

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTHS AND SIX MONTHS PERIOD
ENDED JUNE 30, 2022**

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND
INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Shareholders of
Tanmiah Food Company
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tanmiah Food Company, a Saudi Joint Stock Company ("the Company") and its subsidiaries (together "the Group") as at June 30, 2022, and the related interim condensed consolidated interim statement of comprehensive income for the three months and six months period then ended and the interim condensed consolidated statements of changes in equity and cash flows for the six months period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated condensed financial information in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

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

Other matter

The financial statements of the Company for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 14 Rajab 1443H, corresponding to February 15, 2022.

Deloitte and Touche & Co
Chartered Accountants



Mazen A. Al Omari
License No 480
13 Muharram 1444
August 11, 2022



TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2022**

	Notes	For the three months period ended June 30,		For the six months period ended June 30,	
		2022 SR	2021 SR	2022 SR	2021 SR
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	15,21	530,579,532	366,517,562	965,908,817	734,855,116
Cost of sales	16	(396,638,087)	(288,335,938)	(740,900,002)	(567,351,698)
Gross profit		133,941,445	78,181,624	225,008,815	167,503,418
Selling and distribution expenses	17	(62,921,347)	(47,353,615)	(119,162,554)	(89,882,544)
General and administrative expenses	18	(28,775,064)	(20,115,592)	(55,236,093)	(39,170,530)
Impairment loss on financial assets	9	(845,000)	(1,120,000)	(1,145,000)	(2,733,595)
Other income		161,660	67,764	554,176	551,552
Operating profit		41,561,694	9,660,181	50,019,344	36,268,301
Finance costs		(8,067,847)	(5,735,120)	(14,372,724)	(11,863,583)
Profit before zakat		33,493,847	3,925,061	35,646,620	24,404,718
Zakat	13	(3,294,299)	(506,999)	(3,905,090)	(2,196,907)
NET PROFIT FOR THE PERIOD		30,199,548	3,418,062	31,741,530	22,207,811
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-	-	-
Re-measurements of employee benefit obligations		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		30,199,548	3,418,062	31,741,530	22,207,811
Basic and diluted earnings per share	20	1.51	0.17	1.59	1.11


Chairman of the Board of Directors


Chief Executive Officer


Chief Financial Officer

The accompanying notes form an integral part of these interim condensed consolidated financial information

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Notes	June 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	281,777,228	254,249,228
Right-of-use assets	6	354,809,723	236,694,369
Intangible assets		3,753,756	2,667,011
Financial assets at fair value through other comprehensive income		773,983	773,983
Total non-current assets		641,114,690	494,384,591
Current assets			
Inventories	7	289,264,403	213,996,555
Biological assets	8	117,128,407	87,611,058
Contract assets		3,756,663	4,100,209
Trade receivables and other debtors	9	233,979,178	217,274,506
Prepayments and other receivables	10	147,831,792	124,388,769
Cash and cash equivalents		124,709,102	185,891,241
Total current assets		916,669,545	833,262,338
TOTAL ASSETS		1,557,784,235	1,327,646,929
EQUITY AND LIABILITIES			
Equity			
Share capital	1	200,000,000	200,000,000
Statutory reserve		15,879,313	15,879,313
Retained earnings		161,894,331	140,323,346
Total equity		377,773,644	356,202,659
Non-current liabilities			
Employee benefit obligations		106,481,773	98,755,351
Lease liabilities	6	258,155,647	151,092,645
Borrowings	11	3,590,079	27,384,992
Total non-current liabilities		368,227,499	277,232,988
Current liabilities			
Borrowings	11	317,390,301	295,765,461
Trade payables, accruals and other liabilities	12	415,476,531	326,325,165
Lease liabilities	6	71,997,100	63,483,158
Provision for zakat	13	6,919,160	8,637,498
Total current liabilities		811,783,092	694,211,282
Total liabilities		1,180,010,591	971,444,270
TOTAL EQUITY AND LIABILITIES		1,557,784,235	1,327,646,929


Chairman of the Board of Directors


Chief Executive Officer


Chief Financial Officer

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TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**

	Share capital SR	Statutory reserve SR	Retained earnings SR	Total SR
Balance at January 1, 2022 (audited)	200,000,000	15,879,313	140,323,346	356,202,659
Net profit for the period	-	-	31,741,530	31,741,530
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	31,741,530	31,741,530
Dividend distribution (note 22)	-	-	(10,198,135)	(10,198,135)
Zakat reimbursed by the shareholder	-	-	27,590	27,590
Balance at June 30, 2022 (unaudited)	200,000,000	15,879,313	161,894,331	377,773,644
Balance at January 1, 2021 (audited)	200,000,000	14,523,655	133,011,913	347,535,568
Net profit for the period	-	-	22,207,811	22,207,811
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	22,207,811	22,207,811
Zakat reimbursed by the shareholder	-	-	196,036	196,036
Balance at June 30, 2021 (unaudited)	200,000,000	14,523,655	155,415,760	369,939,415


Chairman of the Board of Directors


Chief Executive Officer


Chief Financial Officer

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The accompanying notes form an integral part of these interim condensed consolidated financial information

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022


	June 30, 2022 SR	June 30, 2021 SR
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before zakat	35,646,620	24,404,718
Adjustments for:		
Depreciation on property, plant and equipment	13,081,070	11,067,262
Depreciation on right-of-use assets	42,928,437	32,415,224
Amortisation of intangible assets	306,043	276,006
Impairment loss on financial assets	1,145,000	2,733,595
Provision for slow-moving inventories	2,668,257	2,500,476
Net loss (gain) on disposal of property, plant and equipment	2,553	(681)
Provision for employee benefit obligations	9,114,895	10,942,167
Government subsidy accrued	(20,812,195)	(25,037,046)
Loss on termination of lease contracts	281,361	100,259
Finance costs	6,888,554	6,315,494
Interest on lease liabilities	7,484,170	5,548,089
Changes in operating assets and liabilities:		
Inventories	(77,936,105)	(21,907,600)
Trade receivables and other debtors	(17,849,672)	269,357,792
Biological assets	(29,517,349)	3,644,457
Contract assets	343,546	694,835
Prepayments and other receivables	(2,630,828)	23,946,002
Trade payable, accruals and other liabilities	90,124,526	48,989,751
Cash generated from operations	61,268,883	395,990,800
Employee benefit obligations paid	(2,361,633)	(1,634,655)
Zakat paid	(5,595,838)	(7,083,549)
Finance costs paid	(5,994,051)	(6,247,054)
Net cash generated from operating activities	47,317,361	381,025,542
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchases of property, plant and equipment	(40,617,435)	(30,134,708)
Proceeds from disposal of property, plant and equipment	5,812	3,089
Payments for additions to intangible assets	(1,392,788)	-
Net cash used in investing activities	(42,004,411)	(30,131,619)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	(53,232,378)	(37,558,931)
Short term borrowings	12,714,651	(3,848,224)
Proceeds from long-term borrowings	26,495,802	-
Repayment of long-term borrowings	(42,275,029)	-
Dividends paid	(10,198,135)	-
Net cash used in financing activities	(66,495,089)	(41,407,155)
Net (decrease) increase in cash and cash equivalents	(61,182,139)	309,486,768
Cash and cash equivalents at the beginning of the period	185,891,241	60,459,134
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	124,709,102	369,945,902


TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	Six-month period ended	
	June 30, 2022 SR	June 30, 2021 SR
Supplemental non-cash information:		
Employee termination benefits transferred from accrued and other liabilities	973,160	-
Addition to right-of-use asset and lease liabilities	163,961,051	50,571,487
Employee benefits obligation transferred from a related party	-	88,520
Reimbursement of zakat by the shareholder	27,590	196,036
Lease liabilities written off due to termination of lease contracts	2,635,899	1,921,982
Right-of-use assets written off due to termination of lease contracts	(2,917,260)	(3,274,189)
Receivable recognised from a lessor on termination of lease contracts	-	1,251,948

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 Chairman of the Board of Directors


 Chief Executive Officer


 Chief Financial Officer

The accompanying notes form an integral part of these interim condensed consolidated financial information

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2022**

1. CORPORATE INFORMATION

Tanmiah Food Company (the “Company”) is a Saudi Joint Stock Company registered under commercial registration number 1010087483. The Company’s head office is located at P.O. Box 86909, Riyadh 11632, Kingdom of Saudi Arabia. The Company and its various subsidiaries (collectively the “Group”) are registered in the Kingdom of Saudi Arabia as well as in United Arab Emirates (“UAE”) and in the Kingdom of Bahrain (“Bahrain”).

The Group is principally engaged in food and agriculture business which include manufacturing, wholesale and retail trading in foodstuff, preparation of animal and poultry feeds for commercial purposes, construction of poultry farms, retail and wholesale trading in poultry equipment and restaurant outlets with related services.

At June 30, 2022 and December 31, 2021, the Company’s share capital of SR 200 million consisted of 20 million issued and fully paid shares of SR 10 each.

The Company’s application with the Capital Market Authority (“CMA”) for the Initial Public Offering (IPO) of 30% of its share capital, on the Saudi Stock Exchange (Tadawul) in accordance with the Rules on the Offer of Securities and Continuing Obligations issued by CMA was approved and the Company’s shares started trading on Tadawul on August 4, 2021. The Company has been categorised as a Saudi Joint Stock Company since then.

The Group’s principal subsidiaries at June 30, 2022 and December 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Subsidiary	Country of incorporation	Effective ownership at June 30, 2022	Effective ownership at December 31, 2021	Principal activities
Agricultural Development Company Limited (“ADC”)	Kingdom of Saudi Arabia	100%	100%	Wholesale trading in poultry products and agricultural produce
Supreme Foods Processing Company Limited (“SFPC”)	Kingdom of Saudi Arabia	100%	100%	Manufacturing and preparation of various types of meat products.
Desert Hills Veterinary Services Company Limited (“DHV”)	Kingdom of Saudi Arabia	100%	100%	Wholesale and retail trading in machines and equipment in the field of animal care, animal shelters, animal feed, chicks and hatching eggs, veterinary lab equipment and medicines, along with marketing and import and export of related items.
Perfect Foods Factory LLC (“PFF”)	United Arab Emirates (UAE)	100%	100%	Manufacturing and sale of meat and poultry products
Supreme Foods Bahrain W.L.L. (“SFB”)	Kingdom of Bahrain	100%	100%	General trading
Al Tanmiah International General Trading L.L.C (Formerly Dabbagh International (UAE) (L.L.C))	United Arab Emirates (UAE)	100%	100%	Dormant company
Gulf Brand for Fast Foods Company (“GBFFC”)	Kingdom of Saudi Arabia	100%	100%	Restaurant outlets with related services

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2022

1. CORPORATE INFORMATION (CONTINUED)

Impact of COVID - 19

In response to the spread of COVID-19 in Gulf Cooperation Council (“GCC”) and its resulting disruptions to the social and economic activities in those markets over the last two years, the Group’s management continues to proactively assess its impacts on its operations and the preventive measures taken by the Group in 2020 and 2021 are still in effect. The Group’s management has considered the potential impacts of COVID-19 on the Group’s operations and concluded that as of the date of approval of these condensed consolidated interim financial information, the COVID-19 pandemic has had no direct material impact on the Group’s financial results and no significant changes are required to the judgements and key estimates used in the preparation of the Group’s condensed consolidated interim financial information for the six-months period ended June 30, 2022.

The Group continues to monitor the COVID-19 situation closely and at this time the Group management is not aware of any factors that are expected to change the impact of the pandemic on the Group’s operations during 2022 or beyond.

During the three-months period ended March 31, 2022 global commodity prices for certain key raw materials increased significantly primarily due to the ongoing conflict between Russia and Ukraine. The increase in raw material prices had a significant impact on the gross margins and profitability of the Group and in particular its subsidiary, Agricultural Development Company Limited (“ADC”). The management has revised the selling price of the products to reduce the impact of cost escalation in raw material effective March 31, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these interim condensed consolidated financial information of the Group are consistent with those of the previous financial year and corresponding interim reporting period.

Basis of preparation

These interim condensed consolidated financial information of the Group has been prepared in compliance with International Accounting Standard 34 - Interim Financial Reporting (“IAS 34”) as promulgated by the International Accounting Standards Board (“IASB”), interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) as endorsed by Saudi Organization for Certified Public Accountants (SOCPA) and the requirements of the laws and regulations in Saudi Arabia.

These interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2021. IAS 34 states that the interim condensed consolidated financial information is intended to provide an update on the latest complete set of annual financial statements. Hence, IAS 34 requires less disclosure in interim financial information than IFRS requires in annual financial statements.

The Group has elected to present a single interim condensed consolidated statement of comprehensive income and presents its expenses by function.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

These interim condensed consolidated financial information has been prepared on a historical cost basis, except for the following material items in the interim condensed consolidated statement of financial position:

- The employee benefit obligation, which is recognised at the present value of future obligations using the Projected Unit Credit Method.
- Biological assets, where fair value is reliably measurable, are measured at fair value.
- Equity investments at fair value through other comprehensive income (“FVOCI”) are measured at fair value.

These interim condensed consolidated financial information is presented in Saudi Riyals (SR), which is the functional currency of all the Group entities except for Perfect Foods Factory (“PFF”) and Supreme Food Bahrain. The functional currency of PFF and Supreme Food Bahrain is United Arab Emirates Dirhams and Bahraini Dinar respectively. The presentation currency of the Group is SR. These interim condensed consolidated financial information has been rounded-off to nearest SR, unless otherwise stated.

The activities of the Group are evenly spread throughout the year, therefore there is no seasonal or cyclical changes that affect the Group’s operations.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

New and amended standards adopted by the Group

There are no new relevant IFRS or IFRS interpretations that are not yet effective that would be expected to have a material impact on the Group’s financial information. However, there are a number of amendments to IFRS which are effective from January 1, 2022 but they do not have any material effect on Group’s condensed consolidated interim financial information.

The following revised amended standards have been adopted in the condensed interim financial information.

- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework.
- Amendments to IAS 16 Property, Plant and Equipment related to proceeds before intended use.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts—Cost of Fulfilling a Contract.
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 1, IFRS 9, and IAS 41.

There has been no material impact on the condensed interim financial information of the Group upon adoption of the above amended standards

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2022

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New and amended standards not effective and not yet adopted by the Group

At the date of the condensed consolidated interim financial information, the following other standards, amendments and interpretations have not been effective and have not been early adopted by the Group:

- IFRS 17 Insurance contracts - effective from January 01, 2023
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - effective date not yet decided
- Amendments to IAS 1 Presentation of Financial Statements - effective from January 01, 2023
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - effective from January 01, 2023
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - effective from January 01, 2023
- Amendments to IAS 12 Income Taxes - effective from January 01, 2023
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 16 – effective date not yet decided.

The Management anticipates that the application of the above amendments in future periods will have no material impact on the condensed interim financial information of the Group in the period of initial application.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Preparation of the Group's condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period were the same as those described in the latest annual consolidated financial statements. The Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group.

5. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2022	December 31, 2021
	SR	SR
	(Unaudited)	(Audited)
Net book value at the beginning of the period / year	254,249,228	155,299,479
Additions	40,617,435	122,158,354
Disposals	(8,365)	(5,719)
Write-off	-	(6,041)
Depreciation for the period/ year	(13,081,070)	(23,196,845)
Carrying value at the end of the period/ year	281,777,228	254,249,228

The additions during the six month period ended June 30, 2022 amounting to SR 40.6 million (December 31, 2021: SR 122.2 million), mainly represent additions to capital work-in-progress for construction of feed mill, expansion of the current capacity of the processing plant and hatchery expansion.

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2022

6 LEASES

The Group leases various accommodations, warehouses, buildings, poultry processing plants, farms, vehicles and offices. Rental contracts are typically made for fixed periods of 2 to 45 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Right-of-use assets:

<u>2022</u>	Vehicles SR	Building SR	Total SR
Cost			
At January 1, 2022 (Audited)	103,731,400	303,697,063	407,428,463
Additions	33,363,320	130,597,731	163,961,051
Write off	(6,721,616)	(1,993,257)	(8,714,873)
At June 30, 2022 (Unaudited)	130,373,104	432,301,537	562,674,641
Accumulated depreciation			
At January 1, 2022 (Audited)	43,348,741	127,385,353	170,734,094
Depreciation for the period	12,787,939	30,140,498	42,928,437
Write off	(4,609,222)	(1,188,391)	(5,797,613)
At June 30, 2022 (Unaudited)	51,527,458	156,337,460	207,864,918
Net book value			
At June 30, 2022 (Unaudited)	78,845,646	275,964,077	354,809,723
	Vehicles SR	Building SR	Total SR
<u>2021</u>			
Cost			
At January 1, 2021 (Audited)	67,430,557	232,944,826	300,375,383
Additions	36,300,843	74,678,034	110,978,877
Write off	-	(3,925,797)	(3,925,797)
At December 31, 2021 (Audited)	103,731,400	303,697,063	407,428,463
Accumulated depreciation			
At January 1, 2021 (Audited)	23,809,376	76,835,818	100,645,194
Depreciation for the year	19,539,365	51,201,143	70,740,508
Write off	-	(651,608)	(651,608)
At December 31, 2021 (Audited)	43,348,741	127,385,353	170,734,094
Net book value			
At December 31, 2021 (Audited)	60,382,659	176,311,710	236,694,369

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2022

6 LEASES (CONTINUED)

Lease Liabilities:

	June 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
At beginning of period / year	214,575,803	179,152,448
Additions	163,961,051	110,978,877
Write off	(2,635,899)	(1,921,982)
Lease payments	(53,232,378)	(85,304,609)
	322,668,577	202,904,734
Interest	7,484,170	11,671,069
At end of period / year	330,152,747	214,575,803

Lease liabilities are presented in the condensed consolidated interim statement of financial position as follows:

	June 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
Lease liabilities		
Current	71,997,100	63,483,158
Non-current	258,155,647	151,092,645
	330,152,747	214,575,803

During the six-month period ended June 30, 2022 the Group has terminated a few lease contracts and resultantly lease liabilities and right-of-use assets were written off and a net loss of SR 0.3 million (June 30, 2021: net loss of SR 0.1 million), was realised in the condensed consolidated interim statement of comprehensive income.

Depreciation charge on right-of-use assets has been allocated as follows:

	Six-months period ended	
	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (unaudited)
Cost of sales (note 16)	27,904,711	22,913,652
Selling and distribution expenses (note 17)	13,930,567	8,787,445
General and administrative expenses (note 18)	1,093,159	714,127
	42,928,437	32,415,224

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
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6 LEASES (CONTINUED)

Expense relating to short-term leases recognised in the condensed consolidated interim statement of comprehensive income:

	<u>Six-months period ended</u>	
	<u>June 30,</u> <u>2022</u> <u>SR</u> <u>(Unaudited)</u>	<u>June 30,</u> <u>2021</u> <u>SR</u> <u>(unaudited)</u>
Expense relating to short-term leases (included in cost of sales, selling and distribution expenses and general and administrative expenses)	<u>12,419,998</u>	<u>6,593,069</u>

7 INVENTORIES

	<u>June 30,</u> <u>2022</u> <u>SR</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2021</u> <u>SR</u> <u>(Audited)</u>
Raw materials	165,991,048	127,636,326
Poultry meats and other food stuff	32,008,567	22,728,798
Finished goods	27,316,627	19,353,260
Animal health products	22,776,684	12,801,141
Packaging materials	15,549,732	13,722,745
Spare parts	14,936,075	12,033,956
Equipment for sale	11,507,836	6,933,771
Goods-in-transit	-	1,284,606
Other	7,983,517	5,507,720
	<u>298,070,086</u>	<u>222,002,323</u>
Less: provision for slow-moving inventories	<u>(8,805,683)</u>	<u>(8,005,768)</u>
	<u>289,264,403</u>	<u>213,996,555</u>

Movement in provision for slow-moving inventories is as follows:

	<u>June 30,</u> <u>2022</u> <u>SR</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2021</u> <u>SR</u> <u>(Audited)</u>
Opening balance	8,005,768	6,822,908
Additions during the period / year	2,668,257	5,759,010
Write-offs during the period / year	<u>(1,868,342)</u>	<u>(4,576,150)</u>
	<u>8,805,683</u>	<u>8,005,768</u>

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8 BIOLOGICAL ASSETS

	June 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
Broiler birds	31,223,756	30,312,999
Breeder birds – rearing & production	66,799,437	45,517,325
Hatchery eggs	19,105,214	11,780,734
	117,128,407	87,611,058

The fair value measurements for the broiler birds and hatchery eggs have been categorised as Level 3 in the fair value hierarchy based on the inputs to the valuation techniques used. Valuation techniques and significant unobservable inputs used for valuation of biological assets are as below:

Biological assets	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Live broiler birds	The valuation model considers the average weight of bird, mortality and the estimated selling price less cost to sell [including the additional cost required to bring the birds as ready to sell (i.e. feed cost, medicines and overheads)].	- Mortality of birds - Average weight of birds - Processing loss - Sales price of fully-grown bird less cost to sell.	The estimated fair value would increase/ (decrease) if: -Mortality was lower/ (higher). -Average weight of birds higher/ (lower). -Processing loss was lower/ (higher) -Selling price of fully-grown bird less cost to sell was higher/ (lower).
Hatchery eggs	The valuation model considers the actual selling price less cost to sell [including the additional cost required to bring the eggs as ready to sell (i.e. overhead and vaccine cost)].	- Hatchability of the eggs	The estimated fair value would increase/ (decrease) if the hatchability was higher/ (lower).

9 TRADE RECEIVABLES AND OTHER DEBTORS

	June 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
Trade receivables	242,552,328	228,278,582
Due from related parties (note 14)	7,516,187	3,963,055
	250,068,515	232,241,637
Less: provision for impairment of trade receivables and other debtors	(16,089,337)	(14,967,131)
	233,979,178	217,274,506

Due from related parties as at June 30, 2022 comprises of trade receivables amounting to SR 4.3 million (December 31, 2021: SR 2.0 million) and other receivables amounting to SR 3.2 million (December 31, 2021: SR 1.9 million).

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9 TRADE RECEIVABLES AND OTHER DEBTORS (CONTINUED)

Movement in provision for impairment of trade receivables and other debtors is as follows:

	June 30, 2022	December 31, 2021
	SR	SR
	(Unaudited)	(Audited)
Opening balance	14,967,131	11,763,628
Additions during the period / year	1,145,000	3,507,127
Write-offs during the period / year	(22,794)	(303,624)
Closing balance	16,089,337	14,967,131

Impairment losses on financial assets recognised in the condensed consolidated interim statement of comprehensive income are summarised as follows:

	Weighted average loss rate	Gross carrying amount	Loss allowance
June 30, 2022 (Unaudited)	6.63%	242,552,328	16,089,337
December 31, 2021 (Audited)	6.56%	228,278,582	14,967,131

10 PREPAYMENTS AND OTHER RECEIVABLES

	June 30, 2022	December 31, 2021
	SR	SR
	(Unaudited)	(Audited)
Advances to suppliers	80,470,906	71,872,104
Prepaid expenses	33,425,225	29,392,947
Other receivables	17,585,702	8,241,140
Employee receivables	7,244,594	6,994,959
Government subsidy receivable	9,105,365	7,887,619
	147,831,792	124,388,769

Movements in government subsidy receivable is as follows:

	June 30, 2022	December 31, 2021
	SR	SR
	(Unaudited)	(Audited)
Opening balance	7,887,619	11,892,836
Additions during the period / year	20,812,195	49,870,724
Collections during the period / year	(19,594,449)	(53,875,941)
Closing balance	9,105,365	7,887,619

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11 BORROWINGS

	June 30, 2022	December 31, 2021
	SR	SR
	(Unaudited)	(Audited)
<i>Non-current</i>		
Long-term bank loan	64,548,425	80,327,652
Less: Current portion of long-term bank loan	(60,958,346)	(52,942,660)
	3,590,079	27,384,992
<i>Current</i>		
Short-term bank loans	253,678,385	240,963,734
Current portion of long-term bank loan	60,958,346	52,942,660
Interest payable	2,753,570	1,859,067
	317,390,301	295,765,461

The Group has short-term and long-term loan facilities from commercial banks of SR 253.7 million (December 31, 2021: SR 631.3 million) and SR 64.5 million (December 31, 2021: SR 147.8 million) respectively. The unused balance of these facilities as at June 30, 2022 is SR 364.1 million and SR 8.0 million (December 31, 2021: SR 241.9 million and SR 36.7 million) respectively. These facilities bear finance costs at market rates, which are generally based on Saudi Inter Bank Offered Rate ("SIBOR"). Short-term facilities are collateralised by promissory notes signed by the borrowing entities of the Group, and by corporate guarantees by Al Dabbagh Group Holding Company ("ADGHC"), and cross and corporate guarantees from the entities of the Group. The average interest rates during the six-month period ended June 30, 2022 on these facilities varied between 1.9% to 6.1% per annum (December 31, 2021: 1.7% to 5.3% per annum).

12 TRADE PAYABLES, ACCRUALS AND OTHER LIABILITIES

	June 30, 2022	December 31, 2021
	SR	SR
	(Unaudited)	(Audited)
Trade payables	251,297,339	190,765,551
Accrued employee-related costs	78,135,213	60,252,096
Accrued expenses	63,249,189	54,500,555
Utilities payable	5,900,502	5,127,392
Advances from customers	4,600,926	3,261,691
Contract liabilities	130,803	751,837
Due to related parties (note 14)	6,100	3,709,926
Others	12,156,459	7,956,117
	415,476,531	326,325,165

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13 ZAKAT

The Company and its subsidiaries registered in the Kingdom of Saudi Arabia file the zakat declaration on a consolidated basis in accordance with the regulations of the Zakat, Tax and Customs Authority (the "ZATCA").

The Zakat is based on the interim condensed financial information of the Group. The movement in Group's zakat provision is as follows:

	June 30, 2022 SR (unaudited)	December 31, 2021 SR (audited)
Opening balance	8,637,498	9,910,323
Provided during the period / year	4,023,264	5,741,602
Over provision for prior year	(118,174)	888,183
Payment of zakat reimbursed by the shareholder	(27,590)	(819,061)
Paid during the period / year	(5,595,838)	(7,083,549)
Closing balance	6,919,160	8,637,498

During 2019, the Company entered into an agreement with ADGHC, ultimate parent, whereby all liabilities relating to additional zakat assessments up to the year ended December 31, 2018 will be reimbursed to the Company by ADGHC. During the year ended December 31, 2021, such reimbursement amounted to SR 0.8 million which was credited to retained earnings, being a transaction with owners in their capacity as owners, with a corresponding impact to receivables from ADGHC.

The Company has finalised its zakat assessments with the ZATCA up to 2010. From 2011 to 2013, the Company obtained approval from ZATCA to file a consolidated zakat declaration and has accordingly accrued zakat for such years on a consolidated basis. During 2014, due to the transfer of its shares in ADC, DHV and SFPC, the Company's effective shareholding in such subsidiaries became less than 100% and therefore, the Company filed an unconsolidated zakat return for the years ended 2014 through 2018 while ADC, DHV, and SFPC filed separate zakat returns for such years.

The Company has received the final zakat assessment for 2015 with an additional zakat liability of SR 1.1 million. The Company has filed an appeal with GSTC against such assessment and the Group management expects the assessment to be set aside in the favour of the Company. Accordingly, no provision has been recorded in the condensed consolidated interim financial information as at June 30, 2022. Further, the Company has also received the final zakat assessment for 2016 with an additional zakat liability of SR 0.03 million, the Company made the payment under protest and recharged to ADGHC as per the undertaking between the Company and ADGHC.

During 2019, the Company regained 100% effective shareholding in ADC, SFPC and DHV and after obtaining the approval of ZATCA, reverted to filing the Group's zakat return on a consolidated basis for the years 2019 thereon. Final assessments for such years are currently pending with the ZATCA.

During the period ended June 30, 2022, the Company requested ZATCA to include GBFFC, a 100% owned subsidiary, in the Group's consolidated zakat return. Subsequent to ZATCA's approval, the Company is in process of filing Group's zakat return on a consolidated basis for the year 2021 including ADC, DHV, SFPC and GBFFC.

ZATCA has finalized the zakat assessment of ADC for the year 2015 by assessing additional liability of SR 0.2 million which the ADC has paid under protest and recharged to ADGHC as per the undertaking between the Company and ADGHC. During 2021, ZATCA finalized ADC's zakat assessments for the years 2016 and 2017 by assessing additional liability of SR 0.4 million and SR 0.2 million, respectively which the ADC has paid under protest and recharged to ADGHC as per the undertaking between the Company and ADGHC. No other assessment has yet been issued for ADC.

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13 ZAKAT (CONTINUED)

SFPC has received final zakat assessments for the years 2015 through 2018 with an additional zakat liability of SR 4.1 million. SFPC has filed an appeal with the General Secretariat of Tax Committees ("GSTC") against such assessments and expects these assessments to be set aside in the favour of SFPC. Management of the Group believes that the provision recorded against such assessment in the condensed consolidated interim financial information as at June 30, 2022, is adequate for any potential outflow as a result of finalization of the appeal with GSTC.

DHV has received final zakat assessments for the years 2017 and 2018 with an additional zakat liability of SR 0.5 million and SR 0.2 million, respectively. DHV has filed an appeal with GSTC against such assessments and the Group management expects these assessments to be set aside in the favour of DHV.

14. RELATED PARTY TRANSACTIONS AND BALANCES

The Company is a member of an affiliated Group of companies, which are directly or indirectly controlled by ADGHC, the ultimate parent.

Following is the list of related parties with whom the Group has significant transactions and balances:

Name of related party	Nature of relationship
ADGHC	Ultimate parent
National Scientific Company Limited ("NSCL")	Affiliate
Saed International for Istiqdam Company ("SAED Istiqdam")	Affiliate
Qeemah and Dukan for Groceries Company Limited ("Dukan")	Affiliate
Petromin Corporation ("Petromin")	Affiliate
Advanced Petroleum Services Limited (APSL)	Affiliate
National Fuel Limited Company	Affiliate
Petrolube Oil Company	Affiliate

During the six-month periods ended June 30, 2022 and 2021, a number of transactions were carried out in the ordinary course of business with the affiliated companies, which are based on prices and contractual terms that are mutually agreed by management of the Group. The aggregate values of such transactions with affiliated companies are mentioned as follows:

Other related party transactions

	Three-months period ended		Six-months period ended	
	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)
Sales to an affiliate	4,862,198	3,398,298	7,804,472	6,820,120
Payments on behalf of ultimate parent	649,578	1,757,968	1,222,652	3,638,872
Rent	287,500	-	287,500	-
Employee cost paid to an affiliate	-	668,052	432,602	1,824,418
Purchases from affiliates	85,775	64,582	152,453	502,905
Employee benefit obligations transferred to a related party	-	(1,160)	-	(2,351)
Employee benefit obligations transferred from a related party	-	90,871	-	90,871

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14. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Transactions with key management personnel

	Three-months period ended		Six-months period ended	
	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)
Remuneration	4,552,082	2,905,449	8,116,325	6,972,608
Provision for employee benefit obligations	227,389	314,691	578,726	470,982
	4,779,471	3,220,140	8,695,051	7,443,590

Key management personnel include the Board of Directors, Chief Executive Officer and heads of departments. Compensation of the Group's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan.

Related party balances

Significant period end balances arising from transactions with related parties, are as follows:

Due from related parties (note 9)

	June 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
ADGHC	3,151,315	1,928,663
Dukan	4,230,214	1,899,734
NSCL	102,454	102,454
APSL	32,204	32,204
	7,516,187	3,963,055

Due to related parties (note 12)

	June 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
Petromin	6,100	3,709,926

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15 REVENUE

	Three-months period ended		Six-months period ended	
	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)
At a point in time	529,622,446	362,243,836	961,797,050	728,390,805
Over time	957,086	4,273,726	4,111,767	6,464,311
	530,579,532	366,517,562	965,908,817	734,855,116

The revenue for the six-month period ended June 30, 2022 from top five customers in the food and agriculture stream represents 15% of the Group's revenues (six-month period ended June 30, 2021: 17%).

16 COST OF SALES

	Three-months period ended		Six-months period ended	
	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)
Materials consumed	257,104,077	180,566,497	485,063,057	353,017,460
Employee related costs	82,620,965	60,616,915	146,696,659	119,419,271
Depreciation on right-of-use assets	14,758,453	11,519,829	27,904,711	22,913,652
Transport and travel	11,785,355	10,826,923	22,282,636	21,313,369
Utilities	8,907,953	7,587,842	17,046,832	15,116,604
Depreciation on property, plant and equipment	5,557,395	4,863,283	10,763,840	9,650,171
Rent	4,668,206	2,075,641	8,546,050	4,367,221
External processing charges	4,181,396	2,767,453	6,792,176	6,369,586
Repairs and maintenance	2,458,087	2,226,869	4,957,332	4,518,864
Others	4,596,200	5,284,686	10,846,709	10,665,500
	396,638,087	288,335,938	740,900,002	567,351,698

17 SELLING AND DISTRIBUTION EXPENSES

	Three-months period ended		Six-months period ended	
	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)
Employee related costs	28,429,553	21,028,613	54,325,318	39,784,024
Transport and travel	10,723,317	8,013,460	19,348,817	16,160,147
Depreciation on right-of-use assets	7,190,394	4,777,127	13,930,567	8,787,445
Advertising and sales promotion	4,870,589	4,539,344	10,279,544	7,989,554
Rent	1,593,886	1,276,801	2,835,625	2,225,848
Utilities	465,173	672,408	1,001,430	1,324,172
Depreciation on property, plant and equipment	1,093,570	629,032	2,066,756	1,225,153
Others	8,554,865	6,416,830	15,374,497	12,386,201
	62,921,347	47,353,615	119,162,554	89,882,544

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18 GENERAL AND ADMINISTRATIVE EXPENSES

	Three-months period ended		Six-months period ended	
	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)
Employee related costs	20,642,031	16,797,535	40,518,733	32,693,065
Professional fees	2,677,897	717,597	4,719,404	1,417,364
IT infrastructure cost	765,876	383,427	1,528,941	753,531
Depreciation on right-of-use assets	885,356	274,748	1,093,159	714,127
Transport and travel	972,735	269,942	1,570,063	548,455
Others	2,831,169	1,672,343	5,805,793	3,043,988
	28,775,064	20,115,592	55,236,093	39,170,530

19 COMMITMENTS

Commitments

The capital expenditure contracted by the Group but not incurred until June 30, 2022 was SR 153 million (December 31, 2021: SR 39.5 million).

The banks issued guarantees on behalf of the Group amounting to SR 3.7 million (December 31, 2021: SR 5.7 million). The Group also has letters of credit and documentary collection in sight issued on its behalf in the normal course of business amounting to SR 308.9 million and NIL, respectively (December 31, 2021: SR 173.6 million and SR 12.4 million respectively).

Short-term leases

The short-term lease commitments as of June 30, 2022 amount to SR 2.2 million (December 31, 2021: SR 0.6 million).

20 EARNINGS PER SHARE

Earnings per share have been calculated by dividing the net profit attributable to the owners of the Company by the weighted average number of shares outstanding during the period. As the Group does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

	Three-months period ended		Six-months period ended	
	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)	June 30, 2022 SR (Unaudited)	June 30, 2021 SR (Unaudited)
Net profit attributable to owners of the Company	30,199,548	3,418,062	31,741,530	22,207,811
Weighted average number of shares	20,000,000	20,000,000	20,000,000	20,000,000
Basic and diluted earnings per (Saudi Riyals per share) share	1.51	0.17	1.59	1.11

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21 SEGMENT INFORMATION

The Group operates principally in a single business segment of Food and Agriculture business which includes manufacturing and distribution of fresh and processed poultry and poultry related products. This is in line with the operating segment that is regularly reported to the Chief Operating Decision Maker. This is also the measure reported to the Group's Board of Directors for the purpose of resource allocation and assessment of segment performance. However, the Group operates in the following geographical areas:

Three-months period ended June 30, 2022 (Unaudited)

	Food and agriculture				Construction of poultry farms		Total SR
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Bahrain SR	Other GCC countries SR	Kingdom of Saudi Arabia SR		
Revenue from external customers	464,350,289	21,009,926	25,930,580	18,331,651	-	-	529,622,446
<i>Timing of revenue recognition</i>							
At a point in time	-	-	-	-	957,086	-	957,086
Over time	464,350,289	21,009,926	25,930,580	18,331,651	957,086	530,579,532	957,086

Three-months period ended June 30, 2021 (Unaudited)

	Food and agriculture				Construction of poultry farms		Total SR
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Bahrain SR	Other GCC countries SR	Kingdom of Saudi Arabia SR		
Revenue from external customers	305,353,688	21,449,616	25,143,038	10,297,494	-	-	362,243,836
<i>Timing of revenue recognition</i>							
At a point in time	-	-	-	-	4,273,726	-	4,273,726
Over time	305,353,688	21,449,616	25,143,038	10,297,494	4,273,726	4,273,726	366,517,562

The revenue for the three-months period ended June 30, 2022 from top five customers in the food and agriculture stream represents 15% of the Group's revenues (three-months period ended June 30, 2021: 18%).

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21 SEGMENT INFORMATION (CONTINUED)

Six-months period ended June 30, 2022 (Unaudited)

	Food and agriculture			Construction of poultry farms		
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Bahrain SR	Other GCC countries Saudi Arabia SR		Total SR
				Kingdom of Saudi Arabia SR	Other GCC countries Saudi Arabia SR	
Revenue from external customers						
<i>Timing of revenue recognition</i>						
At a point in time	832,289,083	49,078,585	48,432,236	31,997,146	-	961,797,050
Over time	-	-	-	-	4,111,767	4,111,767
	832,289,083	49,078,585	48,432,236	31,997,146	4,111,767	965,908,817

Six-months period ended June 30, 2021 (Unaudited)

	Food and agriculture			Construction of poultry farms		
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Bahrain SR	Other GCC countries Saudi Arabia SR		Total SR
				Kingdom of Saudi Arabia SR	Other GCC countries Saudi Arabia SR	
Revenue from external customers						
<i>Timing of revenue recognition</i>						
At a point in time	617,069,273	45,090,418	45,887,043	20,344,071	-	728,390,805
Over time	-	-	-	-	6,464,311	6,464,311
	617,069,273	45,090,418	45,887,043	20,344,071	6,464,311	734,855,116

The revenue for the six-month period ended June 30, 2022 from top five customers in the food and agriculture stream represents 15% of the Group's revenues (six-month period ended June 30, 2021: 17%).

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21 SEGMENT INFORMATION (CONTINUED)

	June 30, 2022 (Unaudited)			Total SR
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Kingdom of Bahrain SR	
Property, plant and equipment	244,962,341	36,633,940	180,947	281,777,228
Right-of-use assets	335,984,632	18,000,039	825,052	354,809,723
Intangible assets	3,731,850	21,906	-	3,753,756
Financial assets at FVOCI	773,983	-	-	773,983

	December 31, 2021 (Audited)			Total SR
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Kingdom of Bahrain SR	
Property, plant and equipment	215,604,640	38,523,048	121,540	254,249,228
Right-of-use assets	216,742,430	18,711,004	1,240,935	236,694,369
Intangible assets	2,639,044	27,967	-	2,667,011
Financial assets at FVOCI	773,983	-	-	773,983

22 DIVIDENDS

On April 14, 2022, the shareholders in their meeting approved and distributed a cash dividend of SR 0.51 per share amounting to SR 10.2 million for the year ended December 31, 2021.

23 SUBSEQUENT EVENTS

Subsequent to June 30, 2022 the Group entered into an agreement whereby US company Tyson International Holding Company, a wholly owned subsidiary of Tyson Foods, Inc., a company listed in the New York Stock Exchange ("Tyson") has agreed to acquire an equity stake in each of the Group's wholly owned subsidiaries, Agricultural Development Company ("ADC") and Supreme Foods Processing Company ("SFPC") for a consideration of USD 70 million (equivalent to SAR 262.6 million) subject to customary price adjustments under the sale and purchase agreement. The transaction and the strategic partnership to be formed between the Group and Tyson is being entered into as part of the Group's ongoing efforts to meet the growing global demand for protein products. After the transaction, the Group will maintain a 85% ownership in ADC and a 40% ownership in SFPC. The transaction is subject to the approval of regulatory authorities in the Kingdom.

24 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

These interim condensed consolidated financial information for the six-month period ended June 30, 2022 were approved for issuance by the Board of Directors of the Group on August 11, 2022.