

SAUDI INDUSTRIAL EXPORT COMPANY
(A SAUDI JOINT STOCK COMPANY)

**REISSUED CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

SAUDI INDUSTRIAL EXPORT COMPANY**(A Saudi Joint Stock Company)****REISSUED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

<u>INDEX</u>	<u>PAGES</u>
Independent auditor's report	1 - 4
Reissued consolidated statement of financial position	5
Reissued consolidated statement of profit or loss and other comprehensive income	6
Reissued consolidated statement of changes in equity	7
Reissued consolidated statement of cash flows	8
Notes to the reissued consolidated financial statements	9 – 34

Independent Auditor's Report**To the Shareholders,****Saudi Industrial Export Company****Joint Stock Company****Report on the Audit of the Reissued Consolidated Financial Statements****Qualified Opinion**

We have audited the reissued consolidated financial statements of Saudi Industrial Export Company (the "Company") and its subsidiary (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the reissued consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the accompanying reissued consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered Professional Accountants ("SOCPA").

Basis for Qualified Opinion

- 1- The Group has not calculated the expected credit losses in accordance with International Financial Reporting Standard No. (9). Accordingly, we were unable to determine whether any adjustments were necessary to trade receivables balance as of 31 December 2020.
- 2- Our audit of cost of revenue amounted to SR 35 million for the year ended 31 December 2020 showed that some supporting documents for the purchases amount were incomplete and we were unable to obtain sufficient assurance from other audit procedures, accordingly, we were unable to determine whether any adjustments were necessary to cost of revenues for the year ended 31 December 2020.
- 3- Management has not evaluated the Group's relationship of its contracts with customers as principal or agent in accordance with International Financial Reporting Standard No. (15), and therefore we were unable to determine the appropriateness of the presentation of Group's revenue and cost of revenue for the year ended 31 December 2020.

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Reissued Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to note (5) to the reissued consolidated financial statements, the consolidated financial statements of the Group have been prepared on the going concern basis. The Group's accumulate losses as 31 December 2020 amounted to SR 37.7 million, which comprises 58% of the share capital (31 December 2019: SR 24.6 million, which comprises 38% of the share capital), and the losses for the year ended 31 December 2020 amounted to SR 13.2 million (2019: SR 26 million). Those events, among other matters, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The ability of the Group to continue its operations depends on obtaining finance, profitable contracts and increase the volume of its revenue appropriately.

Our opinion is not modified in respect of this matter.

Independent Auditor's Report (continued)

To the Shareholders,

Saudi Industrial Export Company

Emphasis of Matter

- We draw attention to note (29) to the reissued consolidated financial statements, which states that the Group has reissued the consolidated financial statements for the year ended 31 December 2020 which has been approved on 16 Ramadan 1442H (corresponding to 28 April 2021) on which we disclaimed our audit opinion on 16 Ramadan 1442H (corresponding to 28 April 2021). The reissued consolidated financial statements are approved and includes adjustments as disclosed in note (29). This audit report supersedes our audit report on the previously issued consolidated financial statement dated 16 Ramadan 1442H (corresponding to 28 April 2021). Our opinion is not modified in respect of this matter.
- We draw attention to note (28) to the reissued consolidated financial statements, which describes prior year's adjustments. Consequently, the consolidated statement of financial position as at 31 December 2019 and the consolidated statement of profit or loss and other comprehensive income for the year then ended have been restated. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the reissued consolidated financial statements for the current year. These matters were addressed in the context of our audit of the reissued consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the "Basis for Qualified Opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed during our audit
<p><u>Revenue recognition</u></p> <p>As disclosed on the reissued consolidated financial statements, the Group's revenue for the year ended 31 December 2020 is amounted to SR 36,6 million, and considering the significance of the amount of revenues and its susceptibility to the inherent risk of recognizing revenues higher than its actual amount or recognizing revenue before the Group satisfies the performance obligation, it has been considered as a key audit matter.</p> <p>Refer to note (6-15) to the reissued consolidated financial statements for the related significant accounting policy.</p>	<p>We have performed the following procedure relating to revenue recognition:</p> <ul style="list-style-type: none"> - Obtaining an understanding of the revenue recognition process considering the relevant accounting standard and assessing the appropriateness of the accounting policies used. - Tested a sample of revenue from sales transactions during the year and assessed the appropriateness of management's estimates of performance obligations, if any. - Performed cut-off procedures on the timing of revenue recognition from sale after the products were delivered to the customers and recognized during the correct accounting period. - Inquire from the management at various levels to assess their knowledge of the risk of fraud and to determine if actual cases of fraud were observed when recognizing revenue from sales.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on 29 March 2020.

Independent Auditor's Report (continued)

**To the Shareholders,
Saudi Industrial Export Company**

Other information

Other information consists of the information included in the Group's 2020 annual report, other than the reissued consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. It is expected that the annual report to be available after the date of this auditor's report.

Our opinion on the reissued consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the reissued consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the reissued consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Reissued Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the reissued consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's bylaws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the reissued consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Reissued Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the reissued consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these reissued consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the reissued consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

Independent Auditor's Report (continued)

To the Shareholders,

Saudi Industrial Export Company

Auditor's Responsibilities for the Audit of the Reissued Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the reissued consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the reissued consolidated financial statements, including the disclosures, and whether the reissued consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the reissued consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

Paragraph 135 of the Regulations for Companies requires that the auditor includes in his report what might come to his attention with respect to non-compliance to the Regulations or the Company's Bylaws. During the course of our current audit of the reissued consolidated financial statements, we have noted a non-compliance to the Regulations of Companies, having no material impact on the reissued consolidated financial statements, the accumulated losses exceeded half of the Company's paid-in capital, the extraordinary general assembly has not been called to meet to date in accordance with the requirements of article 150 of the Regulations for Companies.

BAKER TILLY MKM & CO.

Certified Public Accountants



Majid Muneer Alnemer

License No. 381

Riyadh on 28 Shawwal 1442H

Corresponding to 9 June 2021



SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
REISSUED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020
(SAUDI RIYALS)

	Note	31 December 2020	31 December 2019 (Restated)
ASSETS			
Non-current assets:			
Property, plant and equipment	7	3,770,696	3,049,709
Intangible assets	8	78,206	-
Right of use assets	9	939,890	1,146,286
Investments at fair value through profit or loss - FVTPL	10	-	6,559,654
		<u>4,788,792</u>	<u>10,755,649</u>
Current assets:			
Inventories	11	3,452,090	2,645,955
Other debit balances	12	7,594,828	9,450,741
Trade receivables	13	15,640,435	8,097,147
Cash and cash equivalents	14	8,484,030	19,625,489
		<u>35,171,383</u>	<u>39,819,332</u>
TOTAL ASSETS		<u>39,960,175</u>	<u>50,574,981</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	64,800,000	64,800,000
Statutory reserve	16	642,645	642,645
Accumulated losses		(37,706,336)	(24,586,320)
TOTAL EQUITY		<u>27,736,309</u>	<u>40,856,325</u>
LIABILITIES			
Non-current liabilities:			
Lease liabilities – non-current portion	9	720,574	804,368
Employees' end of service benefits	18	335,330	583,173
		<u>1,055,904</u>	<u>1,387,541</u>
Current liabilities:			
Lease liabilities – current portion	9	321,898	187,145
Trade payables		1,054,066	1,921,139
Accrued expenses and other credit balances	19	5,897,354	2,203,297
Due to shareholders	20	2,808,798	2,808,798
Zakat provision	21	1,085,846	1,210,736
		<u>11,167,962</u>	<u>8,331,115</u>
TOTAL LIABILITIES		<u>12,223,866</u>	<u>9,718,656</u>
TOTAL EQUITY AND LIABILITIES		<u>39,960,175</u>	<u>50,574,981</u>





The accompanying notes form an integral part of these reissued consolidated financial statements.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

REISSUED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

(SAUDI RIYALS)

	Note	31 December 2020	31 December 2019 (Restated)
Revenue		36,635,391	68,240,300
Cost of revenue	22	(35,028,637)	(82,387,596)
Gross profit/ (loss)		1,606,754	(14,147,296)
General and administrative expenses	23	(9,891,397)	(9,886,797)
Impairment loss on investments	10	(2,559,654)	(1,098,791)
Impairment loss on trade receivables	13	(1,725,285)	-
Operating loss for the year		(12,569,582)	(25,132,884)
Finance cost	9	(81,963)	(16,365)
Other income	24	1,920,730	465,584
Loss for the year before Zakat		(10,730,815)	(24,683,665)
Zakat expense	21	(2,451,149)	(1,325,542)
Loss for the year		(13,181,964)	(26,009,207)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial gain on employees' end of service benefits	18	61,948	28,145
Total other comprehensive income for the year		61,948	28,145
Total comprehensive loss for the year		(13,120,016)	(25,981,062)
Basic & diluted loss per share	17	(2,03)	(4,01)





The accompanying notes form an integral part of these reissued consolidated financial statements.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
REISSUED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020
(SAUDI RIYALS)

	Share capital	Statutory Reserve	Accumulated losses	Total
<u>Year 2019</u>				
Balance as at 1 January 2019	64,800,000	642,645	2,011,743	67,454,388
Adjustments on opening retained earnings	-	-	(617,001)	(617,001)
Loss for the year (Restated)	-	-	(26,009,207)	(26,009,207)
Other comprehensive income for the year	-	-	28,145	28,145
Total comprehensive loss for the year (Restated)	-	-	(25,981,062)	(25,981,062)
Balance as at 31 December 2019 (Restated)	64,800,000	642,645	(24,586,320)	40,856,325
<u>Year 2020</u>				
Loss for the year	-	-	(13,181,964)	(13,181,964)
Other comprehensive income for the year	-	-	61,948	61,948
Total comprehensive loss for the year	-	-	(13,120,016)	(13,120,016)
Balance as at 31 December 2020	64,800,000	642,645	(37,706,336)	27,736,309





The accompanying notes form an integral part of these reissued consolidated financial statements

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
REISSUED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020
(SAUDI RIYALS)

	31 December 2020	31 December 2019
Cash flows from operating activities		
Loss for the year before Zakat	(10,730,815)	(24,683,665)
Adjustments for:		
Depreciation on property, plant and equipment	504,048	297,376
Depreciation on right of use assets	206,396	82,354
Impairment loss on investments	2,559,654	1,098,791
Impairment loss on trade receivables	1,725,285	-
Employees' end of service benefits expense	192,068	236,308
Finance cost	81,963	16,365
	(5,461,401)	(22,952,471)
Working capital changes:		
Trade receivables	(9,268,573)	9,974,562
Inventories	(806,135)	(1,984,771)
Other debit balances	1,855,913	(5,208,338)
Trade payables	(867,073)	219,746
Accrued expenses and other credit balances	3,433,182	(969,863)
Due to shareholders	-	(42,189)
Cash generated from operating activities	(11,114,087)	(20,963,324)
Employees' end of service benefits paid	(117,088)	(99,108)
Zakat paid	(2,576,039)	(1,793,705)
Net cash used in operating activities	(13,807,214)	(22,856,137)
Cash flows from investing activities		
Additions to property, plant and equipment	(997,642)	(277,599)
Proceeds from disposal of property, plant and equipment	-	600
Additions to intangible assets	(78,206)	-
Proceeds from disposal of investments	4,000,000	-
Net cash flows generated from/ (used in) investing activities	2,924,152	(276,999)
Cash flows from financing activities		
Lease liabilities paid	(258,397)	(253,492)
Net cash used in financing activities	(258,397)	(253,492)
Net change in cash and cash equivalents	(11,141,459)	(23,386,628)
Cash and cash equivalents at beginning of the year	19,625,489	43,012,117
Cash and cash equivalents at end of the year	8,484,030	19,625,489
Non-cash transactions		
Employees' end of service benefits transferred to accrued expenses and other credit balances	(260,875)	-





The accompanying form an integral part of these reissued consolidated financial statements.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(SAUDI RIYALS)

1. STATUS AND NATURE OF BUSINESS

Saudi Industrial Export Company is a Saudi Joint Stock Company (the "Company"), it was established according to the resolution of his Excellency, Minister of Commerce, No. 954 on 12 Dhu al-Qidah 1410H. (5 June 1990), registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010077554 issued in Riyadh on 25 Dhu al-Qidah 1410H. (18 June 1990). The Company's fully paid share capital at the date of the consolidated financial statements is SR 64,8 million, consisting of 6,480,000 share of SR 10 each.

The Company's main activity is engaged in the trading of crude oil, minerals and industrial chemical products including those fertilizers, wholesale of lubricants and refined petroleum products, wholesale of cement and plaster and the like, wholesale of primary plastic materials, rubber and synthetic fibers, retail sale of plants, seeds and fertilizers (nurseries), Storage in ports and customs or free zones.

The Company's head office is located in Riyadh, P.O. Box 21977 Riyadh 11485.

The consolidated financial statements include the assets and liabilities of the Company, its subsidiary and its branches (the "Group"):

<u>Subsidiary Name</u>	<u>Country</u>	<u>Share Capital</u>	<u>Ownership %</u>
Saudi Industrial Export Company*	Jordan	250,000 Jordanian Dinar	100%
<u>Branch Name</u>	<u>City</u>	<u>Registration number</u>	<u>Registration date</u>
Sara Medical Supplies Factory	Riyadh	1010143870	30/06/1417 H

2. STATEMENT OF COMPLIANCE WITH IFRS

These consolidated financial statements of the Group have been prepared in in compliance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia ("IFRS") and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

3.1 New and revised standards applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2020, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Revised 'Conceptual Framework for Financial Reporting'.
- Amendments to IFRS 3 Business Combinations to clarify the definition of a business.
- Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments regarding pre-replacement issues in the context of the IBOR reform.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding the definition of material.
- Amendments to IFRS 16 Leases provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)****3.2 New and revised standards in issue but not yet effective and not early adopted**

The Group has not yet early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely
Amendments to IAS 1 <i>Presentation of Financial Statements</i> regarding the classification of liabilities.	1 January 2023
IFRS 17 <i>Insurance Contracts</i> establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 <i>Insurance Contracts</i> .	1 January 2023
Amendments IFRS 3 <i>Business Combination</i> updating a reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 <i>Property, Plant and Equipment</i> prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	1 January 2022
Amendments to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> regarding the costs to include when assessing whether a contract is onerous	1 January 2022
Amendments to IFRS 4 <i>Insurance Contracts</i> , IFRS 7 <i>Financial Instruments: Disclosures</i> , IFRS 9 <i>Financial Instruments</i> and IFRS 16 <i>Leases</i> regarding replacement issues in the context of the interest rate reform	1 January 2021
Annual Improvements to IFRS 2018 – 2020 Cycle amending IFRS 1, IFRS 9, IFRS 16 and IAS 41.	1 January 2022

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

4. BASIS OF PREPARATION**4.1 Overall considerations**

These consolidated financial statements have been prepared using the measurement bases specified by IFRSs for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies.

The Significant Accounting Policies adopted in the preparation of these consolidated financial statements are set out in note 6. The accounting policies have been consistently applied to all the years presented unless otherwise stated.

The preparation of consolidated financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group's management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing these consolidated financial statements and their effect are disclosed in note 5.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020
(SAUDI RIYALS)

4. BASIS OF PREPARATION (CONTINUED)

4.1 Overall considerations (continued)

These consolidated financial statements have been prepared on the historical cost basis, except for the following:

- Trade receivables at amortized cost;
- Defined benefits plan measured at the present value of future obligations using the Projected Unit Credit Method;

Furthermore, these consolidated financial statements are prepared using the accrual basis of accounting and the going concern basis.

4.2 Functional and presentation currency

The consolidated financial statements are presented in Saudi Riyal, which is the Group's functional and presentation currency.

4.3 Basis of consolidation financial statements

The consolidated financial statements present the results of the Company and its subsidiary as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Subsidiary

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in these consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions and balances eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Financial year

The Group's financial year starts from 1 January and ends on 31 December in each Gregorian calendar year.

5. USE OF JUDGEMENT AND ESTIMATES

The Group makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, experience may differ from these estimates and assumptions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

5.1 Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amount recognized in the consolidated financial statements is included in the following notes:

Going concern basis of accounting

The consolidated financial statements have been prepared on the going concern basis, which assumes that the Group will continue its activities for the foreseeable future. The Group's accumulate losses as 31 December 2020 amounted to SR 37,706,336, which comprises 58% of the share capital (31 December 2019: SR 24,586,320, which comprises 38% of the share capital), and the losses for the year ended 31 December 2020 amounted to SR 13,181,964 (2019: SR 26,009,207). The ability of the Group to continue its operations depends on obtaining finance, profitable contracts and increase the volume of its revenue appropriately.

The Group is working on expanding the business model by entering into operations that complement the Group's activity according to the articles of association to include storage operations in regional and international free zones, in addition to entering into import operations of raw materials and expanding transfers for the Group's account and the account of others. In addition, the Group's management is working towards trading in high profit margin items such as foodstuffs. The Company also announced the approval of the Board of Directors to close the Saudi Industrial Exports Company in the Hashemite Kingdom of Jordan in order to reduce general and

5. USE OF JUDGEMENT AND ESTIMATES (CONTINUED)

5.1 Judgments (continued)

Going concern basis of accounting (continued)

administrative expenses, and it also worked to increase the Company's share capital by submitting an application to the Capital Market Authority.

However, as described above, the management reasonably expect that the Group can continue its activities for the foreseeable future.

Impairment of trade receivable

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The allowance for expected credit losses on trade receivables is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Trade receivables are normally assessed collectively unless there is a need to assess a particular debtor on an individual basis (refer to 6.4).

5.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for the year ended 31 December 2020 are as follows:

Uncertain Zakat & tax positions

The Group's current Zakat payable of SR 1,085,846 relates to management's assessment of the amount of Zakat payable on open Zakat positions where the Group remain to be agreed with the General Authority of Zakat and Tax (GAZT). Due to the uncertainty associated with such Zakat items, it is possible that, on finalization of open Zakat assessments at a future date, the final outcome may differ significantly. Note 21 describes the status of Zakat and tax assessments.

Employees' end of service benefits

Employee defined benefit liabilities are determined using an actuarial valuation, which requires estimates to be made of the various inputs (refer to note 6.13).

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements, following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

6.1 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.2 Foreign currency translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the Group's functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and the re-measurement of monetary items at year-end exchange rates are recognized in the consolidated statement of profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when the fair value was determined.

6.3 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks, cash on hand, which are subject to an insignificant risk of changes in value.

6.4 Trade receivables

Trade receivables are carried at original invoice amount less impairment losses at an amount equal to the lifetime ECLs. When an account receivable is uncollectible, it is written-off against the impairment losses. Refer to note 6.6 for impairment of financial assets.

6.5 Inventories

Inventories are included in the consolidated financial statements at the lower of cost or net realizable value with due allowance for any obsolete or slow-moving items and damages as per Group's policy. The cost of trading goods is determined on a weightage average cost method.

6.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition

A financial asset or financial liability is recognized when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date.

Classification

The Group classifies its financial assets into the following measurement categories:

- Those to be measured subsequently at amortized cost;
- Fair value through other comprehensive income;
- Fair value through profit or loss.

The classification depends on the Group's contractual terms of the financial assets cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (FVTPL). For assets and liabilities measured at fair value, gains and losses are either recorded in the consolidated statement of profit or loss or consolidated other comprehensive income. Financial liabilities are not reclassified.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

(SAUDI RIYALS)

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.6 Financial Instruments (continued)

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at fair value through profit or loss and other comprehensive income, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through the profit or loss are expensed in the consolidated statement of profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through the consolidated profit or loss or consolidated other comprehensive income (irrevocable election at the time of recognition).

De-recognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either the Group has transferred substantially all the risks and rewards of the asset or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Impairment

For accounts receivables, the Group recognizes expected credit losses based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Group to track the changes in credit risk; rather, the Group recognizes a loss allowance based on lifetime expected credit losses at each reporting date.

The Group assesses all information available, including past due status, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

Financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)*

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**6.7 Property, plant and equipment****Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation, and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. All other repair and maintenance costs are recognized in the consolidated income statement as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the consolidated statement of profit or loss as other income.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in the consolidated statement of profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Description	Depreciation rate
Buildings	2.5%
Tools and equipment	12.5%
Furniture and fixtures	10%
Computers and tools	12.5% - 25%
Vehicles	25%
Leasehold improvements	20%

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

6.8 Impairment testing of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

(SAUDI RIYALS)

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**6.8 Impairment testing of non-financial assets (continued)**

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such an indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss.

6.9 Lessee**Lessor**

The Group assesses whether a contract contains a lease, at the inception of the contract. For all such lease arrangements, the Group recognize right of use assets and lease liabilities except for the short-term leases and leases of low-value assets as follows:

Right of use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets is subject to impairment in value.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, or a change in the assessment to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

(SAUDI RIYALS)

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**6.10 Zakat**

The Group is subject to Zakat in accordance with the regulations of the General Authority of Zakat and Tax (the "GAZT"). The provision of Zakat is calculated as per the Zakat base prepared on the basis of the consolidated financial statements of the Group.

6.11 Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group, and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

6.12 Trade payables and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

6.13 Employees' end of service benefits**Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plan

The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses (excluding finance expense) is recognized immediately in consolidated other comprehensive income. The Group determines the net finance expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net finance expenses and other expenses related to defined benefit plans are recognized in the consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in the benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the consolidated statement of profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

6.14 EQUITY

Share capital represents the nominal value of shares that have been issued. Accumulated losses include all current and prior period losses.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020
(SAUDI RIYALS)

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.15 Revenue recognition

The Group recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15.

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected in behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- a) The Group's performance does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date.
- b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms if payment and excluding taxed and duty.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The Group identified one performance obligation which is the delivery of goods to the customers as per the term of the customer contracts. Accordingly, revenue is recognized point in time when the performance obligation is fulfilled.

The Group consider factors like having primary responsibility to provide the goods, assuming inventory risk, and having the ability to establish prices, whether it is acting as a principal or an agent when delivering goods to a customer as this will impact whether revenue is recognized on a gross or net basis.

Where indicators above are met, the Group is considered acting as a principal, and therefore, sales transactions related to the above are recorded on a gross basis. On the contrary, where the above indicators have not met the Group is considered acting as an agent, and therefore, sales transactions are recorded on a net basis.

6.16 Cost of revenue

Cost of revenue includes direct costs of sales, including costs of materials, contract services, and overheads directly attributable to revenue.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020
(SAUDI RIYALS)

7. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Tools and Equipment	Furniture and fixtures	Computer and tools	Vehicles **	Leasehold improvements	Work in progress	Total
Cost:								
As at 1 January 2019	2,803,014	727,500	552,890	864,441	169,590	-	-	5,117,435
Additions	-	88,030	97,345	52,724	-	-	39,500	277,599
Disposals	-	-	-	(1,799)	-	-	-	(1,799)
As at 31 December 2019	2,803,014	815,530	650,235	915,366	169,590	-	39,500	5,393,235
Additions	-	64,621	48,535	245,260	227,393	568,426	70,800	1,225,035
Transfer	-	-	39,500	-	-	-	(39,500)	-
As at 31 December 2020	2,803,014	880,151	738,270	1,160,626	396,983	568,426	70,800	6,618,270
Accumulated depreciation:								
As at 1 January 2019	229,385	421,154	498,906	728,316	169,588	-	-	2,047,349
Charge for the year	70,076	153,164	27,309	46,827	-	-	-	297,376
Elimination on disposals	-	-	-	(1,199)	-	-	-	(1,199)
As at 31 December 2019	299,461	574,318	526,215	773,944	169,588	-	-	2,343,526
Charge for the year	70,076	140,213	30,932	73,346	56,848	132,633	-	504,048
As at 31 December 2020	369,537	714,531	557,147	847,290	226,436	132,633	-	2,847,574
Net book value:								
31 December 2020	2,433,477	165,620	181,123	313,336	170,547	435,793	70,800	3,770,696
31 December 2019	2,503,553	241,212	124,020	141,422	2	-	39,500	3,049,709

** During the year 2020, the Group purchased vehicles through a three years' finance lease ending with transfer of ownership.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020
(SAUDI RIYALS)

8. INTANGIBLE ASSETS

Intangible assets represent an accounting system that is still not implemented in the Company.

	<u>2020</u>
<u>Cost:</u>	
1 January 2020	-
Addition during the year	<u>78,206</u>
31 December 2020	<u>78,206</u>
<u>Accumulated amortization:</u>	
1 January 2020	-
Charged during the year	<u>-</u>
31 December 2020	<u>-</u>
<u>Net book value:</u>	
31 December 2020	<u>78,206</u>

9. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right of use assets

<u>Cost:</u>	
1 January 2019	722,184
Addition during the year	<u>506,456</u>
31 December 2019 (Restated)	<u>1,228,640</u>
Addition during the year	<u>-</u>
31 December 2020	<u>1,228,640</u>
<u>Accumulated amortization:</u>	
1 January 2019	-
Charged during the year	<u>82,354</u>
31 December 2019 (Restated)	<u>82,354</u>
Charged during the year	<u>206,396</u>
31 December 2020	<u>288,750</u>
<u>Net book value:</u>	
31 December 2020	<u>939,890</u>
31 December 2019	<u>1,146,286</u>

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***9. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)****Lease liabilities**

1 January 2019	722,184
Addition during the year	506,456
Finance cost	16,365
Paid during the year	(253,492)
31 December 2019 (Restated)	991,513
Addition during the year	227,393
Finance cost	81,963
Paid during the year	(258,397)
31 December 2020	1,042,472
Lease liabilities – current portion	321,898
Lease liabilities – non-current portion	720,574

10. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019 (Restated)
1 January	6,559,654	7,658,445
Change in fair value	(2,559,654)	(1,098,791)
Disposal during the year	(4,000,000)	-
31 December	-	6,559,654

During the year, the Group sold its share in LSC Warehouse and Logistics Services Company for an amount of SR 4 million. The sale did not result in any profit or loss.

Investments at fair value through profit or loss includes investments in United National Exports Company Ltd. and Shahd Sahara Trading Company Ltd. The original investment amount is SR 837,427. As these investments are under liquidation, the Group was not able to obtain an indicative fair value of the investments, however, on a prudent basis, the Group decided to fully impair these investments.

11. INVENTORIES

	31 December 2020	31 December 2019
Sara storage	1,277,212	-
Granular sulfur	1,308,884	1,765,440
Foodstuffs	453,917	-
Crude sulfur	313,725	409,436
Polymer	78,670	471,079
Goods in transit	19,682	-
	3,452,090	2,645,955

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020****(SAUDI RIYALS)****12. OTHER DEBIT BALANCES**

	31 December 2020	31 December 2019
		(Restated)
Cash margins	3,908,497	6,757,500
Advances to suppliers	2,949,363	1,359,990
VAT receivables	323,503	311,992
Prepaid expenses	206,565	783,305
Due from employees	192,660	223,714
Others	14,240	14,240
	7,594,828	9,450,741

13. TRADE RECEIVABLES

	31 December 2020	31 December 2019
		(Restated)
Trade receivables	17,480,217	8,211,644
Provision for impairment loss on trade receivables *	(1,839,782)	(114,497)
	15,640,435	8,097,147

* Movement of provision for impairment loss on trade receivables for the years ended 31 December is as follows:

	2020	2019
1 January	114,497	114,497
Provision for the year	1,725,285	-
31 December	1,839,782	114,497

Aging of trade receivables is as follows:

	31 December 2020	31 December 2019
Up to 3 months	357,262	35,438
From 3 – 6 months	-	-
From 6 – 12 months	8,454,434	8,176,206
More than a year	8,668,521	-
	17,480,217	8,211,644

14. CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Cash at bank	8,470,089	19,612,212
Cash on hand	13,941	13,277
	8,484,030	19,625,489

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***15. SHARE CAPITAL**

The authorized and paid-up capital is SR 108 million, consisting of 10.8 million shares, the value of each share is SR 10, and the shareholders agreed in the extraordinary general assembly meeting held on 23 December 2017 to reduce the Group's share capital from SR 108 million to SR 10.8 million, by reducing the number of shares from 10.8 million shares to 1.08 million shares, in order to comply with the requirements of the Companies' Law. This resulted in a decrease in the accumulated losses to less than half of the Group's share capital as at 31 December 2017. This reduction in the Group's share capital has been approved by the related authorities.

In the extraordinary general assembly meeting held on October 9, 2018, the shareholders agreed to increase the Company's share capital from SR 10.8 million to SR 64.8 million, by offering preemptive rights shares. This is to support the Company's financial position, develop its business, and develop the Company's activity and operations. This increase in the Company's share capital has been approved by the related authorities.

	<u>Share value</u>	<u>Number of shares</u>	<u>Total</u>
Share capital as 31 December 2020	10	6,480,000	64,800,000
Share capital as 31 December 2019	10	6,480,000	64,800,000

On December 31, 2020, the Company announced that it had submitted the application file for approval of the share capital increase to the Saudi Capital Market Authority, which is still under study by the related authorities.

16. STATUTORY RESERVE

As required by the Saudi Arabian Regulations for Companies, 10% of the Company's net profit for the year is to be transferred to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 30% of the share capital. The reserve is not available for distribution.

17. BASIC & DILUTED LOSS PER SHARE

	<u>31 December 2020</u>	<u>31 December 2019</u>
Loss for the year	(13,181,964)	(26,009,207)
Weighted average number of ordinary shares	6,480,000	6,480,000
	<u>(2,03)</u>	<u>(4,01)</u>

Basic loss per share has been calculated by dividing the loss attributable to the shareholders of the Company over the weighted average number of outstanding ordinary shares during the year.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***18. EMPLOYEES' END OF SERVICE BENEFITS**

	2020	2019
As at 1 January	583,173	474,118
Included in profit or loss		
Current service cost	192,068	236,308
Included in other comprehensive income		
Actuarial gain on employees' end of service benefits	(61,948)	(28,145)
Benefits paid	(117,088)	(99,108)
Benefits transferred to accrued expenses and other credit balances	(260,875)	-
As at 31 December	335,330	583,173

Actuarial assumptions on defined benefit liability

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 December 2020	31 December 2019
Discount rate	2.5%	3.5%
Future salary growth rate	3.5%	4.5%

Sensitivity analysis

Possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 December 2020	31 December 2019
<u>INCREASE</u>		
Discount rate (1%)	311,154	529,663
Future salary growth rate (1%)	362,885	645,149
<u>DECREASE</u>		
Discount rate (1%)	363,466	646,452
Future salary growth rate (1%)	311,154	529,663

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximate estimate of the sensitivity of the assumptions shown.

19. ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	31 December 2020	31 December 2019
		(Restated)
Advances received from customers	4,001,762	250,032
Accrued expenses	1,895,592	1,953,265
	5,897,354	2,203,297

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***20. DUE TO SHAREHOLDERS**

	31 December 2020	31 December 2019
Share capital's subscription surplus *	437,136	437,136
Dividends payable **	2,371,662	2,371,662
	2,808,798	2,808,798

* The balance of the share capital's subscription surplus represents the subscription amounts received from eligible shareholders who exercised their right to subscribe to newly issued shares and those entitled to fractional shares. The remaining balance of the surplus is amounted to SR 437,136 as 31 December 2020, because the Company is not able to transfer these amounts due to non-availability of the bank accounts information or its inaccuracy.

** This balance represents dividends payable to the shareholders for the profits of previous years, which the shareholders did not present to receive it until the date of approval of the consolidated financial statements.

21. ZAKAT

	2020	2019
1 January	1,210,736	1,678,899
Deficiency from previous years	1,551,149	-
Charged during the year	900,000	1,325,542
Paid during the year	(2,576,039)	(1,793,705)
31 December	1,085,846	1,210,736

Zakat status

The Company has filed its Zakat returns with General Authority for Zakat and Tax and obtained Zakat certificates up to year 2019. The Company received letters of amendment of the Zakat returns from General Authority for Zakat and Tax for the years from 2014 to 2018. The value of Zakat variances amounted to SR 3.5 million, the General Authority for Zakat and Tax agreed on the Company's objection at an amount of SR 0.7 million, the Company paid an amount of SR 1.6 million, which was recorded as an expense during the current year. The Company submitted an objection request for the remaining variance to the General Secretariat of the Tax Committees.

Tax status

The Company received letters of amendment of the value-added tax returns from the General Authority for Zakat and Tax for periods during the years 2018 and 2019, The value of VAT variances and its fines is approximately amounted to SR 18.8 million. The Company submitted an objection request to the General Secretariat of the Tax Committees.

The Group's management believes that the outcome of the objections will be in its favour with regard to the above variances.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***22. COST OF REVENUE**

	31 December 2020	31 December 2019
		(Restated)
Materials cost	32,037,833	71,369,032
Customs and clearance expenses	2,563,927	10,401,198
Maintenance	143,193	51,400
Examination and analysis	92,344	89,586
Bank charges	61,885	107,301
Utilities	60,903	10,667
Packaging	-	21,623
Others	68,552	336,789
	35,028,637	82,387,596

23. GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2020	31 December 2019
		(Restated)
Employees' salaries and benefits	4,360,002	4,059,184
Professional fees	1,060,515	2,029,562
Board of Directors remunerations	769,754	1,248,707
Depreciation	710,444	379,730
Governmental fees	693,093	406,647
Rent	627,851	247,737
Other debit balances written off	471,668	-
Board of Directors attendance allowance	174,000	303,000
Insurance expenses	159,558	324,460
Utilities expenses	128,411	98,533
Advertising expenses	83,263	108,399
Office supplies	60,412	46,825
Repair and maintenance	79,311	52,295
Bank charges	28,709	69,202
Other expenses	484,406	512,516
	9,891,397	9,886,797

24. OTHER INCOME

	31 December 2020	31 December 2019
		(Restated)
Income from sale of shares	1,816,153	181,264
Others	104,577	284,320
	1,920,730	465,584

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020
(SAUDI RIYALS)

25. COMPENSATION OF KEY MANAGEMENT PERSONNEL

31 December 2020	31 December 2019
2,646,234	3,161,694

Compensation for key management personnel consists of salaries, benefits, and end-of-service benefits for senior management in addition to remuneration for board members.

26. SEGMENT INFORMATION

A segment is a separate and distinct part of the Company that engages in business activities from which it may earn revenues and incur expenses. The operating segments are disclosed on the basis of internal reports that are reviewed by the chief operating decision-maker, who is the person responsible for allocating resources, assessing performance and making strategic decisions about the operating segments. The operating sectors that show similar economic characteristics, products, services, and similar customer categories, whenever possible, are grouped and recorded as segments that are reported in accordance with International Financial Reporting Standard (8) "Operating Segments".

Basis of division

For administrative purposes, the Company arranges its business through business units on the basis of segments. The following are the segments activities:

- 1- Export from inside and outside the Kingdom, most of the Company's export operations are carried out from the Kingdom of Saudi Arabia to the Middle East, Asia and Africa.
- 2- Production and sale of medical supplies.
- 3- Importing cement from the Kingdom of Saudi Arabia and opening new markets in Jordan for sale.

The business segments have been identified on the basis of internal reports that are presented to the finance manager regularly to upload resources to the segments and evaluate their performance "management approach". The management approach depends on the way in which management organizes business segments within the Company in order to make operational decisions and evaluate performance. At the end of each financial year, management actively reviews the segments for both the quantities and the characteristics of the revenues and expenses presentation in those segments.

Below is a summary of some selected financial information according to the above-mentioned operating segments:

Consolidated statement of financial position	31 December 2020			
	Saudi Industrial Export Company	Sara Factory	Saudi Industrial Export/ Jordan	Total
Property, plant and equipment	947,748	2,801,066	21,882	3,770,696
Current assets	32,719,761	1,537,585	914,037	35,171,383
Total current liabilities	11,010,984	156,978	-	11,167,962

Consolidated statement of financial position	31 December 2019			
	Saudi Industrial Export Company	Sara Factory	Saudi Industrial Export/ Jordan	Total
Property, plant and equipment	241,115	2,776,673	31,921	3,049,709
Current assets	38,511,603	248,757	1,058,972	39,819,332
Total current liabilities	8,262,349	68,766	-	8,331,115

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***26. SEGMENT INFORMATION (CONTINUED)**

Consolidated statement of profit or loss	For the year ended 31 December 2020			
	Saudi Industrial Export Company	Sara Factory	Saudi Industrial Export/ Jordan	Total
Revenue	36,083,863	551,528	-	36,635,391
Depreciation	414,276	285,619	10,549	710,444
Net loss	11,546,066	1,351,038	284,860	13,181,964

	For the year ended 31 December 2019			
	Saudi Industrial Export Company	Sara Factory	Saudi Industrial Export/ Jordan	Total
Revenue	68,240,300	-	-	68,240,300
Depreciation	66,749	302,447	10,534	379,730
Net loss	25,456,942	409,965	142,300	26,009,207

27. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Market price risk, and
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the consolidated financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies, and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Trade receivables
- Trade payables
- Lease liabilities

Fair value and fair value hierarchy

The Group measures financial instruments at fair value at each consolidated statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***27. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)****Fair value and fair value hierarchy (continued)**

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

At each reporting date, the Group analyses the movements in the values of assets and liabilities, which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing with the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade receivables, trade payables and lease liabilities.

Due to their short-term nature, the carrying value of these financial instruments approximates their fair value.

Financial instrument by category

	31 December 2020	31 December 2019
		(Restated)
Financial assets		
<i>Amortized cost</i>		
Cash and cash equivalents	8,484,030	19,625,489
Trade receivables	15,640,435	8,097,147
	24,124,465	27,722,636
Financial liabilities		
<i>Amortized cost</i>		
Trade payables	1,054,066	1,921,139
Lease liabilities	1,042,472	991,513
	2,096,538	2,912,652

Credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss and arises principally from cash and cash equivalent and trade receivable.

The Groups maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	31 December 2020	31 December 2019
		(Restated)
Cash and cash equivalents	8,484,030	19,625,489
Trade receivables	15,640,435	8,097,147
	24,124,465	27,722,636

The carrying amount of financial assets represents the maximum credit risk exposure.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***27. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)****Credit risk (continued)**

Credit risk on cash and cash equivalents and trade receivables is limited as:

- Cash balances are held with banks with sound credit ratings.
- Trade receivables are shown net of allowance for impairment of trade receivables.

The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis.

Market risk

Market risk arises from the Group's use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in commission rates (commission rate risk) or other market factors (other price risks).

Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Up to one year	More than one year, up to five years	More than five years	Total
31 December 2020				
Financial liabilities				
Trade payables	1,054,066	-	-	1,054,066
Lease liabilities	321,898	348,239	372,335	1,042,472
	1,375,964	348,239	372,335	2,096,538
	Up to one year	More than one year, up to five years	More than five years	Total
31 December 2019 (Restated)				
Financial liabilities				
Trade payables	1,921,139	-	-	1,921,139
Lease liabilities	187,145	366,354	438,014	991,513
	2,108,284	366,354	438,014	2,912,652

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

(SAUDI RIYALS)

28. PRIOR YEAR ADJUSTMENTS

The Group has restated its consolidated financial statements as follows:

Following is a summary of adjustments on consolidated statement of financial position as at 31 December 2019:

	Note	31 December 2019 (Audited)	Reclassification	Remeasurement	31 December 2019 (Restated)
ASSETS					
Non-current assets:					
Property, plant and equipment		3,049,709	-	-	3,049,709
Right of use assets	A	668,018	-	478,268	1,146,286
Investments at fair value through profit or loss - FVTPL		6,559,654	-	-	6,559,654
		<u>10,277,381</u>	<u>-</u>	<u>478,268</u>	<u>10,755,649</u>
Current assets:					
Inventories	E	2,264,833	-	381,122	2,645,955
Other debit balances	A, B, E, F	10,089,581	58,130	(696,970)	9,450,741
Trade receivables	C, F	20,876,976	(442,329)	(12,337,500)	8,097,147
Cash and cash equivalents		19,625,489	-	-	19,625,489
		<u>52,856,879</u>	<u>(384,199)</u>	<u>(12,653,348)</u>	<u>39,819,332</u>
TOTAL ASSETS		<u>63,134,260</u>	<u>(384,199)</u>	<u>(12,175,080)</u>	<u>50,574,981</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital		64,800,000	-	-	64,800,000
Statutory reserve		642,645	-	-	642,645
Accumulated losses		(11,257,339)	-	(13,328,981)	(24,586,320)
TOTAL EQUITY		<u>54,185,306</u>	<u>-</u>	<u>(13,328,981)</u>	<u>40,856,325</u>
LIABILITIES					
Non-current liabilities:					
Lease liabilities – non-current portion	A	646,446	-	157,922	804,368
Employees' end of service benefits		583,173	-	-	583,173
		<u>1,229,619</u>	<u>-</u>	<u>157,922</u>	<u>1,387,541</u>
Current liabilities:					
Lease liabilities – current portion	A	11,815	-	175,330	187,145
Trade payables	C, E, F	2,363,835	(18,193)	(424,503)	1,921,139
Accrued expenses and other credit balances	B, F	1,324,151	(366,006)	1,245,152	2,203,297
Due to shareholders		2,808,798	-	-	2,808,798
Zakat provision		1,210,736	-	-	1,210,736
		<u>7,719,335</u>	<u>(384,199)</u>	<u>995,979</u>	<u>8,331,115</u>
TOTAL LIABILITIES		<u>8,948,954</u>	<u>(384,199)</u>	<u>1,153,901</u>	<u>9,718,656</u>
TOTAL EQUITY AND LIABILITIES		<u>63,134,260</u>	<u>(384,199)</u>	<u>(12,175,080)</u>	<u>50,574,981</u>

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

(SAUDI RIYALS)

28. PRIOR YEAR ADJUSTMENTS (CONTINUED)

Following is a summary of adjustments on consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019:

	Note	31 December 2019 (Audited)	Reclassification	Remeasurement	31 December 2019 (Restated)
Revenue	C	80,577,800	-	(12,337,500)	68,240,300
Cost of revenue	C, E	(83,003,977)	35,600	580,781	(82,387,596)
Gross loss		(2,426,177)	35,600	(11,756,719)	(14,147,296)
General and administrative expenses	B, E	(8,281,059)	(35,600)	(1,570,138)	(9,886,797)
Impairment loss on investments		(1,098,791)	-	-	(1,098,791)
Operating loss for the year		(11,806,027)	-	(13,326,857)	(25,132,884)
Finance cost	A	(14,241)	-	(2,124)	(16,365)
Other income	D	493,729	-	(28,145)	465,584
Loss for the year before Zakat		(11,326,539)	-	(13,357,126)	(24,683,665)
Zakat expense		(1,325,542)	-	-	(1,325,542)
Loss for the year		(12,652,081)	-	(13,357,126)	(26,009,207)
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss:</i>					
Actuarial gain on employees' end of service benefits		28,145	-	-	28,145
Total other comprehensive income for the year		28,145	-	-	28,145
Total comprehensive loss for the year		(12,623,936)	-	(13,357,126)	(25,981,062)
Basic & diluted loss per share		(1.95)			(4.01)

Notes to the reconciliation of the consolidated statement of financial position as at 31 December 2019 and consolidated statement of profit and loss and other comprehensive income for the year ended as 31 December 2019:

- The balance of the right to use assets, lease liabilities and prepaid expenses in respect of the Group's head office lease contract has been adjusted in accordance with the requirements of IFRS No. (16).
- The adjustment relates to the recognition of professional fees expenses and Board of Directors' remunerations for the year ended as 31 December 2019.
- The Company, through the former CEO, agreed on a deal to sell 35,000 tons of crude sulphur according to the purchase order received from the customer. Accordingly, the supplier was contacted, a preliminary invoice was shared for the required quantity, a sales invoice was issued, and revenue was recorded during the month of December 2019. During the fiscal year, a letter was received from the customer dated 1 September 2020 stating that the quantity is still not received and considering the deal cancelled. Accordingly, the revenue and related costs were reversed, in addition to cancelling the customer and supplier accounts. The Audit Committee recommended to the Board of Directors to approve the reversal of the transaction and form a committee to investigate the deal including verifying whether there is manipulation or not and take the necessary action. The Board of Directors formed an Internal Committee, which is independent from Executive Management and implemented the recommendations of the Audit Committee. Also, an external expert party has been appointed in the subsequent period to the date of the financial statements to investigate this matter. The investigation was not completed until the date of the approval of the reissued consolidated financial statements.
- Cancelling the recognition of actuarial gain on employees' end of service benefits that were recognized twice in error.
- The Company recorded inventory during the current year, and later it was found that the inventory had been purchased and received during the year ending 31 December 2019, accordingly, the inventory and related balances were adjusted.
- Certain comparative figures have been reclassified to comply with the current year presentation of these consolidated financial statements.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***29. REISSUED CONSOLIDATED FINANCIAL STATEMENTS ADJUSTMENTS**

The Group has reissued the consolidated financial statements for current year to replace the consolidated financial statements that were approved on 16 Ramadan 1442H (corresponding to 28 April 2021), following is the details of the adjustments made on the items of the consolidated statement of financial position and the consolidated statement of profit or loss and other comprehensive income:

	Note	31 December 2020 Before reissuance	Adjustments	31 December 2020 Reissued
ASSETS				
Non-current assets:				
Property, plant and equipment		3,770,696	-	3,770,696
Intangible assets		78,206	-	78,206
Right of use assets		939,890	-	939,890
		<u>4,788,792</u>	<u>-</u>	<u>4,788,792</u>
Current assets:				
Inventories	A	3,501,728	(49,638)	3,452,090
Other debit balances	A	6,363,790	1,231,038	7,594,828
Trade receivables		15,640,435	-	15,640,435
Cash and cash equivalents		8,484,030	-	8,484,030
		<u>33,989,983</u>	<u>1,181,400</u>	<u>35,171,383</u>
TOTAL ASSETS		<u>38,778,775</u>	<u>1,181,400</u>	<u>39,960,175</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital		64,800,000	-	64,800,000
Statutory reserve		642,645	-	642,645
Accumulated losses	B	(37,406,818)	(299,518)	(37,706,336)
TOTAL EQUITY		<u>28,035,827</u>	<u>(299,518)</u>	<u>27,736,309</u>
LIABILITIES				
Non-current liabilities:				
Lease liabilities – non-current portion		720,574	-	720,574
Employees' end of service benefits		340,354	(5,024)	335,330
		<u>1,060,928</u>	<u>(5,024)</u>	<u>1,055,904</u>
Current liabilities:				
Lease liabilities – current portion		321,898	-	321,898
Trade payables	A	2,421,573	(1,367,507)	1,054,066
Accrued expenses and other credit balances	A	3,043,905	2,853,449	5,897,354
Due to shareholders		2,808,798	-	2,808,798
Zakat provision		1,085,846	-	1,085,846
		<u>9,682,020</u>	<u>1,485,942</u>	<u>11,167,962</u>
TOTAL LIABILITIES		<u>10,742,948</u>	<u>1,480,918</u>	<u>12,223,866</u>
TOTAL EQUITY AND LIABILITIES		<u>38,778,775</u>	<u>1,181,400</u>	<u>39,960,175</u>

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***29. REISSUED CONSOLIDATED FINANCIAL STATEMENTS ADJUSTMENTS (CONTINUED)**

	Note	31 December 2020	Adjustments	31 December 2020
		Before reissuance		Reissued
Revenue	A	39,523,962	(2,888,571)	36,635,391
Cost of revenue	A	(37,568,317)	2,539,680	(35,028,637)
Gross profit		1,955,645	(348,891)	1,606,754
General and administrative expenses	B	(9,884,634)	(6,763)	(9,891,397)
Impairment loss on investments		(2,559,654)	-	(2,559,654)
Impairment loss on trade receivables		(1,725,285)	-	(1,725,285)
Operating loss for the year		(12,213,928)	(355,654)	(12,569,582)
Finance cost		(81,963)	-	(81,963)
Other income		1,920,730	-	1,920,730
Loss for the year before Zakat		(10,375,161)	(355,654)	(10,730,815)
Zakat expense		(2,451,149)	-	(2,451,149)
Loss for the year		(12,826,310)	(355,654)	(13,181,964)
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss:</i>				
Actuarial gain on employees' end of service benefits	B	5,812	56,136	61,948
Total other comprehensive income for the year		5,812	56,136	61,948
Total comprehensive loss for the year		(12,820,498)	(299,518)	(13,120,016)
Basic & diluted loss per share		(1.98)		(2.03)

Notes to the reconciliation of the consolidated statement of financial position as at 31 December 2020 and consolidated statement of profit and loss and other comprehensive income for the year ended 31 December 2020

- A. The Company recorded sales during the current year, and later it was found that they are related to the year 2021, accordingly, it was reversed along with the cost of revenue and the related items of the consolidated statement of financial position.
- B. The management corrected the data provided to the actuarial expert, who recalculated the employees' defined benefit obligations, and accordingly, the balance of each of the employees' defined benefit obligations, service costs and actuarial profits were adjusted.

30. CONTINGENT LIABILITIES AND COMMITMENTS

There are cases instituted against the Group with approximately total financial claims amounting to SR 9.9 million (2019: approximately SR 7.5 million), which no final judgments have been issued until the date of the consolidated financial statements. Management believes that such cases will not have any impact on the financial position of the Group and the results of its operations.

31. COVID – 19

Late 2019, an outbreak of coronavirus, COVID-19, emerged in China and subsequently spread to the whole world. The World Health Organization officially declared COVID-19 as a pandemic on March 11, 2020. In response to COVID-19 pandemic, authorities in the Kingdom of Saudi Arabia took unprecedented measures that included partial and full lockdown. In the opinion of management, this event did not have a significant impact on the Group's operation during 2020.

32. SUBSEQUENT EVENTS

The Company announced on 7 March 2021 that the Board of Directors approved to close Saudi Industrial Export Company in the Hashemite Kingdom of Jordan due to the lack of economic feasibility and to reduce the general and administrative expenses.

33. APPROVAL ON THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS

The reissued consolidated financial statements have been approved by the Board of Directors on 28 Shawwal 1442 H corresponding to 9 June 2021.