

SINAD HOLDING COMPANY
A SAUDI JOINT STOCK COMPANY

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD
ENDED 31 MARCH 2024**

**TOGETHER WITH INDEPENDENT AUDITOR'S
REVIEW REPORT**

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

**INDEX OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (UNAUDITED)**

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

To the shareholders of
Sinad Holding Company

"A Saudi Joint Stock Company"
Riyadh – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Sinad Holding Company (the "Company") and its subsidiaries (together the "Group"), as of 31 March 2024, the interim condensed consolidated statement of income, interim condensed consolidated statement of other comprehensive income for the three months period then ended, the interim condensed consolidated statements of changes in equity and the interim condensed consolidated statement of cash flows for the three months period then ended, and a summary of material accounting policies information and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial statement in accordance with International Accounting Standard 34 – ("IAS 34") "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Emphasis of matter

We draw attention to note No. (8) to the accompanying interim condensed consolidated financial statements, which describes a status of the two lawsuits, i) against the seller of the land located in the north of Riyadh, at Al Khair District, and ii) against the broker of the purchase transaction. Our conclusion is not modified in respect of this matter.

Independent Auditor's Review Report on the Interim Condensed Consolidated Financial Statements of Sinad Holding Company (the "Company") and its subsidiaries (together the "Group"), as of 31 March 2024 (Continued)

Conclusion

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

For Dr. Mohamed Al-Amri & Co.



Gihad Mohamed Al-Amri
Certified Public Accountant
License Number 362





Riyadh on: 6 Dhu al-Qi'dah 1445 (H)
Corresponding to: 14 May 2024 (G)

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

<i>For the three months period ended 31</i>			
<i>March</i>			
	Note	2024	2023
Revenue from contracts with customers	4	443,875,897	417,316,374
Cost of revenue		(310,523,443)	(298,399,574)
GROSS PROFIT FROM REVENUE		133,352,454	118,916,800
Dividend income from investments and financial assets		598,503	1,386,267
Gain from valuation of financial investments at fair value though statement of income		3,234,680	930,121
Gain from valuation of equity instruments at fair value though statement of income		336,002	-
TOTAL GAIN FROM INVESTMENT		4,169,185	2,316,388
GROSS PROFIT		137,521,639	121,233,188
Selling and distribution expenses		(72,650,336)	(75,560,391)
General and administrative expenses		(49,882,869)	(46,857,465)
Other operating income, net		5,050,536	917,646
TOTAL EXPENSES		(117,482,669)	(121,500,210)
NET INCOME / (LOSS) FROM OPERATIONS		20,038,970	(267,022)
Foreign currency exchange losses		(8,155,178)	(1,089,144)
Finance charges		(28,703,952)	(11,999,389)
Other income		92,944	509,017
LOSS BEFORE ZAKAT AND INCOME TAX		(16,727,216)	(12,846,538)
Zakat	5 (A)	(3,162,902)	(9,412,706)
Income tax	5 (B)	1,415,998	(3,306,583)
NET LOSS FOR THE PERIOD		(18,474,120)	(25,565,827)
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of the Parent Company		(14,019,830)	(21,514,378)
Non-controlling interests		(4,454,290)	(4,051,449)
		(18,474,120)	(25,565,827)
Basic and diluted loss per share:			
Basic and diluted loss per share attributable to the Parent Company's shareholders	6	(0.11)	(0.17)
Weighted average number of ordinary shares at the end of the period		126,388,889	126,388,889


Acting as Chief Financial Officer


Chief Executive Officer


Authorized member of the
Board of Directors

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
(UNAUDITED)
(IN SAUDI RIYALS)

		<i>For the three months period ended 31 March</i>	
	Notes	2024	2023
NET LOSS FOR THE PERIOD		(18,474,120)	(25,565,827)
OTHER COMPREHENSIVE INCOME:			
<u>Items that may be reclassified subsequently to consolidated statement of income</u>			
Foreign currencies translation losses		(58,717,900)	(26,663,565)
<u>Items that will not be reclassified subsequently to consolidated statement of income</u>			
Net gains / (losses) on revaluation of equity instruments at fair value through other comprehensive income	7 (B)	8,470,000	(8,540,000)
TOTAL OTHER COMPREHENSIVE LOSS FOR THE PERIOD		(50,247,900)	(35,203,565)
NET OTHER COMPREHENSIVE LOSS FOR THE PERIOD		(68,722,020)	(60,769,392)
ATTRIBUTABLE TO:			
Shareholders of the Parent Company		(38,144,136)	(44,855,323)
Non-controlling interests		(30,577,884)	(15,914,069)
		(68,722,020)	(60,769,392)


Acting as Chief Financial Officer


Chief Executive Officer


Authorized member of the
Board of Directors

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

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

	Notes	As of 31 March 2024 (Unaudited)	As of 31 December 2023 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		641,207,311	665,196,074
Investment properties		45,134,328	45,134,328
Intangible assets		159,691,360	159,664,640
Right of use assets		28,132,565	33,823,728
Investments and financial assets	7	658,108,498	649,302,496
Deferred tax assets		4,573,710	1,038,490
TOTAL NON-CURRENT ASSETS		1,536,847,772	1,554,159,756
CURRENT ASSETS			
Inventories		328,969,891	368,645,062
Receivables	8	382,404,946	371,187,833
Prepaid expenses and other current assets	9	61,383,234	53,529,256
Non-current assets held for sale		2,489,663	2,954,779
Due from related parties		2,456,977	1,334,614
Investments at fair value through statement of income		19,644,936	12,635,875
Investment at amortized cost		-	77,162,884
Cash and cash equivalent		149,091,100	102,842,295
TOTAL CURRENT ASSETS		946,440,747	990,292,598
TOTAL ASSETS		2,483,288,519	2,544,452,354
EQUITY AND LIABILITIES			
EQUITY			
Capital		1,263,888,890	1,263,888,890
Statutory reserve		219,249,829	219,249,829
Accumulated losses		(174,268,922)	(160,249,092)
Net loss on revaluation of equity instrument at fair value through other comprehensive income	7 (B)	(95,678,807)	(104,148,807)
Foreign currencies translation losses		(167,813,989)	(135,219,683)
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		1,045,377,001	1,083,521,137
Non-controlling interests		237,681,369	268,259,253
TOTAL EQUITY		1,283,058,370	1,351,780,390
NON-CURRENT LIABILITIES			
Islamic Murabaha financing contracts and long-term loans	10	30,555,559	38,888,893
Lease liability		19,836,754	24,028,719
Employee's benefits liabilities		76,701,728	82,016,595
TOTAL NON-CURRENT LIABILITIES		127,094,041	144,934,207
CURRENT LIABILITIES			
Payables and other current liabilities		275,939,374	325,366,320
Short Term Islamic Murabaha financing	11	669,786,029	585,116,092
Current portion of Islamic Murabaha contracts and long-term loans	10	34,251,205	38,407,832
Current portion of lease liability		16,263,172	17,748,576
Dividends payable		12,113,214	12,113,214
Due to related parties		553,100	553,100
Zakat and income tax payable	5	64,230,014	68,432,623
TOTAL CURRENT LIABILITIES		1,073,136,108	1,047,737,757
TOTAL LIABILITIES		1,200,230,149	1,192,671,964
TOTAL EQUITY AND LIABILITIES		2,483,288,519	2,544,452,354

Acting as Chief Financial Officer

Chief Executive Officer

Authorized member of the
Board of Directors

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

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

Equity attributable to shareholders of the Parent Company

For the three months period ended 31 March

	Capital	Statutory reserve	Accumulated losses	Net loss on revaluation of equity instrument at fair value through OCI	Foreign currencies translation losses	Total equity attributable to the parent Company	Non-controlling interests	Total equity
2024								
Balance as at 1 January 2024 (Audited)	1,263,888,890	219,249,829	(160,249,092)	(104,148,807)	(135,219,683)	1,083,521,137	268,259,253	1,351,780,390
Net loss for the period	-	-	(14,019,830)	-	-	(14,019,830)	(4,454,290)	(18,474,120)
Other items in other comprehensive income	-	-	-	-	(32,594,306)	(32,594,306)	(26,123,594)	(58,717,900)
Gain from valuation of equity instruments at fair value through other comprehensive income	-	-	-	8,470,000	-	8,470,000	-	8,470,000
Total comprehensive loss	-	-	(14,019,830)	8,470,000	(32,594,306)	(38,144,136)	(30,577,884)	(68,722,020)
Balance as at 31 March 2024 (Unaudited)	1,263,888,890	219,249,829	(174,268,922)	(95,678,807)	(167,813,989)	1,045,377,001	237,681,369	1,283,058,370

For the three months period ended 31 March

	Capital	Statutory reserve	Accumulated losses	Net loss on revaluation of equity instrument at fair value through OCI	Foreign currencies translation losses	Total equity attributable to the parent Company	Non-controlling interests	Total equity
2023								
Balance as at 1 January 2023 (Audited)	1,263,888,890	219,249,829	(27,498,813)	(97,683,807)	(120,028,939)	1,237,927,160	349,560,297	1,587,487,457
Net loss for the period	-	-	(21,514,378)	-	-	(21,514,378)	(4,051,449)	(25,565,827)
Other items in other comprehensive income	-	-	-	-	(14,800,945)	(14,800,945)	(11,862,620)	(26,663,565)
Loss from valuation of equity instruments at fair value through other comprehensive income	-	-	-	(8,540,000)	-	(8,540,000)	-	(8,540,000)
Total comprehensive loss	-	-	(21,514,378)	(8,540,000)	(14,800,945)	(44,855,323)	(15,914,069)	(60,769,392)
Balance as at 31 March 2023 (Unaudited)	1,263,888,890	219,249,829	(49,013,191)	(106,223,807)	(134,829,884)	1,193,071,837	333,646,228	1,526,718,065


Acting as Chief Financial Officer



Chief Executive Officer



Authorized member of the Board of Directors



The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

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

For the three months period ended		
	31 March	
Notes	2024	2023
<u>OPERATING ACTIVITIES</u>		
Loss before zakat and income tax	(16,727,216)	(12,846,538)
Adjustments:		
Gain from investments at fair value through statement of income	(3,234,680)	(930,121)
Gain from valuation of equity instruments at fair value through statement of income	7 (C) (336,002)	-
Dividend income from investments and financial assets	(598,503)	(1,386,267)
Depreciation of property, plant and equipment and right of use assets	18,322,219	25,025,238
Amortization of intangible assets	109,625	107,752
Gains from sale of property, plant and equipment	(493,548)	(686,005)
Provision for expected credit losses	(4,364,124)	1,686,703
Gains from derivative instruments at fair value through statement of income	-	(299,308)
Employee's benefits liabilities	2,465,410	2,793,614
Finance charges	28,703,952	11,999,389
	23,847,133	25,464,457
Changes in operating assets and liabilities:		
Change in receivables, prepaid expenses and other current assets	(25,636,555)	(11,229,126)
Change in inventories	(8,005,293)	(5,765,642)
Change in payables and other current liabilities	(27,347,164)	(5,727,450)
Change in due to related parties	(1,122,363)	(76,583)
Cash from operations	(38,264,242)	2,665,656
Zakat and income tax paid	5 (A) (4,237,416)	(1,457,820)
Finance charges paid	(26,217,372)	(10,412,627)
Employee's benefits liabilities paid	(7,780,277)	(8,214,982)
Net cash used in operating activities	(76,499,307)	(17,419,773)
<u>INVESTING ACTIVITIES</u>		
Paid for purchase of property, plant and equipment and assets under constructions	(5,826,406)	(5,352,016)
Proceeds from sale of property, plant and equipment	1,516,997	998,235
Paid for purchase of intangible assets	(173,002)	-
Paid for purchase of investments	(5,000,000)	(11,194,395)
Proceeds from investment income and financial assets	1,824,122	1,386,267
Net cash used in investing activities	(7,658,289)	(14,161,909)

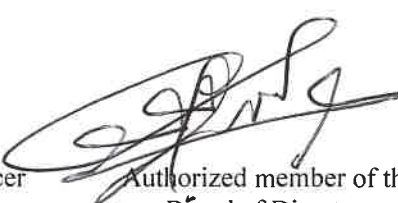
The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

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

		<i>For the three months period ended 31 March</i>	
	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<u>FINANCING ACTIVITIES</u>			
Proceed from Islamic Murabaha financing contracts, long and short-term loans		449,276,318	296,557,549
Paid to Islamic Murabaha financing contracts, long and short-term loans		(363,180,710)	(445,260,160)
Lease liabilities payment		(3,532,551)	(3,067,334)
Dividends paid		-	(1,999)
Net cash generated from / (used in) financing activities		82,563,057	(151,771,944)
NET CHANGE IN CASH AND CASH EQUIVALENT		(1,594,539)	(183,353,626)
Effect of exchange difference from translation of cash and cash equivalent		(29,319,540)	(12,831,732)
Cash and cash equivalent at the beginning of the period		180,005,179	293,525,613
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD		149,091,100	97,340,255
<u>MAJOR NON-CASH TRANSACTIONS FROM INVESTING ACTIVITIES</u>			
Net gains / (losses) on revaluation of equity instrument at fair value through other comprehensive income	7 (B)	8,470,000	(8,540,000)
<u>FINANCING ACTIVITIES</u>			
Foreign currencies translation losses		(58,717,900)	(26,663,565)


Acting as Chief Financial Officer


Chief Executive Officer


Authorized member of the Board of Directors

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

**SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2024**

1. COMPANY'S INFORMATION

Sinad Holding Company (Formerly Aseer for Trading, Tourism, Industry, Agriculture, Real estate and Contracting Company) ("the Company" or the "Parent Company") was incorporated as a Saudi Joint Stock Company, in accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, according to Royal Decree No. 78 dated 7 Dhul- Qadah 1395 H (corresponding to 11 November 1975). The Company operates under Commercial Registration No. 5850000276 issued in Abha on 15 Muharam 1397 H, (corresponding to 5 January 1977). The Company is also listed in the Capital Market Authority in Kingdom of Saudi Arabia. The Parent Company is 53.18% owned by a major shareholder (Dallah Al Baraka Holding Company) and 46.82% by other shareholders.

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

The capital of the Parent Company consists of 126,388,889 shares as of 31 March 2024, the value of each of which is 10 Saudi riyals (31 December 2023: 126,388,889 shares).

The Company's activity is represented in the following:

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

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

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

2.1 BASIS OF PREPARATION

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

The interim condensed consolidated financial statements do not include all the information and explanations required in the annual financial statements, and they must be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023. Also, the results for the initial financial period ended on 31 March 2024 do not necessarily reflect the results that would be expected for the fiscal year ending on 31 December 2024.

2.2 BASIS OF MEASUREMENT

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

**SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2024**

**2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES
INFORMATION (CONTINUED)**

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These interim condensed consolidated financial statements are presented in Saudi Riyals, which is the functional currency of the Group, unless otherwise indicated.

2.4 BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements include the interim condensed financial statements of the Company and its subsidiaries (together the “Group”) as at 31 March 2024.

Below are the details of subsidiaries:

Subsidiary	Country of incorporation	Ownership percentage	
		31 March 2024	31 December 2023
Aseer Al Arabiah for Industrial Investment Company Limited (Single owner Company LLC) and subsidiaries (see notes A below)	Kingdom of Saudi Arabia	100%	100%
Al Khawatem for Trading and Contracting Company Limited (Single owner Company LLC)	Kingdom of Saudi Arabia	100%	100%
Al Mawajed International for Real Estate Development Company Limited (Single owner Company LLC)	Kingdom of Saudi Arabia	100%	100%
Fast Delivery Company for Logistics Services (Single owner Company LLC)	Kingdom of Saudi Arabia	100%	100%

**SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2024**

**2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES
INFORMATION (CONTINUED)**

2.4 BASIS OF CONSOLIDATION (CONTINUED)

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

Subsidiary	Operation	Country of incorporation	Ownership percentage	
			31 March 2024	31 December 2023
Halawani Brothers Company (a Saudi Joint Stock Company) (see note B below)	Manufacturing, packaging, wholesale and retail trade of food products	Kingdom of Saudi Arabia	55.51%	55.51%
Al Rabie Saudi Foods Company (a Saudi Closed Joint Stock Company)	Manufacturing of dairy, dairy products, juices, drinks	Kingdom of Saudi Arabia	57.30%	57.30%
Textile & Readymade Garments Company Limited (Limited Liability Company)	Production of Saudi Thobe and uniforms	Kingdom of Saudi Arabia	62.30%	62.30%

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

Subsidiary	Operation	Country of incorporation	Ownership percentage	
			31 March 2024	31 December 2023
Halawani Brothers Company (a Closed Joint Stock Company)	Manufacturing, packaging, wholesale and retail trade of food products	Egypt	100%	100%

**2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION, JUDGEMENTS
AND ESTIMATES**

The accounting policies, judgments and estimates applied in preparing the accompanying interim condensed consolidated financial statements are the same as those mentioned in the group's consolidated financial statements as of 31 December 2023.

SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(IN SAUDI RIYALS)

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES
INFORMATION (CONTINUED)

2.6 APPLICATION OF NEW AMENDED STANDARDS AND INTERPREPERATIONS

New standards, amendments to existing standards and interpretations

There are no new standards issued by the International Accounting Standards Board (IASB), however, a number of amendments to the standards are effective as of 01 January 2024, which were explained in the annual consolidated financial statements of the group as of 31 December 2023 and there is no material impact on the interim condensed consolidated financial statements of the group for the three months period ended 31 March 2024.

3. SEGMENTAL INFORMATION

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

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

A) Business segments

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

31 March 2024 (Unaudited)	<i>Investment segment SR'000'</i>	<i>Industrial segment SR'000'</i>	<i>Total SR'000'</i>
Total assets	962,997	1,520,292	2,483,289
Total liabilities and non-controlling interests	294,815	1,143,097	1,437,912
Net revenues and investment income	6,455	441,590	448,045
Gross profit	2,619	134,903	137,522
Depreciation and amortization of intangible assets	1,186	17,246	18,432
Property, plant and equipment and assets under constructions	2,773	638,434	641,207
Capital expenditures	-	5,826	5,826
	<i>Investment segment SR'000</i>	<i>Industrial segment SR'000</i>	<i>Total SR'000</i>
31 December 2023 (Audited)			
Total assets	913,460	1,630,992	2,544,452
Total liabilities and non-controlling interests	245,561	1,215,370	1,460,931
Net revenues and investment income	36,199	1,612,882	1,649,081
Gross profit	18,269	398,129	416,398
Depreciation and amortization of intangible assets	4,250	81,174	85,424
Property, plant and equipment and assets under constructions	3,042	662,154	665,196
Capital expenditures	464	26,382	26,846

SINAD HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(IN SAUDI RIYALS)

B) Geographical segments

For the three months period ended 31 March 2024 (Unaudited)	<i>Kingdom of Saudi Arabia</i>	<i>Egypt</i>	<i>Other Arab and foreign countries</i>	<i>Reconciliations</i>	<i>Total</i>
Description	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
	<i>'000'</i>	<i>'000'</i>	<i>'000'</i>	<i>'000'</i>	<i>'000'</i>
Total assets	2,353,861	179,778	-	(50,350)	2,483,289
Total liabilities	1,070,802	142,384	-	(12,956)	1,200,230
Revenue from contracts with customers	272,926	134,756	36,194	-	443,876
 31 December 2023 (Audited)	 <i>Kingdom of Saudi Arabia</i>	 <i>Egypt</i>	 <i>Other Arab and foreign countries</i>	 <i>Reconciliations</i>	 <i>Total</i>
Description	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
	<i>'000'</i>	<i>'000'</i>	<i>'000'</i>	<i>'000'</i>	<i>'000'</i>
Total assets	2,429,655	286,012	-	(171,215)	2,544,452
Total liabilities	1,077,875	127,103	-	(12,306)	1,192,672
For the three months period ended 31 March 2023 (Unaudited)					
Revenue from contracts with customers	246,116	128,108	43,092	-	417,316

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	For the three months period ended 31 March	
	2024	2023
	(Unaudited)	(Unaudited)
Food products	270,364,385	255,215,989
Drinks and beverages	171,225,723	162,100,385
Other	2,285,789	-
	443,875,897	417,316,374

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5. ZAKAT AND INCOME TAX PAYABLE

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

	As of	
	31 March	31 December
	2024	2023
	(Unaudited)	(Audited)
Zakat payable	52,451,895	53,526,409
Income tax payable	11,778,119	14,906,214
	64,230,014	68,432,623

A) Zakat

Movement in zakat on the Group was as follows:

	As of	
	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	53,526,409	41,162,322
Provided during the period / year	3,162,902	14,977,006
Paid during the period / year	(4,237,416)	(26,812,919)
Transferred from payables and other current liabilities	-	24,200,000
Balance at the end of the period / year	52,451,895	53,526,409

Zakat charged to the interim condensed consolidated statement of income:

	For the three months period ended	
	31 March	
	2024	2023
	(Unaudited)	(Unaudited)
Provided during the period	3,162,902	9,412,706

B) Income tax

Movement in income tax was as follows:

	As of	
	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
At the beginning of the period / year	14,906,214	15,129,195
Provided during the period / year	2,710,238	18,769,369
Paid during the period / year	-	(12,217,916)
Translation differences	(5,838,333)	(6,774,434)
Balance at the end of the period / year	11,778,119	14,906,214

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

	For the three months period ended 31	
	March	
	2024	2023
	(Unaudited)	(Unaudited)
Current income tax	2,710,238	3,486,356
Deferred income tax	(4,126,236)	(179,773)
	(1,415,998)	3,306,583

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5. ZAKAT AND INCOME TAX PAYABLE (CONTINUED)

C) Zakat and tax status

There has been no material change in the group's zakat or tax status compared to the zakat and tax status for the year ended 31 December 2023.

6. EARNINGS PER SHARE

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

	For the three months period ended 31 March	
	2024	2023
	(Unaudited)	(Unaudited)
Loss for the period attributable to the shareholders of the Parent Company	(14,019,830)	(21,514,378)
Weighted average number of outstanding ordinary shares	126,388,889	126,388,889
Basic and diluted loss per share attributable to the shareholders of Parent Company	(0.11)	(0.17)

7. INVESTMENTS AND FINANCIAL ASSETS

	As of	
	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Investments in associate (see note (a) below)	-	-
Equity instruments at fair value through the other comprehensive income (see note (B) below)	640,102,165	631,632,165
Equity instruments at fair value through statement of income (see note (C) below)	15,351,073	15,015,071
Debt instruments at fair value through statement of income (see note (D) below)	2,655,260	2,655,260
	658,108,498	649,302,496

a) Investments in an associate

					As of	
					31 March	31 December
<u>Company's name</u>	<u>Country of incorporation</u>	<u>Main activity</u>	<u>Shareholding percentage</u>		<u>2024</u>	<u>2023</u>
			2024	2023	(Unaudited)	(Audited)
Alessa Industries Company	Kingdom of Saudi Arabia	Wholesale and retail	38%	38%	-	-

During the year ended 31 December 2023, the associate Company reduced its capital to absorb the accumulated losses by cancelling 45 million shares, the number of shares owned by the Group is 1.9 million shares of the total capital of Alessa Industries Company by 38% ownership of its equity. Movement in investment is as follows:

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7. INVESTMENTS AND FINANCIAL ASSETS (CONTINUED)

a) Investments in an associate (Continued)

	As of	
	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Investment balance at the beginning of the period / year	-	-
Group's share from loss of an associate	-	-
Group's share of other comprehensive income	-	-
	-	-

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

b) Equity instruments at fair value through OCI

	Investment in equity instruments		Total as of	Total as of
			31 March 2024	31 December 2023
	Quoted	Un-quoted	(Unaudited)	(Audited)
Cost:				
At the beginning of the period / year	390,600,000	345,180,972	735,780,972	735,780,972
At the end of the period / year	390,600,000	345,180,972	735,780,972	735,780,972
Net losses from revaluation of investments and financial assets:				
At the beginning of the period / year	(64,400,000)	(39,748,807)	(104,148,807)	(97,683,807)
Revaluation gains / (losses)	8,470,000	-	8,470,000	(6,465,000)
At the end of the period / year	(55,930,000)	(39,748,807)	(95,678,807)	(104,148,807)
Net book value	334,670,000	305,432,165	640,102,165	631,632,165

The Group owns 35 million shares as at 31 March 2024 (31 December 2023: 35 million shares) in Emaar the Economic City Company with amount of SR 285 million as at 31 March 2024 (31 December 2023: SR 278 million). The Company is required to obtain an approval from the Economic Cities and Special Zones Authority before it can dispose of its owned shares.

c) Equity instruments at fair value through statement of income

	As of	
	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
At the beginning of the period / year	15,015,071	-
Additions	-	14,729,755
Revaluation gains	336,002	285,316
At the end of the period / year	15,351,073	15,015,071

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7. INVESTMENTS AND FINANCIAL ASSETS (CONTINUED)

d) Debt instruments at fair value through statement of income

	As of	
	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Balance as at the beginning of the period / year	2,655,260	2,645,055
Gain from revaluation of debt instruments at fair value through statement of income	-	10,205
Balance as at the end of the period / year	2,655,260	2,655,260

8. RECEIVABLES

	As of	
	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Receivables (See note (a) below)	442,507,179	437,712,980
Provision of expected credit losses	(60,102,233)	(66,525,147)
	382,404,946	371,187,833

a) Receivables - Land seller north of Riyadh and broker

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

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

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

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

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8. RECEIVABLES (CONTINUED)

a) Receivables - Land seller north of Riyadh and broker (Continued)

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

On 19 Shaaban 1442 H corresponding to 01 April 2021, the Company received a letter from its legal consultant stating that the defendant (land's seller) filed a petition to the court on 05 Shaaban 1442H, corresponding to 18 March 2021, to overturn the verdict and dismiss the case after the expiry of the formal objection period and petition was accepted, and according to the Court dismissed the previous ruling and dismiss the case for lack of jurisdiction because the case is one of the big cases with amounts of more than 100 million Saudi Riyals. The Company has objected the ruling as it was not valid.

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

On 24 April 2022, the Court of Appeal issued its ruling confirming the ruling issued by the General Department for large cases. Consequently, the Company applied to the Execution Court to execute the ruling, and the court has started to proceed with the execution by seizing assets owned by the seller. The Execution Court collected approximately 3 million Saudi riyals from the seller's bank accounts, which reduced the total balance owed to Sinad to 199 million Saudi riyals.

On 08 March 2023, a preliminary rule was issued in favour of the Group obliging the broker to repay an amount of SR 5,239,441 in favour of the Company, and the period of objection to the issued ruling is 30 days starting from the following date of receiving a copy of the rule based on the legal pleadings system. The defendant objected to the ruling and the Court of Appeal confirmed the issued ruling and it was submitted to the Court of Execution. On 21 June 2023 a final rule was issued in favour of the Group obliging the broker to repay an amount of SR 5,239,441.

9. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	As of	
	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Advances to suppliers	26,072,361	18,863,068
Prepaid expenses	15,962,042	11,547,230
Employees' receivables	2,446,746	2,121,995
Other debit balances	16,902,085	21,322,190
	61,383,234	53,854,483

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10. ISLAMIC MURABAHA CONTRACTS AND LONG-TERM LOANS

	As of	
	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Facilities and long-term loans	64,806,764	77,296,725
Amounts due within a year	(34,251,205)	(38,407,832)
Non-current portion	30,555,559	38,888,893

The Group has a number of Islamic Murabaha contracts and long-term loans that were disclosed in the Group's financial statements as of 31 December 2023, and during the period ended 31 March 2024, the Group has not entered any new agreements.

11. SHORT-TERM ISLAMIC MURABHA FINANCING

	As of	
	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	585,116,092	576,303,097
Net movement during the period / year	84,669,937	8,812,995
Balance at the beginning of the period / year	669,786,029	585,116,092

The group has a number of short-term Islamic Murabaha financing agreements that were disclosed in the group's financial statements as of 31 December 2023, in addition to the following agreement entered into by the group during the period ended on 31 March 2024, which is as follow:

One of the subsidiaries, has entered into short-term Murabaha contracts with local banks in the Arab Republic of Egypt to finance its operations. The subsidiary pays financing charges according to the market rate. As of 31 March 2024, the outstanding balance for these contracts amounted to SR 21 million (31 December 2023: Nil).

12. COMPARATIVE FIGURES

The group's management has reclassified some items of the interim condensed consolidated income statement for the comparison period to conform to the current period's classification, as it did the following:

- Reclassifying the amounts of discounts to customers that were recorded in selling and distribution expenses and were deducted from revenues in the amount of 1.9 million SR, in accordance with the terms of performance obligations with customers.
- Reclassifying additional indirect supply chain expenses related to finished goods (mainly orders, transportation, and material handling) from cost of revenues to selling and distribution expenses and other elements from selling and distribution expenses to general and administrative expenses.

The following is a summary of the effects of the reclassification:

	31 March 2023		31 March 2023
Interim condensed consolidated income statement	Before reclassification	Reclassification	After reclassification
Revenue from contracts with customers	419,234,074	(1,917,700)	417,316,374
Cost of revenues	(307,884,093)	9,484,519	(298,399,574)
Selling and distribution expenses	(68,790,570)	(6,769,821)	(75,560,391)
General and administrative expenses	(46,060,467)	(796,998)	(46,857,465)

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13. SIGNIFICANT EVENTS

Determining the currency of the Arab Republic of Egypt according to market mechanisms

On March 6, 2024, with the aim of achieving stability in the exchange market and eliminating the gap between the official and parallel market exchange rates, the Central Bank of Egypt took the decision to allow the exchange rate of the Egyptian pound to be determined according to market mechanisms. This step comes in response to the economic challenges that the Arab Republic of Egypt has recently faced, which were in the lack of resources of foreign currencies, the shortage of foreign currencies has led to the emergence of a parallel market for the exchange rate of the Egyptian pound due to the accumulation of demand for foreign exchange.

New Companies law

The new Companies law issued by Royal Decree No. M/132 on 12/1/1443 H (corresponding to 30 June 2022) came into effect on 6/26/1444 H (corresponding to 19 January 2023). For some regulations of the law, it is expected that Full commitment to it within a maximum of two years Considering From 26/6/1444 H (corresponding to 19 January 2023), during the regulatory period, the management will evaluate the effects of the new Companies law and update the Company bylaw, if necessary, to harmonize it with the companies' law this will be done after complete the necessary procedures to present it to the General Assembly of Shareholders for approval.

14. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by Board of Directors on 6 Dhu al-Qi'dah 1445 (H) corresponding to 14 May 2024 (G).