

SAUDI INDUSTRIAL EXPORT COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTHS PERIOD ENDED 30 JUNE 2021
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

**INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW
REPORT**

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

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**Independent Auditor's Review Report on the
Interim Condensed Financial Statements**

**To the Shareholders,
Saudi Industrial Export Company
(Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Saudi Industrial Export Company ('the Company') as of 30 June 2021 and the related interim condensed statements of profit or loss and other comprehensive income for the three months and six months period then ended, changes in equity and cash flows for the six-months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standards (IAS 34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

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

Basis for Qualified Conclusion

- 1- The Company 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 30 June 2021 and 31 December 2020.
- 2- Our audit of the financial statements for the year ended 31 December 2020 indicated 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. As a result, we were unable to determine whether any adjustments were necessary to cost of revenues for the six-month period ended 30 June 2020.
- 3- Management has not evaluated the Company'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 Company's revenue and cost of revenue for the period ended 30 June 2021 and 30 June 2020.

Qualified Conclusion

Based on our review, with the exception of the possible effects of the matters described in the "Basis for Qualified Conclusion" section, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Material Uncertainty Related to Going Concern

We draw attention to note (2) to the interim condensed financial statements, the interim condensed financial statements have been prepared on the going concern basis. The accumulated losses as 30 June 2021 amounted to SR 42,470,177, which comprises 66% of the share capital (31 December 2020: SR 37,954,378, which comprises 59% of the share capital), and the losses for the six-months period ended 30 June 2021 amounted to SR 4,515,799. Those events, among other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The ability of the Company to continue its operations depends on obtaining finance, profitable contracts and increase the volume of its revenue appropriately. Our conclusion is not modified in respect of this matter.

**Independent Auditor's Review Report on the
Interim Condensed Financial Statements (Continued)**

**To the Shareholders,
Saudi Industrial Export Company
(Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia**

Emphasize of Matter

We draw attention to note (14) to the interim condensed financial statements, which describes prior period's adjustments. Consequently, the interim condensed statement of financial position as at 30 June 2020 and the interim condensed statement of profit or loss and other comprehensive income for the three-month and six months period then ended have been restated. Our conclusion is not modified in respect of this matter.

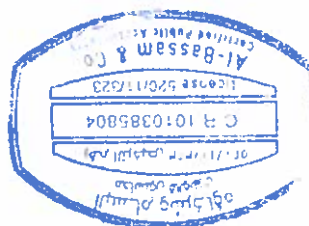
Other matter

The interim condensed financial statements of the Company for the three-month period ended 31 March 2021 were reviewed by another auditor who expressed a modified conclusion on 28 June 2021.

For Al-Bassam & Co.

**Ibrahim Al-Bassam
Certified Public Accountant
License No.337**

**Riyadh 16 Muharram 1443H
24 August 2021**



SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2021**

(All amounts are in Saudi Riyals unless otherwise mentioned)

	Note	30 June 2021	31 December 2020	31 December 2019
		(Unaudited)	(Audited)	(Audited)
ASSETS				
Non-current assets				
Property, plant and equipment		3,482,421	3,699,896	3,049,709
Right of use assets		837,923	939,890	1,146,286
Projects under construction		162,738	149,006	-
Financial assets at fair value through profit or loss		-	-	6,559,654
		4,483,082	4,788,792	10,755,649
Current assets				
Inventories, net	4	2,613,886	3,452,090	2,645,955
Trade receivables, net	5	11,372,827	15,640,435	8,097,147
Prepayments and other current assets		7,226,516	8,789,857	9,450,741
Cash and cash equivalents	6	7,956,642	8,484,030	19,625,489
Total current assets		29,169,871	36,366,412	39,819,332
Assets from discontinued operations	7	922,115	-	-
TOTAL ASSETS		34,575,068	41,155,204	50,574,981
EQUITY AND LIABILITIES				
EQUITY				
Share capital	8	64,800,000	64,800,000	64,800,000
Statutory reserve		642,645	642,645	642,645
Actuarial reserve		248,042	248,042	186,094
Accumulated losses		(42,470,177)	(37,954,378)	(24,772,414)
TOTAL EQUITY		23,220,510	27,736,309	40,856,325
LIABILITIES				
Non-current liabilities				
Employees' end of service benefits		410,260	335,330	583,173
Lease liabilities – non-current portion		757,476	720,574	804,368
		1,167,736	1,055,904	1,387,541
Current liabilities				
Lease liabilities – current portion		321,898	321,898	187,145
Trade payables		3,019,339	1,054,066	1,921,139
Accrued expenses and other credit balances		2,460,752	5,897,354	2,203,297
Due to shareholders		2,807,022	2,808,798	2,808,798
Zakat provision	9-3	1,577,811	2,280,875	1,210,736
TOTAL CURRENT LIABILITIES		10,186,822	12,362,991	8,331,115
TOTAL LIABILITIES		11,354,558	13,418,895	9,718,656
TOTAL EQUITY AND LIABILITIES		34,575,068	41,155,204	50,574,981
Contingent liabilities	10			
Signatures				
CFO	CEO	Chairman		
Ahmed Talat Abdelaziz	Suliman Hamad Al Jadie	Hatem Hamad Al Sehbany		

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

**INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE AND SIX-MONTHS PERIOD ENDED 30 JUNE 2021**

(All amounts are in Saudi Riyals unless otherwise mentioned)

		For the three-month period ended 30 June		For the six-month period ended 30 June	
	Note	2021 (Unaudited)	2020 (Unaudited) (Restated)	2021 (Unaudited)	2020 (Unaudited) (Restated)
Continuing operations					
Revenue		4,365,367	12,371,582	12,264,236	23,707,661
Cost of revenue		(4,227,306)	(11,996,585)	(11,819,956)	(23,077,341)
Gross profit		138,061	374,997	444,280	630,320
General and administrative expenses		(2,581,679)	(3,053,747)	(5,196,154)	(4,568,068)
Impairment in trade receivables		-	(8,152,290)	-	(8,152,290)
Operating loss		(2,443,618)	(10,831,040)	(4,751,874)	(12,090,038)
Impairment in investments		-	(444,533)	-	(444,533)
Finance cost		(18,007)	(23,944)	(36,902)	(39,070)
Other income		612,912	387,407	626,232	1,904,731
Net loss before Zakat		(1,848,713)	(10,912,110)	(4,162,544)	(10,668,910)
Zakat expense	9-3	-	(600,000)	(300,000)	(600,000)
Net loss from continuing operations		(1,848,713)	(11,512,110)	(4,462,544)	(11,268,910)
Discontinued operations:					
Loss from discontinued operations	7	(22,923)	(33,559)	(53,255)	(58,692)
Net loss for the period		(1,871,636)	(11,545,669)	(4,515,799)	(11,327,602)
Items that will not be classified in profit or loss:					
		-	-	-	-
Total comprehensive loss for the period		(1,871,636)	(11,545,669)	(4,515,799)	(11,327,602)
Basic & diluted per share from:	12				
Loss from continued operations		(0,29)	(1,78)	(0,69)	(1,74)
Loss from discontinued operations		(0,0035)	(0,0052)	(0,0082)	(0,0086)
Total comprehensive loss for the period		(0,29)	(1,78)	(0,70)	(1,75)



CFO
Ahmed Talat Abdelaziz



CEO
Suliman Hamad Al Jadie



Chairman
Hatem Hamad Al Sehbany

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SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

	Share capital	Statutory Reserve	Actuarial reserve	Accumulated losses	Total
<u>For the six-months period ended 30 June 2020</u>					
Balance as at 31 December 2019 (audited - restated)	64,800,000	642,645	186,094	(24,772,414)	40,856,325
Net loss for the period			-	(11,327,602)	(11,327,602)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period			-	(11,327,602)	(11,327,602)
Balance as at 30 June 2020 (unaudited)	64,800,000	642,645	186,094	(36,100,016)	29,528,723
<u>For the six months period ended 30 June 2021</u>					
Balance as at 31 December 2020 (audited)	64,800,000	642,645	248,042	(37,954,378)	27,736,309
Net loss for the period	-	-	-	(4,515,799)	(4,515,799)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(4,515,799)	(4,515,799)
Balance as at 30 June 2021 (audited)	64,800,000	642,645	248,042	(42,470,177)	23,220,510



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SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD 30 JUNE 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

		30 June 2021 (unaudited)	30 June 2020 (unaudited)
Cash flows from operating activities			
Net loss before Zakat		(4,162,544)	(10,668,910)
Loss from discontinued operations	7	(53,255)	(58,692)
		(4,215,799)	(10,727,602)
Adjustments for:			
Depreciation on property, plant and equipment		238,553	193,842
Depreciation on right of use assets		101,967	102,154
Impairment in investments		-	444,533
Impairment in trade receivables		-	1,725,285
Provision for slow moving inventories	4	263,866	-
Provision for employees' end of service benefits		83,546	78,875
Finance cost		36,902	39,070
		(3,490,965)	(8,143,843)
Changes in working capital items:			
Trade receivables		4,267,608	(7,286,955)
Inventories		574,338	(1,911,097)
Prepayments and other current assets		671,748	355,489
Trade payables		1,965,273	1,379,943
Accrued expenses and other credit balances		(3,436,602)	644,652
Cash generated from / (used in) operating activities		551,400	(14,961,811)
Employees' end of service benefits paid		(8,616)	(106,619)
Zakat paid	9-3	(1,003,064)	-
Finance cost paid		-	(39,070)
Net cash flows used in operating activities		(460,280)	(15,107,500)
Cash flows from investing activities			
Payments to purchase property, plant and equipment	4	(37,623)	(500,423)
Additions for projects under construction	5	(13,732)	-
Net cash flows used in investing activities		(51,355)	(500,423)
Cash flows from financing activities			
Lease liabilities paid		-	(46,793)
Due to shareholders		(1,776)	-
Net cash used in financing activities		(1,776)	(46,793)
Net change in cash and cash equivalents		(513,411)	(15,654,716)
Cash and cash equivalents at beginning of the period		8,484,030	19,625,489
Cash and cash equivalents at end of the period	6	7,970,619	3,970,773
Non-cash transactions			
Addition to property, plant and equipment against lease liabilities		-	227,393

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The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.





SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

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 head office is located in:

Riyadh

P.O. Box 21977

Riyadh 11485.

The Company’s fully paid share capital at the date of the interim condensed financial statements is SR 64,8 million, consisting of 6,480,000 share of SR 10 each.

The interim condensed financial statements include the assets and liabilities of the Company and its branch:

Branch Name	City	CR.	Registration date
Sara Medical Supplies Factory	Riyadh	1010143870	30/06/1417 H
Saudi Industrial Export Company branch	Riyadh	1010598789	14/2/1441 H
Saudi Industrial Export Company branch	Riyadh	1010620859	11/5/1441 H
Saudi Industrial Export Company branch	Riyadh	1010618735	27/4/1441 H
Saudi Industrial Export Company – Sudan branch	Khartoum	1803	28/11/2019
Saudi Industrial Export Company – UAE branch	Dubai	1473310	12/12/2019

- 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.
- Sara Medical Supplies Factory - branch of Saudi Industrial Export Company - is engaged in the manufacture of disinfectants and sterilizers for medical products and devices, the manufacture of disinfectants and sterilizers for non-medical use, the wholesale sale of soap and detergents, the retail sale of medical devices, equipment and supplies under the industrial license amended by Decision No. 247 dated 28 Muharram 1439H corresponding to 18 October 2017.
- The activity of the branch of the Saudi Industrial Export Company - Commercial Registration No. 1010598789 - is in loading and unloading of air cargo planes, transporting goods by sea and directing goods transport vehicles.
- The branch of the Saudi Industrial Export Company - Commercial Registration No. 1010620859 - is engaged in wholesale food and beverages, storage in grain and flour silos warehouses, food and agricultural products inventory, and dry food inventory.
- The branch of the Saudi Industrial Export Company - Commercial Registration No. 1010618735 - is engaged in the wholesale sale of chemicals.
- The activity of the Saudi Industrial Export Company - Sudan branch - is the import and export of crude oil, minerals and industrial chemical products including those fertilizers, lubricants, refined petroleum products, primary plastics, rubber and synthetic fibers under the industrial license issued by Decision No. 2450 on 1 Rabi’ al-Akhir 1441H corresponding to 28 November 2019.
- The activity of the Saudi Industrial Export Company - UAE branch - is engaged in trading oils and lubricants under the industrial license issued by Decision No. 868310 on 15 Rabi’ al-Akhir 1441H corresponding to 12 December 2019.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

(All amounts are in Saudi Riyals unless otherwise mentioned)

2. BASIS OF PREPARATION

2-1 Statement of compliance

These interim condensed financial statements for the six-months period ended 30 June 2021 have been prepared in accordance with the requirements of International Accounting Standard (IAS 34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered Professional Accountants ("SOCPA"), these interim condensed financial statements do not include all the information and disclosures required in a full and should be read in conjunction with the Company's annual reissued consolidated financial statements for the year ended 31 December 2020. In addition, the results of the operations of the initial periods are not necessarily indicative of the results of the operations of the whole year.

The comparative numbers are consolidated and include the financial statements of the Company and Saudi Industrial Export Company – Jordan (Subsidiary). On 7 March 2021, the Company's Board of Directors resolved to liquidated and close the subsidiary in Jordan due to the weak financial performance of the subsidiary and to reduce the general and administrative expenses. Based on this, no consolidated financial statements have been prepared for the current period (Note 7).

2-2 Functional and presentation currency

The interim condensed financial statements are presented in Saudi Riyal, which is the Company's functional and presentation currency.

2-3 Use of judgement and estimates

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

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

Management periodically re-estimates the useful lives of tangible assets based on the general condition of these assets and management's expectations for their useful lives in the future.

Management takes a provision for trade receivables based on its estimates of the recoverability of those receivables. Management estimates the recoverable amount of financial assets to determine whether there is any impairment in their value.

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

2-4 Discontinued operations and non-current assets held for sale (held to be distributed to the owners)

The results of discontinued operations are presented separately in the interim condensed statement of profit and loss and other comprehensive income. Non-current assets (or disposal groups) classified as held for sale (or held for distribution to the owners) are measured at the lower of their carrying amount or fair value less costs to sell (or distribution cost), which is less.

Non-current assets (or disposal groups) are classified as held for sale (or held for distribution to the owners) if their carrying amount will be recovered through a sale transaction rather than through continuing use. This is the case when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal groups) and the sale is considered to be highly probable.

A sale is considered to be highly probable if the appropriate level of management is committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and complete the plan has been initiated. Further, the asset (or disposal group) has been actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale is expected to qualify for recognition as a completed sale within one-year from the date that it is classified as held for sale. Non-current assets held for sale are not depreciated or amortized while they are classified as held for sale.

Non-current assets held for sale are not depreciated or amortized while they are classified as held for sale (held for distribution to the owners). Interest and other expenses attributable to the liabilities of the disposal group continued to be recognized.

Non-current assets (or disposal group) classified as held for sale and the assets of a disposal group classified as held for sale (or held to be distributed to the owners). are presented separately from the other assets in the interim condensed statement of financial position. The liabilities of a disposal group classified as (or held to be distributed to the owners) held for sale are presented separately from other liabilities in the interim condensed statement of financial position.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

(All amounts are in Saudi Riyals unless otherwise mentioned)

2. BASIS OF PREPARATION (continued)

2-5 Going concern basis of accounting

The interim condensed financial statements have been prepared on the going concern basis, which assumes that the Company will continue its activities for the foreseeable future. The Company's accumulated losses as 30 June 2021 amounted to SR 42,470,177, which comprises 66% of the share capital (31 December 2020: SR 37,954,378, which comprises 59% of the share capital), and the losses for the six-months period ended 30 June 2021 amounted to SR 4,515,799. The ability of the Company to continue its operations depends on obtaining finance, profitable contracts and increase the volume of its revenue appropriately.

The Company is working on expanding the business model by entering into operations that complement the Company'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 Company's account and the account of others. In addition, the Company'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 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 Company can continue its activities for the foreseeable future.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and in preparing the interim condensed financial statements are consistent with those followed in preparing the Company's annual financial statements for the year ended 31 December 2020 except for (Note 2-4). The Company did not early adopt any other standard, interpretation or amendment issued but not yet effective.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

4. INVENTORIES

	30 June 2021 (unaudited)	31 December 2020 (audited)
Sara storage	1,467,582	1,277,212
Granular sulfur	1,427,043	1,639,763
Crude sulfur	313,725	313,725
Foodstuffs	281	453,917
Polymer	-	78,670
Goods in transit	-	19,682
Total	3,208,631	3,782,969
Deduct from:		
Provision for slow moving inventories	(594,745)	(330,879)
	2,613,886	3,452,090

The movement in provision for impairment of inventory as follows:

	30 June 2021 (unaudited)	31 December 2020 (audited)
Balance beginning of the period / year	330,879	-
Charged during the period / year	307,439	330,879
Used during the period / year	(43,573)	-
Balance end of the period / year	594,745	330,879

5. TRADE RECEIVABLES, NET

	30 June 2021 (unaudited)	31 December 2020 (audited)
Trade receivables	13,212,609	17,480,217
Deduct: provision for impairment in trade receivables	(1,839,782)	(1,839,782)
	11,372,827	15,640,435

The movement in provision for impairment in trade receivables as follows:

	30 June 2021 (unaudited)	31 December 2020 (audited)
Balance beginning of the period / year	1,839,782	114,497
Charged during the period / year	-	1,725,285
Balance end of the period / year	1,839,782	1,839,782

6. CASH AND CASH EQUIVALENTS

	30 June 2021 (unaudited)	31 December 2020 (audited)
Cash at bank	7,955,990	8,470,089
Cash on hand	652	13,941
	7,956,642	8,484,030

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

6. CASH AND CASH EQUIVALENTS (continued)

For the purposes of preparing the interim condensed statement of cash flows, total cash and cash equivalents consist of the following:

	30 June 2021 (unaudited)	31 December 2020 (audited)
Cash and cash equivalents	7,956,642	8,484,030
Cash and cash equivalents from discontinued operations	13,977	-
	7,970,619	8,484,030

7. DISCONTINUED OPERATIONS

As disclosed in Note 2-1, the Company's Board of Directors resolved, on 7 March 2021, to liquidate and close Saudi Industrial Export Company – Jordan, (Subsidiary). Accordingly, the Company has not reflected this Subsidiary in its interim condensed financial statements and classified it as discontinued operations. The results of the operations of the Subsidiary for the current and previous period have been presented in the interim condensed statement of profit or loss and other comprehensive income as follows:

	For the three-month period ended		For the six-month period ended	
	30 June 2021 (unaudited)	30 June 2020 (unaudited)	30 June 2021 (unaudited)	30 June 2020 (unaudited)
General and administrative expenses	(22,923)	(33,559)	(53,255)	(58,692)
Operating loss	(22,923)	(33,559)	(53,255)	(58,692)
Net loss for the period from discontinued operations	(22,923)	(33,559)	(53,255)	(58,692)
Basic & diluted loss per share	(0,0035)	(0,0041)	(0,008)	(0,0091)

As at 30 June 2021, the net assets of Saudi Industrial Export Company – Jordan comprised the following:

	30 June 2021 (unaudited)
Property, plant and equipment, net	16,545
Total non-current assets	16,545
Prepayments and other current assets	891,593
Cash and cash equivalents	13,977
Total current assets	905,570
Assets from discontinued operations	922,115

During the current period, there was no impairment in the carrying value of the assets directly related to the discontinued operations.

There are no cash flows for Saudi Industrial Export Company – Jordan for the six-month period ended 30 June 2021 and 31 December 2020.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
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8. CAPITAL

As on 30 June 2021, and 31 December 2020, the Company's subscribed and paid-in capital amounted to SR 64,800,000, divided into 6,480,000 shares equal in value, each share valued at SR 10, all of which are ordinary cash shares, and the shareholders have subscribed to all the Company's shares.

	<u>Share value</u>	<u>No. of shares</u>	<u>Total</u>
Capital as at 30 June 2021	10	6,480,000	64,800,000
Capital as at 30 June 2020	10	6,480,000	64,800,000

The Company has announced on 31 December 2020, on submitting the approval file on increasing the capital to the CMA, which is under study by the related Authorities.

9. ZAKAT PROVISION**9-1 Zakat status**

The Company has filed its Zakat returns with Zakat, Tax and Customs Authority ("Authority") up to the year ended 31 December 2019, and obtained Zakat certificates valid till 18 Ramadan 1442H corresponding to 30 April 2021. The Company received letters of amendment of the Zakat returns from the Authority for the years from 2014 to 2018. The value of Zakat variances amounted to SR 2.47 million, the Authority 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 in the previous year. The Company submitted an objection request for the remaining variance to the General Secretariat of the Tax Committees and have not made a decision as of the date of this financial statements.

9-2 Tax status

The Company received letters of amendment of the value-added tax returns from the Zakat, Tax and Customs Authority 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 Company's management believes that the outcome of the objections will be in its favour with regard to the above variances.

9-3 Zakat provision movement

	30 June 2021 (unaudited)	31 December 2020 (audited)
Opening balance for the period/ year	2,280,875	1,210,736
Year's adjustments / previous periods	-	1,551,149
Charged during the period/ year	300,000	900,000
Paid during the period/ year	(1,003,064)	(1,381,010)
Balance end of the period/ year	1,577,811	2,280,875

10. CONTINGENT LIABILITIES

There are cases against the Company with total financial claims amounting to approximately SR 8.54 million (31 December 2020: approximately SR 9.9 million), for which no final verdicts have been issued until the date of the interim financial statements. The management believes that such cases will not have any impact on the financial position of the Company and its business results.

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11. SEGMENT INFORMATION

Segment information relates to the group's activities and business, which the group's management has relied on as a basis for preparing its financial information, for its compatibility with internal reporting methods. Transactions between segments are carried out on the same terms as dealing with other parties.

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

The following is a summary of the financial segment information in Saudi riyals as on 30 June 2021, 30 June 2020, respectively, according to the nature of the activity:

30 June 2021			
	Exporting activities	Medical supplies	Total
Revenues	12,762,816	127,652	12,890,468
Net loss for the period from continued operation	(3,884,577)	(577,967)	(4,462,544)
Total current assets	28,035,331	1,134,540	29,169,871
Total current liabilities	10,067,122	119,700	10,186,822
30 June 2020			
	Exporting activities	Medical supplies	Total
Revenues	25,612,392	-	25,612,392
Net loss for the period from continued operation	(10,967,250)	(301,660)	(11,268,910)
31 December 2020			
Total current assets	34,828,826	1,537,586	36,366,412
Total current liabilities	12,067,917	196,074	12,263,991

Saudi Industrial Export Company – Jordan information has been excluded from the segment information as it has not engaged in commercial activities and is under liquidation. Note (9).

12. LOSS PER SHARE

The basic and diluted share of loss from continuing operations, loss from discontinued operations and total comprehensive loss for the period is calculated by dividing the loss from continuing operations, loss from discontinued operations, and total comprehensive loss for the period by the weighted average number of ordinary shares outstanding at the end of the year, the number of shares outstanding as at 30 June 2021 6,480,000 shares (6,480,000 shares: 30 June 2020).

There was no write-down item affecting the weighted average number of ordinary shares.

13. BENEFITS AND COMPENSATION OF BOD MEMBERS AND SENIOR EXECUTIVES

	For the three-month period ended		For the six-month period ended	
	30 June 2021 (unaudited)	30 June 2020 (unaudited)	30 June 2021 (unaudited)	30 June 2020 (unaudited)
Committee members fees and meetings expenses	114,000	475,767	138,000	514,767
Key management personal salaries and benefits	401,275	398,925	799,750	700,650
	515,275	874,692	937,750	1,215,417

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14. PRIOR PERIOD ADJUSTMENTS

The Company has restated its interim condensed financial statements for the comparative period as follows:

Summary of adjustments on interim condensed statement of financial position as at 30 June 2020:

	Note	30 June 2020 (unaudited)	Reclassification	Remeasurement	30 June 2020 (Unaudited, Restated)
ASSETS					
Non-current assets					
Property, plant and equipment	A	3,384,714	-	198,969	3,583,683
Right of use assets	A	649,966	-	394,166	1,044,132
Investments at fair value through profit or loss - FVTPL		6,115,121	-	-	6,115,121
		10,149,801	-	593,135	10,742,936
Current assets					
Inventories	D	4,175,930	-	381,122	4,557,052
Prepayments and other current assets	A, B, D, F	10,290,302	(498,080)	(696,970)	9,095,252
Trade receivables, net	C, F	25,664,731	331,586	(12,337,500)	13,658,817
Cash and cash equivalents		3,970,773	-	-	3,970,773
TOTAL CURRENT ASSETS		44,101,736	(166,494)	(12,653,348)	31,281,894
TOTAL ASSETS		54,251,537	(166,494)	(12,060,213)	42,024,830
EQUITY AND LIABILITIES					
EQUITY					
Share capital		64,800,000	-	-	64,800,000
Statutory reserve		642,645	-	-	642,645
Actuarial reserve		186,094	-	-	186,094
Accumulated losses		(22,693,488)	-	(13,406,528)	(36,100,016)
TOTAL EQUITY		42,935,251	-	(13,406,528)	29,528,723
LIABILITIES					
Non-current liabilities					
Lease liabilities – non-current	A	640,540	-	258,541	899,081
Employees' end of service benefits		555,429	-	-	555,429
		1,195,969	-	258,541	1,454,510
Current liabilities					
Lease liabilities – current portion	A	5,907	-	267,125	273,032
Trade payables	C, D, F	3,490,686	235,602	(424,503)	3,301,785
Accrued expenses and other credit balances	B, F	2,004,893	(402,096)	1,245,152	2,847,949
Due to shareholders		2,808,798	-	-	2,808,798
Zakat provision		1,810,033	-	-	1,810,033
TOTAL CURRENT LIABILITIES		10,120,317	(166,494)	1,087,774	11,041,597
TOTAL LIABILITIES		11,316,286	(166,494)	1,346,315	12,496,107
TOTAL EQUITY AND LIABILITIES		54,251,537	(166,494)	(12,060,213)	42,024,830

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14. PRIOR PERIOD ADJUSTMENTS (continued)

Summary of adjustments on interim condensed statement of profit or loss and other comprehensive income for three-month period ended 30 June 2020:

		30 June 2020			30 June 2020
	Note	(Unaudited)	Reclassification	Remeasurement	(Unaudited, Restated)
Continuing operations					
Revenue		23,707,661	-	-	23,707,661
Cost of revenue	E, F	(22,809,801)	(327,350)	59,810	(23,077,341)
Gross profit		897,860	(327,350)	59,810	630,320
General and administrative expenses	E, F	(4,657,182)	201,640	(112,526)	(4,568,068)
Impairment in trade receivable		(8,152,290)	-	-	(8,152,290)
Operating loss		(11,911,612)	(125,710)	(52,716)	(12,090,038)
Impairment in investments	F	(444,533)	-	-	(444,533)
Finance cost	E, F	(14,239)	-	(24,831)	(39,070)
Other income	F	1,720,329	184,402	-	1,904,731
Profit before Zakat		(10,650,055)	58,692	(77,547)	(10,668,910)
Zakat expense		(600,000)	-	-	(600,000)
Profit from continuing operations		(11,250,055)	58,692	(77,547)	(11,268,910)
Discontinued operations					
Loss from discontinued operations	F	-	(58,692)	-	(58,692)
Net profit for the period		(11,250,055)	-	(77,547)	(11,327,602)
Other comprehensive income		-	-	-	-
Total comprehensive profit for the period		(11,250,055)	-	(77,547)	(11,327,602)
Basic & diluted profit per share		(1.74)	-	(0.012)	(1.75)

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14. PRIOR PERIOD ADJUSTMENTS (continued)

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
		10,277,381	-	478,268	10,755,649
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
		52,856,879	(384,199)	(12,653,348)	39,819,332
TOTAL ASSETS		63,134,260	(384,199)	(12,175,080)	50,574,981
EQUITY AND LIABILITIES					
EQUITY					
Share capital		64,800,000	-	-	64,800,000
Statutory reserve		642,645	-	-	642,645
Actuarial reserve		186,094	-	-	186,094
Accumulated losses		(11,443,433)	-	(13,328,981)	(24,772,414)
TOTAL EQUITY		54,185,306	-	(13,328,981)	40,856,325
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
		1,229,619	-	157,922	1,387,541
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
		7,719,335	(384,199)	995,979	8,331,115
TOTAL LIABILITIES		8,948,954	(384,199)	1,153,901	9,718,656
TOTAL EQUITY AND LIABILITIES		63,134,260	(384,199)	(12,175,080)	50,574,981

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14. PRIOR PERIOD ADJUSTMENTS (continued)

Notes to the reconciliation of the interim condensed statement of financial position as at 31 March 2020 and interim condensed statement of profit and loss and other comprehensive income for the three-month period ended as 31 March 2020:

- A. The balance of the property, plant and equipment and right of use assets, lease liabilities and prepaid expenses in respect of the head office lease contract and the vehicles purchased during the first quarter of 2020 in accordance with the requirements of IFRS No. (16).
- B. The adjustment relates to the recognition of professional fees expenses and Board of Directors' remunerations for the year ended as 31 December 2019.
- C. 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 2020, 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 interim condensed financial statements.
- D. The Company recorded inventory in the period subsequent to 31 March 2020, and later it was found that the inventory had been purchased and received during the year ended 31 December 2019, accordingly, the inventory and related balances as of 31 March 2020 were adjusted.
- E. It represents the depreciation expense for the right of use assets, and the financing costs for the lease liabilities related to the head office lease contract and the vehicles purchased during the first quarter of 2020 through finance lease contract in accordance with the requirements of IFRS 16.
- F. Certain comparative figures have been reclassified to comply with the current period presentation of these interim condensed financial statements.

15. SUBSEQUENT EVENTS

There are no subsequent events that require disclosure or amendment to the accompanying interim financial statements.

16. APPROVAL ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements for the period ended 30 June 2021 have been approved by the Board of Directors on 14 Muharram 1442 H (corresponding to 22 August 2021).