

**AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2021
ALONG WITH
INDEPENDENT AUDITOR'S REVIEW REPORT**

**AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**Interim Condensed Consolidated Financial Statements and Independent Auditor's Review Report
For the three-months period ended 31 MARCH 2021**

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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 STATEMENTS**

**TO THE SHAREHOLDERS OF AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

RIYADH, KINGDOM OF SAUDI ARABIA

INTRODUCTION

We have reviewed the accompanying interim consolidated statement of financial position of **Al Omran Industrial Trading Company** (the "Company") and its subsidiary (together "the Group") as at 31 March 2021 and the related interim consolidated statement of profit or loss and other comprehensive income for the three-months period then ended and the interim consolidated statements of changes in equity and cash flows for the three-months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on 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 of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

**For Al-Bassam & Co.
RIYADH, KINGDOM OF SAUDI ARABIA**

Ibrahim A. Al Bassam
Certified Public Accountant
License No. 337
13 Shawwal 1442H
25 May 2020



AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021
(Saudi Riyals)

	Note	31 March 2021 (unaudited)	31 December 2020 (audited)
ASSETS			
Non-Current assets			
Property, plant and equipment	5	39,175,607	39,657,980
Rights of use assets		1,965,324	2,081,524
Total Non-current assets		41,140,931	41,739,504
Current assets			
Inventory, net	6	89,976,948	92,263,509
Trade receivables, net	7	39,056,860	30,067,719
Prepayments and other current assets		12,311,225	14,736,252
Cash and cash equivalents		7,988,378	8,924,584
Total current assets		149,333,411	145,992,064
TOTAL ASSETS		190,474,342	187,731,568
LIABILITIES AND EQUITY			
EQUITY			
Share capital	8	60,000,000	60,000,000
Statutory reserve		9,921,843	9,921,843
General reserve		695,834	695,834
Actuarial reserve		(37,348)	(37,348)
Retained earnings		39,287,363	36,448,426
Equity attributable to the shareholders of the company		109,867,692	107,028,755
Non-controlling interest		(440,006)	(408,880)
Total Equity		109,427,686	106,619,875
Liabilities			
Non-current liabilities			
Employees' post-employment benefits		5,997,197	5,900,174
Borrowings - Non-current portion	9	1,101,084	1,101,084
Lease liabilities - non-current portion		1,717,876	1,814,827
Total non-current liabilities		8,816,157	8,816,085
Current liabilities			
Borrowings - current portion	9	45,648,431	47,976,807
Lease liabilities - current portion		378,203	490,002
Trade Payables		11,616,015	10,722,234
Accrued expenses and other current liabilities		8,648,975	7,789,428
Due to related parties	10	500,351	452,249
Provision for expected claims	11-1	1,200,000	1,000,000
Zakat provision	11-2	4,238,524	3,864,888
Total current liabilities		72,230,499	72,295,608
Total liabilities		81,046,656	81,111,693
Total equity and liabilities		190,474,342	187,731,568
Contingent liabilities	12		

Chief Financial Officer

Saber Mohamed Hegazy

Chief Executive Officer

Abdul Rahman Mohammed bin Omran

The accompanying notes 1 through 17 form an integral part of these interim condensed consolidated financial statements.

AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHEN-
SIVE INCOME
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2021
(Saudi Riyals)

	Note	31 March 2021 (unaudited)	31 March 2020 (unaudited)
Revenue		38,652,622	31,580,022
Cost of sales		(29,655,595)	(27,248,237)
Gross profit		8,997,027	4,331,785
General and administrative expenses		(1,194,122)	(1,180,485)
Selling and marketing expenses		(3,838,620)	(2,700,209)
Operating profit		3,964,285	451,091
Finance costs	9	(549,126)	(162,340)
Provision expense for expected claims	11-1	(200,000)	-
Other income		27,305	-
Net profit before zakat		3,242,464	288,751
Zakat	11-2	(434,653)	(275,000)
Net profit for the period		2,807,811	13,751
Profit attributable to:			
Shareholders of the parent company		2,838,937	37,319
Non-controlling interests		(31,126)	(23,568)
		2,807,811	13,751
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
		-	-
Net comprehensive income for the period		2,807,811	13,751
Total comprehensive income for the period attributable to:			
Shareholders of the company		2,838,937	37,319
Non-controlling interests		(31,126)	(23,568)
		2,807,811	13,751
Basic and diluted earnings per share			
Earnings per share from the net profit for the period attributable to the shareholders of the company	14	0.47	0.01

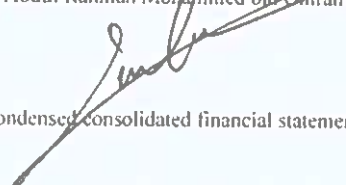
Chief Financial Officer

Saber Mohamed Hegazy



Chief Executive Officer

Abdul Rahman Mohammed bin Omran



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AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2021
(Saudi Riyals)

	Share capital	Statutory reserve	General reserve	Actuarial reserve	Retained earnings	Total equity attribute to shareholders	Non-controlling interests	Total
For the three-months period ended 31 March 2020								
Balance as at 31 December 2019 (audited)	60,000,000	9,841,112	695,834	1,110,913	35,721,847	107,369,706	(202,747)	107,166,959
Net profit for the period	-	-	-	-	37,319	37,319	(23,568)	13,751
Balance as at 31 March 2020 (unaudited)	60,000,000	9,841,112	695,834	1,110,913	35,759,166	107,407,025	(226,315)	107,180,710
For the three-months period ended 31 March 2021								
Balance as at 31 December 2020 (audited)	60,000,000	9,921,843	695,834	(37,348)	36,448,426	107,028,755	(408,880)	106,619,875
Net profit for the period	-	-	-	-	2,838,937	2,838,937	(31,126)	2,807,811
Balance as at 31 March 2021 (unaudited)	60,000,000	9,921,843	695,834	(37,348)	39,287,363	109,867,692	(440,006)	109,427,686

Chief Financial Officer
 Saïber Mohamed Hegazy

Chief Executive Officer
 Abdul Rahman Mohammed bin Omran

The accompanying notes 1 through 17 form an integral part of these interim condensed consolidated financial statements.

AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2021
(Saudi Riyals)

	Note	31 March 2021 (unaudited)	31 December 2020 (unaudited)
<u>Cash flows from operating activities</u>			
Net profit before zakat		3,242,464	288,751
Adjustments to reconcile the net profit for the period before zakat to the net cashflow generated from / (used in) operating activities:			
Depreciation of property, plant and equipment		753,136	789,498
Provision for employees' post-employment benefits		200,357	252,682
Depreciation of right-of-use assets		116,200	176,433
Provision for expected claims		200,000	-
Finance costs	9	549,126	187,988
		<u>5,061,283</u>	<u>1,695,352</u>
Changes in working capital items:			
Inventory		2,286,561	3,671,931
Trade receivables		(8,989,141)	(9,713,498)
Prepayments and other current assets		2,425,027	(1,510,453)
Trade payable		893,781	2,330,720
Accrued expenses and other current liabilities		859,547	1,734,454
Due to related party		48,102	392,094
Cash generated from / (used in) operating activities		<u>2,585,160</u>	<u>(1,399,400)</u>
Employees' post-employment benefits paid		(103,334)	(87,061)
Zakat paid	11-2	(61,017)	(1,665,680)
Finance costs paid		(70,140)	(230,497)
Net cash generated from / (used in) operating activities		<u>2,350,669</u>	<u>(3,382,638)</u>
<u>Cash flows from investing activities</u>			
Payments to purchase property, plant and equipment	5	(270,763)	(786,287)
Net cash used in investing activities		<u>(270,763)</u>	<u>(786,287)</u>
<u>Cash flows from financing activities:</u>			
Proceed from borrowings		1,082,332	17,841,002
Repayment from borrowings		(3,889,694)	(11,498,227)
Lease liabilities payment		(208,750)	(175,010)
Net cash (used in) / generated from financing activities		<u>(3,016,112)</u>	<u>6,167,765</u>
Net change in cash and cash equivalents		<u>(936,206)</u>	<u>1,998,840</u>
Cash and cash equivalents at the beginning of the period		8,924,584	1,616,852
Cash and cash equivalents at end of the period		<u>7,988,378</u>	<u>3,615,692</u>

Chief Financial Officer

Saber Mohamed Hegazy

Chief Executive Officer

Abdul Rahman Mohammed bin Omran

The accompanying notes 1 through 17 form an integral part of these interim condensed consolidated financial statements.

**AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2021
(Saudi Riyals)**

I. ORGANIZATION AND PRINCIPAL ACTIVITIES

Al-Omran Industrial Trading Company ("the company") is a Saudi joint stock company that operates under the Commercial Registration No. 1010187735 issued from Riyadh on Rabi' Al-Akhir 18, 1424H, corresponding to June 18, 2003.

As referred in note (2), the consolidated financial statements include the financial statements of the company and its subsidiary - Al-Omran Plastic Industries Company, and they are collectively referred to as the "Group".

The issued and authorized capital of the Group is 60 million Saudi riyals, divided into 6 million shares, each share value of 10 Saudi riyals.

The group operates through the following branches, whose assets, liabilities and business results are included in the accompanying consolidated financial statements:

Name of branch	CR No.	CR date (Hijri)	CR date (Gregorian)	City
Comfort air conditioner manufacturer	1010154984	27/1/1420 H	9 August 1999 G	Riyadh
Al-Omran Metal Kitchens Factory	1010440482	19/1/1437 H	1 November 2015 G	Riyadh
Zawia Al Reef Factory for display and refrigerators	1010179603	3/6/1423 H	12 August 2002 G	Riyadh

-The company activity is in the production of household and electronic devices, metal, plastic, paper, and cardboard industries, and complementary works under Industrial License No. (1677 / S) issued on 12 Jumada al-Akhira 1428H (corresponding to June 27, 2007) and the import, export, wholesale and retail trade of household and electronic devices and products, Plastic, paper, cardboard, spare parts, purchase of lands for constructing buildings on them, investing them for the benefit of the company, and managing and operating real estate for the benefit of the company.

-The activity of the Al Raha Air Conditioners Factory - Al-Omran Industrial Trading Company - is in the manufacture of air conditioners (units or central), Freon, manufacturing desert air conditioners of various sizes under the renewed industrial license by Resolution No. 411102101929 dated Jumada Al-Awwal 26, 1441H corresponding to January 21, 2020.

-The activity of Al-Omran Metal Kitchens Factory - the branch of Al-Omran Plastic Industries Company - is the production of metal industries under the renewed industrial license by Resolution No. 1001008-184 dated Safar 29 1441H corresponding to October 28, 2019.

-Zawia Al-Reef Factory activity for display refrigerators and refrigerators - the branch of Al-Omran Industrial Trading Company - is represented in other industries of manufacturing freezing and refrigeration equipment and its accessories for commercial purposes, including refrigerators and freezers for display and sale, and water and liquid coolers in the facilities

-The main activity of Al-Omran Plastic Industries Company is the production of desert conditioner faces, plastic air conditioner spare parts, spoons, forks, plastic knives, hose connections, profile water standards, display shelves, base joints for display refrigerators, joints and bases for display shelves, plastic chairs, plastic containers and industrial and plastic refrigerator door profiles under the renewed industrial license by the decision No. 1001008937 on Safar 29, 1441H, corresponding to October 28, 2019.

Impact of Covid – 19

Referring to the events related to the spread of the Covid-19 virus and the consequent impact of business sectors at the global level, the Group has taken necessary measures to ensure the health and safety of its employees and to continue its operations with a growth driven perspective.

Despite these challenges, the group faced similarly to the rest of the companies, the group's operations are still largely unaffected. This is because the Group has implemented the policies to cope well with the crisis, and the Group will disclose any material changes in the future if they occur, however, currently the Group management is not aware of any factor that may warrant additional disclosure with reference to the impact on the operations of the Group.

AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2021
(Saudi Riyals)

2. Group structure

The interim condensed consolidated financial statements as at 31 March 2021 include the financial statements of the company, its branches and the following subsidiary company (collectively referred to as "the Group"):

Company name	Commercial Regis- tration No	Country of in- corporation	ownership percentage	
			31 March 2021	31 December 2020
Al-Omran Plastic industries Company	1010432884	Saudi Arabia	% 70	% 70

-Al-Omran Plastic Industries Company is a limited liability company practicing its activities under Commercial Registration No. 1010432884 issued from the city of Riyadh on Rajab 2, 1436H corresponding to April 21, 2015.

The main activity of Al-Omran Plastic Industries Company is the production of air conditioner faces, plastic air conditioner spare parts, spoons, shokats, plastic knives, fittings connections, profile water standards, display shelves, shelves joints, plastic chairs, plastic containers and industrial and plastic refrigerator door profiles under the renewed industrial license by the decision. No. 1001008937 on Safar 29, 1441H, corresponding to October 28, 2019.

3. BASIS OF PREPARATION

3-1 Statement of Compliance:

These interim condensed consolidated financial statements for the three-months period ended 31 March 2021 have been prepared in accordance with International Accounting Standards No. (34) ("Interim Financial Reporting") as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement issued by Saudi Organization for Certified Public Accountants ("SOCPA").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and they must be read in conjunction with the consolidated financial statements of the group for the financial year ended 31 December 2020 in addition to the fact that the results of the operations of the initial periods do not necessarily represent an indication of the results of the operations of the whole year.

3-2 Presentation and functional currency:

These interim condensed consolidated financial statements are presented in Saudi Riyals, which is the Group's functional currency as well as the presentation currency.

3-3 Use of estimates and assumptions:

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In particular, information about significant matters regarding the estimation of uncertainty in the application of accounting policies that have a significant effect on the amounts recognized in the financial statements is summarized as follows:

The management reassesses the useful lives of tangible assets periodically depending on the general condition of these assets and management's expectations of their useful lives in the future.

The management takes provision for trade receivables based on its estimates of recoverability of those receivables in accordance with international financial reporting standards.

Management assesses the recoverable amount of the financial assets to determine whether there is any impairment in their value.

Estimates and assumptions applied are continually reviewed, and changes in accounting estimates are recognized in the period in which the estimates were changed and in future years affected by that change.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the interim condensed consolidated financial statements are consistent with the policies followed in preparing the annual financial statements of the Group for the year ended 31 December 2020. The Group has not applied any of the new and amended international financial reporting standards issued and not yet effective.

AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2021
(Saudi Riyals)

5. PROPERTY, PLANT AND EQUIPMENT

During the three-month period ended 31 March 2021, the Group acquired property and equipment valued at SR 270,763 (for the three-month period ended 31 March 2020: SR 59,013)

During 2016, a land located in Al-Kharj Road neighborhood in Riyadh, with a value of SR 20,408,620 (2019: SR 20,408,620), was mortgaged against an Islamic financing agreement signed with Riyad Bank (note 9).

6. INVENTORY

	<u>31 March 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
Finished goods	42,010,228	54,214,705
Spare parts	35,205,727	24,597,818
Raw materials	11,111,885	10,719,569
Work in progress	3,337,942	4,420,251
Total	91,665,782	93,952,343
Deducted from:		
Allowance for slow moving inventory	(1,688,834)	(1,688,834)
	89,976,948	92,263,509

Movement in provision for slow moving inventory is as follows:

	<u>31 March 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
Balance at the beginning of the year	1,688,834	-
Charged during the year	-	1,688,834
Balance at the end of the year	1,688,834	1,688,834

7. TRADE RECEIVABLES, NET

	<u>31 March 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
Trade receivables	48,204,341	39,215,200
Less: Allowance for impairment of trade receivables	(9,147,481)	(9,147,481)
	39,056,860	30,067,719

Movement in allowance for impairment of trade receivables is as follows:

	<u>31 March 2021</u> (unaudited)	<u>31 December 2020</u> (audited)
Balance at the beginning of the year	9,147,481	4,812,072
Charged during the year	-	4,335,409
Balance at the end of the year	9,147,481	9,147,481

8. CAPITAL SHARE

As at 31 March 2021, and 31 December 2020, the subscribed and paid-up capital of the Company amounting to SR 60,000,000 divided into 6,000,000 shares of equal value, the value of each share is 10 Saudi riyals, all of which are ordinary shares, and the shareholders have subscribed to all the shares of the company.

9. BORROWINGS

This item represents the value used from bank facilities to import goods under letters of credits issued by local banks. These borrowings are often of a renewable nature and loan fees are determined based on market prices. These borrowings are guaranteed for the benefit of the banks through the land owned by the company under the title deed number 910106038304 and bonds with an amount of 39 million Saudi riyals (note 5).

AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2021
(Saudi Riyals)

10. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Parties are considered related parties if one of the parties has the ability to control the other party or to exercise significant influence over the other party in making financial and operational decisions. Related parties consist of shareholders, board members and businesses in which shareholders and members of the board of directors, individually or collectively, have significant influence. The Group's transactions with related parties are conducted on a purely commercial basis in the normal course of business and are approved by the management.

10-1 Due to a related party:

Name of the organization	31 March 2021 (unaudited)	31 December 2020 (audited)
Abaad Real Estate Investment Company	500,351	452,249
	<u>500,351</u>	<u>452,249</u>

10-2 The most significant transactions that took place with related parties during the period are as follows:

Organization	Nature of relationship	Nature of transactions	The volume of transactions	
			31 March 2021 (unaudited)	31 December 2020 (audited)
Abaad Real Estate Investment Company	Affiliate	Expenses on behalf	690,855	597,904

10-3 Benefits, remuneration and compensation for members of the Board of Directors and senior executives

	For the period ended in 31 March 2021		For the period ended in 31 March 2020	
	BOD members	Key management members	BOD members	Key management members
Committee members' fees	20,500	4,000	16,000	4,000
Salaries and wages	-	256,680	-	256,680
Allowances	-	84,374	-	81,723
End of service	-	21,390	-	21,390
	<u>20,500</u>	<u>366,444</u>	<u>16,000</u>	<u>363,793</u>

11. ZAKAT PROVISION

11-1 Zakat status

The group submitted its zakat declarations to the General Authority for Zakat and Income ("the Authority") until the year ended on December 31, 2020 and obtained a certificate from the General Authority for Zakat and Income in effect until Ramadan 18 1442H corresponding to April 30, 2021, on July 20, 2020 initial zakat assessment was made on Al-Omran Industrial Trading Company "the parent company" by the General Authority for Zakat and Income for the years from 2014 to 2018 amounting to 2.75 million Saudi riyals. On September 20, 2020, the group filed an objection with the General Authority for Zakat and Income and is still under examination and study by the Authority. The balance of provision formed against expected claims amounting to 1,200,000 million Saudi riyals as of 31 March 2021 (31 December 2020: 1,000,000)

11-2 Movement of zakat provision

	31 March 2021 (unaudited)	31 December 2020 (audited)
Balance at the beginning of the period / year	3,864,888	3,825,773
Charged during the period / year	434,653	1,704,795
Paid during the period / year	(61,017)	(1,665,680)
Balance at the end of the period / year	<u>4,238,524</u>	<u>3,864,888</u>

AL OMRAN INDUSTRIAL TRADING COMPANY
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INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2021
(Saudi Riyals)

12. CONTINGENT LIABILITIES

Contingent liabilities are represented in letters of credits and letters of guarantee issued by commercial banks for the purposes of the Group, which are as follows:

	31 March 2021 (unaudited)	31 December 2020 (audited)
Letters of credit	36,433,115	16,516,741
	36,433,115	16,516,741

13. 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, for its compatibility with internal reporting methods. Transactions between segments are carried out on the same terms as dealing with other parties.

Segment's assets, liabilities and operating activities include items directly related to a specific segment and items that can be distributed among the different segments on reasonable basis.

The following is a summary of the financial segment information in Saudi riyals as on 31 March 2021, and 31 March 2020, respectively, according to the nature of the activity:

	31 March 2021		
	Industrial segment	Commercial segment	Total
Revenues	16,215,349	22,437,273	38,652,622
Net profit for the period	1,318,956	1,488,855	2,807,811
Total Assets	90,004,840	100,469,502	190,474,342
Total Liabilities	33,595,460	47,451,196	81,046,656
	31 March 2020		
	Industrial segment	Commercial segment	Total
Revenues	10,383,281	21,196,741	31,580,022
Net profit for the period	101,082	(87,331)	13,751
	31 December 2020		
Total Assets	90,886,484	96,845,084	187,731,568
Total Liabilities	33,975,047	47,136,646	81,111,693

External sales did not meet any of the quantitative limits referred to in the International Financial Reporting Standard No. (8) "Operating Segment s", and accordingly, the geographical segment information was not disclosed.

14. PROFIT PER SHARE

The basic and diluted share of the net profit is calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding at the end of the period. The number of shares outstanding as on 31 March 2021 reached 6 million shares (6 million shares: 31 March 2020).

There was no impairment item affecting the weighted average number of ordinary shares.

AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2021
(Saudi Riyals)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's principal financial liabilities include borrowings and trade payables, accrued expenses, other current liabilities, due to a related party and lease obligations. The Group's principal financial assets consist of cash and cash equivalents, trade receivables, and other current assets. The main financial risks arising from the Group's financial instruments are market risk (including interest rate risk and foreign exchange risk), credit risk and liquidity risk. Management reviews and agrees to policies to manage these risks.

15-1 Market risk

Market risk is the risk of fluctuation in a financial instrument due to changes in prices prevailing in the market, such as foreign exchange rates and interest rates, which affects the group's income or the value of its financial instruments. Market risk management aims to manage and control exposure to market risk within acceptable limits while maximizing returns. There has been no change in the Group's exposure to market risks or the manner in which these risks are managed and how they are measured.

15-1-1 Interest rate risk

Interest rate risk is the exposure to various risks associated with the impact of fluctuations in the prevailing interest rates on the group's financial position and cash flows. The Group is exposed to interest rate risk on its interest-bearing assets and liabilities, which mainly represent bank facilities and borrowings. Management limits interest rate risk by monitoring interest rate changes. Management monitors the changes in interest rates and believes that the cash flow risk and the interest rate risk on the fair value of the Group are not material.

The receivables and payables of the Group carried at amortized cost are not subject to interest rate risk as defined in IFRS 7, where the carrying value or future cash flows do not change due to the change in interest rates in the market. Consequently, the Group is not exposed to fair value interest rate risk.

15-1-2 Foreign currency risk

Foreign currency risk is the risk of fluctuation in the value of financial instruments due to changes in foreign exchange rates. Foreign currency risk arises when future commercial transactions, assets and liabilities are recognized in a currency other than the Saudi riyal. The Group's exposure to foreign currency risk is limited mainly to euro and US dollar transactions, the Group's management believes that its exposure to foreign currency risk is limited as the Saudi riyal is pegged to the US dollar. Fluctuations in the euro exchange rates are monitored on an ongoing basis.

The management monitors fluctuations in foreign exchange rates and believes that the Group is not substantially exposed to changes in exchange rates, and given that the company's transactions in euros are very few, the management believes that it is not effective.

15-2 Credit risk

It is the risk that one party will not be able to fulfill its obligations, causing financial losses to the other party. The Group does not have significant concentration of credit risk. Cash and cash equivalents are deposited with local banks with high credit ratings. Account and other receivables are mainly due from customers in the local market and are shown at their estimated collectible value. The Group has policies in place to reduce its exposure to credit risk. The carrying values of financial assets represent the maximum credit risk:

15-3 Liquidity risk

This is the risk that the Group will encounter difficulty in obtaining the necessary financing to meet obligations associated with financial instruments. Liquidity risk may arise when the inability to sell a financial asset quickly at a value close to its fair value. Liquidity risk is managed through regular monitoring of the adequacy of liquidity available to meet the group's financial obligations. The group's approach to managing liquidity is to ensure that it has sufficient liquidity to meet its liabilities when due, under normal and accepted conditions, without incurring unacceptable losses or risking damage to the group's reputation.

**AL OMRAN INDUSTRIAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2021
(Saudi Riyals)**

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

15-4 Fair value

The fair value is the amount for which an asset could be exchanged or a liability settled in a transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- Through the primary market for the asset or liability, or
 - Through the market that is most beneficial to the asset or liability in the absence of the main market.
- The primary or most beneficial market must be available for the group to access.

The fair value of an asset or liability is measured using assumptions used by market parties when pricing the asset or liability on the assumption that market participants are working in the best economic interests of them.

The fair value measurement of a non-financial asset takes into account the ability of market parties to provide economic benefits by using the asset to achieve the best benefit from it or by selling it to another market party to use it in a manner that achieves the best benefit from it.

The Group uses valuation techniques that are appropriate to the circumstances and conditions and has sufficient data to measure the fair value, maximizing the use of relevant observable data, and minimizing the use of unobservable data to the greatest extent.

All assets and liabilities for which fair values are measured or whose fair values are disclosed in the consolidated financial statements are categorized within the scope of the fair value hierarchy described below based on the lowest level data that is significant to the fair value measurement as a whole:

- The first level: prices traded in active markets for the same assets or liabilities.
- The second level: other valuation techniques in which the minimum significant inputs are observable, directly or indirectly, to the fair value measurement.
- Level 3: other valuation techniques in which the minimum significant inputs that are relevant to the fair value measurement are unobservable.

With regard to assets and liabilities included in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the above hierarchy by re-evaluating classification (based on the lowest level inputs that are significant to the fair value measurement as a whole) at the end of each period of preparation Consolidated Financial Statements.

The carrying value of financial assets that cannot be measured at fair value is the approximate value of their fair value. All financial liabilities are measured on an amortized cost basis, which reasonably approximates their fair value.

16. SUBSEQUENT EVENT

In the opinion of the management, there have been no significant subsequent events, except for disclosed aforesaid that would have a material impact on these condensed consolidated interim financial statements.

17. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Interim Condensed Consolidated Financial Statements for the period ended 31 March 2021 were approved by the Board on 7 Shawwal 1442H corresponding to 19 May 2021.