage
SIDC Ceramic Plant (Branch)	100%	-
Saudi Industrial Development Company (Branch)	100	-
SIDC Commercial Investment Limited Company	95%	5% owned by SIDC Projects Investment Co.
SIDC Projects Investment Limited Company	95%	5% owned by SIDC Commercial Investment Co.
Global Marketing Company for Sleeping System Ltd. (Sleep High)	95%	5% owned by SIDC Commercial Investment Co.
Arabian Co. For Manufacturing Sponges & Springs Mattresses Ltd. (Sleep High Egypt)	-	98.5% owned by Global Marketing Company for Sleeping System Ltd. (Sleep High). 1,5% owned by SIDC Commercial Investment Co.
Emmdad Logistic Services Company	-	50% owned by Global Marketing Company for Sleeping System Ltd. (Sleep High).

6. ACCOUNTING POLICIES

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2021 and has been explained in Group Annual Consolidated Financial Statements, but they do not have a material effect on the Group's Interim Condensed Consolidated Financial information.

Amended IFRS standards adopted by the Group

The Group has applied the following amendment for the first time for its reporting periods commencing on or after 1 January 2021:

Amendment to IFRS 16: COVID-19 related rent concessions beyond 30 June 2021

The accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the Group's annual consolidated financial statement as at and for the year ended 31 December 2020.

In May 2020, IFRS 16 was amended to provide a practical expedient for rent concessions that arise as a direct consequence of the COVID-19 pandemic allowing a lessee not to assess whether a rent concession that meets certain criteria is a lease modification and account for such rent concession as if it was not lease modifications. During the year ended 31 December 2020 the Group elected to apply the practical expedient provided by the amendment to IFRS 16 to all qualifying COVID-19-related rent concessions received by the Group during that year.

6. ACCOUNTING POLICIES (Continued)

New IFRS standards, amendments to standards and interpretations not yet effective
The following amendments to standards have been published by IASB that are not mandatory for the annual reporting period beginning on 1 January 2021, and where early application is permitted by these amendments the Group has not early adopted them. All these amendments are effective either for annual reporting periods beginning on or after 1 January 2022, or for annual reporting periods beginning on or after 1 January 2023, and all are not expected to have a significant impact on the Group's consolidated financial statements:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 37: Onerous Contracts - Costs of Fulfilling a Contract
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds Before Intended Use
- Amendments to IFRS 3: Reference to the Conceptual Framework

The accounting policies applied to this interim condensed consolidated financial information are the same as those applied to the consolidated financial information, for the year ended 31 December 2020.

7. SEGMENTS INFORMATION

The operation segment represents a group of assets and operations which jointly provide products or services that are subject to risks and returns that differ from those related to other operation segments, which are measured according to the reports used by the executive management.

The geographical segment represents providing products or services in a specific economic environment subject to risks and returns that differ from those related to operation segments in economic environments.

The group segment reporting model is basically based on operation segments. The operation segments are specified based on the group's management and internal reporting structure.

The Group has the following main business segments:

- Mattresses and sponges segment, which includes the production and sale of various pressures sponges, mattress frames, beds and all their accessories.
- The toiletries tools segment, which includes the production and sale of toiletries, ceramic wall and floor tiles, and acrylic bathtubs.
- Other segments.

The following is the distribution of the Group's subsidiaries activities and according to the operating and geographic segments, which represent the main business segments of the Group:

7. SEGMENTS INFORMATION (Continued)

Operating Segment

Descriptions	Mattresses and sponges	Toiletries	Other Segments	Total
30 June 2021 (Unaudited)				
Total assets	**183,495,141**	**48,485,598**	**74,963,331**	**306,944,070**
Total liabilities	**53,775,066**	**18,293,983**	**11,018,662**	**83,087,711**
Net sales	**81,050,323**	**6,426,074**	**-**	**87,476,397**
Profit / (loss) attributable to shareholders for the period	**1,992,710**	**(3,373,378)**	**(4,681,250)**	**(6,061,918)**
30 June 2020 (Unaudited)				
Total assets	170,067,365	58,931,355	72,840,487	301,839,207
Total liabilities	49,304,275	18,240,468	13,044,433	80,589,176
Net sales	72,473,532	9,403,319	-	81,876,851
Profit / (loss) attributable to shareholders for the period	1,627,382	(1,565,885)	(5,743,785)	(5,682,288)
31 December 2020 (Audited)				
Total assets	173,368,060	48,984,825	75,654,311	298,007,196
Total liabilities	52,365,120	15,734,509	12,898,402	80,998,031
Net sales	145,985,639	18,618,816	-	164,604,455
Profit / (loss) attributable to shareholders for the period	17,117,770	(9,614,150)	(10,750,128)	(3,246,508)

Geographic Information

Description	Kingdom of Saudi Arabia	Arab Republic of Egypt	Total
30 June 2021 (Unaudited)			
Total assets	**274,950,776**	**31,993,294**	**306,944,070**
Total liabilities	**74,800,291**	**8,287,420**	**83,087,711**
Net sales	**70,069,864**	**17,406,533**	**87,476,397**
(loss) / profit attributable to shareholders for the period	**(8,092,270)**	**2,030,352**	**(6,061,918)**
30 June 2020 (Unaudited)			
Total assets	276,527,107	25,312,100	301,839,207
Total liabilities	74,621,394	5,967,782	80,589,176
Net sales	70,561,638	11,315,213	81,876,851
loss attributable to shareholders for the period	(4,286,141)	(1,396,147)	(5,682,288)
31 December 2020 (Audited)			
Total assets	266,625,362	31,381,834	298,007,196
Total liabilities	73,075,951	7,922,080	80,998,031
Net sales	136,566,543	28,037,912	164,604,455
(loss) / profit attributable to shareholders for the period	(4,958,202)	1,711,694	(3,246,508)

8. PROPERTY, MACHINERY, PLANT, AND EQUIPMENT, NET

- The Additions to property, machinery, plant, and equipment during the period at cost amounted to SR 2,379,896 (30 June 2020: SR 1,570,363))
- The depreciation expense of property, machinery, plant and equipment for the six-month period ended 30 June 2021 amounted to SR 5,049,833 (30 June 2020: SR 5,185,734).

9. RIGHT OF USE ASSETS, NET

- The Additions to the right of use assets during the period at cost amounted to SR 131,004 (30 June 2020: nil)
- The depreciation expense of the right of use assets for the six-month period ended 30 June 2021 amounted to SR 1,936,700 (six-months period ended 30 June 2020: SR 795,254).

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This item comprises the following:

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
a. Arabian Industrial Fibers Company (Ibn Rushd)		
Fair Value	**132,900,000**	132,900,000
Change in fair value reserve	**(132,900,000)**	(132,900,000)
	-	-
b. LSC Logistics & Warehousing Company		
Fair Value	**5,250,000**	5,250,000
c. Investment in an investment portfolio	**44,690,669**	38,774,506
	49,940,669	44,024,506

A) As at 30 June 2021, the financial assets at fair value through other comprehensive income (Arabian Industrial Fibers Company (Limited Liability Company)-Ibn Rushd) amounting to nil (2020: SR nil). The Group's investment has been recognized at fair value. The Group's management has fully reversed the investment amount as at 31 December 2019, by recognizing the fair value of these financial assets within the fair value reserve.

b) As at 31 December 2020, the Group's management has assessed the fair value of the investment in Logistics & Warehousing Company (a closed joint stock company), using the market approach methodology and comparing the result with their related carrying amount. Based on several key assumptions that include estimating the future sales volumes, prices, operating costs, terminal values, and growth and discount rates for a period of five years.

The above study, for the financial year 2020, resulted immaterial decline in the carrying amount of the above recognized investment as at 31 December 2020, in the management believes that the decline in value is considered to be temporary and not significant

Financial assets at fair value through other comprehensive income comprise equity shares at the value of a portfolio devoted to investment in shares of banks and other joint stock companies quoted in the Saudi stock market that are not held for sale and which the Group has made an irrevocable choice upon initial recognition of changes in fair value through other comprehensive income rather than profit or loss, as these are strategic investments that the Group considers to be more important. The Group maintains this portfolio with one of the licensed local brokerage firms in the Kingdom of Saudi Arabia. These investments were carried at fair value in accordance with the closing prices at the end of trading on the date of the financial position.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

The following is the movement in investments during the period / year:

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
1 January	**38,774,506**	21,137,694
Realized gain from financial assets at other comprehensive income	**2,282,848**	-
Unrealized gain from financial assets at fair value through other comprehensive income	**10,069,286**	(344,719)
Additions during the period / year	**-**	17,981,531
Proceeds from disposals during the period / year	**(6,435,971)**	-
	44,690,669	38,774,506

11. INVENTORY

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Raw materials	**26,468,244**	24,870,789
Finished goods	**17,863,023**	16,316,064
Spare parts	**3,174,893**	3,319,116
	47,506,160	44,505,969
Goods in transit	**2,237,186**	10,740
Work in process	**2,703,853**	2,675,688
	52,447,199	47,192,397

12. ACCOUNTS RECEIVABLE, NET

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Trade receivables	**20,680,139**	16,302,998
Allowance for expected credit losses	**(884,818)**	(260,531)
	19,795,321	16,042,467

Movement in the allowance for expected credit losses as Follow:

	2021 (Unaudited)	2020 (Audited)
Balance at beginning of the period / year	**260,531**	723,173
Provided during the period / year	**624,287**	-
Provision no longer required	**-**	(462,642)
	884,818	260,531

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The investment represent the value of portfolio devoted to investment in the shares of banks and other joint stock companies quoted in the Saudi stock market for the purpose of trading. The Group maintains this portfolio with one of the licensed local brokerage firms in the Kingdom of Saudi Arabia. Investments in securities purchased for trading are recognized at fair value according to closing prices at the end of trading in the financial position date. The following is the movement in investments during the period / year:

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
1 January	**956,050**	16,506,127
Unrealized gain for the period / year	**-**	937,913
Realized gain for the period / year	**338,747**	5,698,565
Net additions / (disposals) during the period / year	**-**	(22,186,555)
	1,294,797	956,050

14. CREDIT FACILITIES

The Group credit facilities represent the following:

a. Short-term credit facility from Arab Investment Bank / Egypt to finance the purchase of raw materials for one of the subsidiaries in Egypt amounting to SR 4,028,368 as at 30 June 2021 (31 December 2020: SAR 4,037,368). The credit facilities include amount of US dollar 1,021,475, at The system of documentary credits.

b. Credit facilities (Murabaha scheme) granted by a local financial intermediary company obtained by the subsidiary (Sleep High) for investment purposes with a cap of SR 21,1 million for a period of one year. On 24 May 2021, the facilities have been settled.

15. ZAKAT AND INCOME TAX

An agreement has been reached with Zakat, Tax and Customs Authority (ZATCA) to reschedule the remaining instalments due for the zakat differences resulting from the re-assessment of zakat for the years 2007 to 2017, which amounted to SR 2,308,282, in addition to the adjusted assessment differences for the year 2018 amounted to SR 150,653, as well as the due zakat for the year 2019 amounted to SR 1,749,040, with a total amount of SR 4,207,975, where 20% of the total amount due was paid amounting to SR 841,595, and the remaining balance of SR 3,366,380 has been scheduled in 8 equal instalments, the value of each instalment is SR 420,797.

Until the date of issuance of the Group interim condensed consolidated financial information for the period ended 30 June 2021, the Company did not receive any final assessment from the ZATCA for the year 2019.

16. (LOSS) PER SHARE

The (loss) per share has been computed by dividing operating loss, other income and net loss for the year by the weighted average number of outstanding shares during the period / year which represents 40 million shares (2020: 40 million shares).

17. STATUTARY RESERVE

The Companies law in the Kingdom of Saudi Arabia and the Company's Bylaws require that 10% of the annual net income be transferred to the statutory reserve and that such transfer continues until the statutory reserve reaches 30% of the capital.

On June 14, 2020, the General Assembly approved the decision of the Board of Directors to write off part of the accumulated losses amounting to SR 8,099,375 from the statutory reserve. Accordingly, the management reversed the entire statutory reserve balance against the Group's accumulated losses.

18. LEGAL CLAIMS

A final ruling was issued in favor of the Saudi Industrial Development Company "SIDC" from the Court of Appeal in Makkah Al-Mukarramah Region in Case No. (2798) for the year 1434 H filled by the Saudi Industrial Development Company "SIDC", which claims Juhayna Company for Trading, Industry and Construction Ltd - the former partner in the Global Marketing Company for Sleeping System Ltd. "Sleep High" and other companies in Egypt by the value of financial abuse and dues before and after the issuance of the judicial ruling No. (163 / DTG / 13) for the year 1429 H, issued by the Board of Grievances proving the sale of the shares of Juhayna Trading, Industry and Construction Ltd. - the former partner In the Global Marketing Company for Sleeping System Ltd. "Sleep High" and other companies to the Saudi Industrial Development Company " SIDC", as this ruling obligated Juhaina Trading, Industry and Construction Company - the former partner - to pay the Saudi Industrial Development Company "SIDC" amounts equivalent to these at the date of the application for enforcement of the ruling issued a total amount of SR 15,193,873 approximately.

An application was submitted to the Execution Court in Jeddah Province to request the execution of the ruling, which registered with the number (3901242395), dated 10/11/1439 H, and it was referred to the Twelfth Enforcement Department, which applied Articles No. (34) and (46) of the Enforcement Acts and its executive regulations. In light of the above data, and because the executor against it is a Limited Liability Company, any amounts that will be collected will be recorded directly upon collection, and the procedures for implementing the ruling and attempting to collect the amount are still in the Court of Execution.

“SIDC” has previously submitted a request for an interpretation of the final ruling in Case No. (2798) for the year 1434 H, and an final ruling was issued in solidarity with both Juhayna Company and Abbas bin Ali bin Ahmed Abdul Jawwad in paying the amounts awarded in favor of “SIDC” and the request to calculate the ruling amounts in Saudi Riyals was rejected. “SIDC” also notified of the petition request submitted by Juhayna in the final ruling No. (163 / DTG / 13) for the year 1429 H, which was rejected, then Juhayna filed an objection to the judgment of the petition before the Second Appeal Circuit of the Commercial Court, which upheld the initial decision to reject the petition.

During 2019, the Arab Investment Bank in the Republic of Egypt filed a lawsuit against “Sleep High” (a subsidiary of the group) to pay additional amounts in excess of the value of the credit facility agreement. Subsequently, on 5 July 2021, the court decided to overturn the lawsuit and obligated the debtor (Arab Investment Bank) to pay the expenses and the attorney fees.

19. SUBSEQUENT EVENTS

No material events have occurred after 30 June 2021 that may have a material impact on the interim financial position and interim financial performance of the Group

20. FAIR VALUE MEASUREMENT

Fair value represents 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. The fair value measurement depends on the following conditions:

- The principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability, or
- Using discounted cash flows in the absence of a principal market or a more advantageous market.

Assets or liabilities measured at fair value

- Separate assets or liabilities.
- A group of assets, a group of liabilities, or a group of assets and liabilities.
- A set of accounting policies and interpretations that require the fair value of financial and non-financial assets and liabilities.

The Group uses observable market inputs to the extent possible when measuring the fair value of assets and liabilities.

The Group uses the valuation methods in determining the fair value, as well as it uses the following levels that reflect the importance of inputs used in determining fair value:

- **Level 1:** quoted prices (unadjusted) in an active market for similar assets or liabilities.
- **Level 2:** valuation methods based on inputs, other than quoted prices included in Level 1, which can be observable for assets and liabilities, directly or indirectly.
- **Level 3:** Valuation techniques using inputs that have an important impact on fair value but are not based on observable inputs.

The Group recognizes transfers between fair value levels at the end of the reporting period, at the same time as the change occurs. Management believes that its estimates and assumptions are reasonable and sufficient.

20. FAIR VALUE MEASUREMENT (Continued)

	Carrying amount		Fair Value			
	Amortized Cost	Fair Value	Level (1)	Level (2)	Level (3)	Total
30 June 2021 (Unaudited)						
Financial Assets						
Cash and cash equivalents	**14,362,765**	**-**	**-**	**-**	**-**	**-**
Financial assets at fair value through profit or loss	**-**	**1,294,797**	**1,294,797**	**-**	**-**	**1,294,797**
Financial assets at fair value through other comprehensive income	**-**	**49,940,669**	**44,690,669**	**-**	**5,250,000**	**49,940,669**
Accounts receivable	**19,795,321**	**-**	**-**	**-**	**-**	**-**
	34,158,086	**51,235,466**	**45,985,466**		**5,250,000**	**51,235,466**
Financial Liabilities						
Accounts payable	**24,093,701**	**-**	**-**	**-**	**-**	**-**
Credit facilities	**4,028,368**	**-**	**-**	**-**	**-**	**-**
Provision of Zakat and Income Tax	**5,993,936**	**-**	**-**	**-**	**-**	**-**
Lease liabilities	**10,338,098**	**-**	**-**	**-**	**-**	**-**
Underwriting Surplus	**6,350,898**	**-**	**-**	**-**	**-**	**-**
	50,805,001	**-**	**-**	**-**	**-**	**-**
31 December 2020 (Audited)						
Financial Assets						
Cash and cash equivalents	16,980,510	-	-	-	-	-
Financial assets at fair value through profit or loss	-	956,050	956,050	-	-	956,050
Financial assets at fair value through other comprehensive income	-	44,024,506	38,774,506	-	5,250,000	44,024,506
Accounts receivable	16,042,467	-	-	-	-	-
	33,022,977	44,980,556	39,730,556	-	5,250,000	44,980,556
Financial Liabilities						
Accounts payable	21,873,188	-	-	-	-	-
Credit facilities	4,037,368	-	-	-	-	-
Zakat and Tax provision	8,,983,012					
Lease liabilities	11,501,085					
Underwriting Surplus	6,350,898	-	-	-	-	-
	52,745,551	-	-	-	-	-

21. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

This interim condensed consolidated financial information have been approved by the Board of Directors on 8 Muharram 1443H, (corresponding to 16 August 2021).