SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
WITH INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Saudi Advanced Industries Company
(Saudi Joint Stock Company)
Riyadh-Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Saudi Advanced Industries Company ("the Company"), which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Saudi Advanced Industries Company
(Saudi Joint Stock Company)
Riyadh-Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters	How our audit addressed the key audit matter
Evaluating the indicators of impairment of the investee companies using the equity method	
At 31 December 2021, the Company has investments in associate with an amount of SR 479,322,812 (31 December 2020: SR 406,970,179). In each reporting date, the Company performs an assessment for any indications of impairment in the value of investments, and if the indicators exist, the company is required to calculate the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the statement of profit or loss and other comprehensive income. We considered this as a key audit matter as the valuation inputs subject to critical judgment.	our procedures include the following: • Assess the appropriateness of the Company's policies regarding the impairment test of investments in associates and evaluate the compliance with the accounting standards applied. • Evaluate the objective evidence of impairment indicators and the effect on the net investment and its impairment. • In case the impairment indicators exist, we assess the management procedures for impairment test the design and implementation of controls over these procedures. • Evaluating the adequacy of the related disclosures.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Saudi Advanced Industries Company
(Saudi Joint Stock Company)
Riyadh-Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters	How our audit addressed the key audit matter
Valuation of financial assets at fair value through profit or loss which are not traded in an active market	
Financial assets at fair value through profit or loss include a portfolio of equity instruments. These instruments are measured at fair value and the changes in fair value are recognized in profit or loss. While the majority of the fair values of the company's investments were directly obtained from active markets as at 31 December 2021, the company held an amount of SR 188,689,970 of unquoted investments. The fair value of these investments is determined through the application of valuation techniques which often involve the exercise of judgment by management and the use of assumptions and estimates. Estimation uncertainty exists for those not traded investments in an active market, and where the internal modeling techniques used: • Significant un-observable valuation inputs (ie Level 3 investments). Estimation uncertainty is considered high for Level 3 investments. In the Company's accounting policies, management has described the key sources of estimation involved in determining the valuation of Level 3 investments. The cost price has been endorsed due to the discounted cash flow approach or comparable entity data may result in a fair value that cannot be relied upon. The valuation of the Company's investments held as fair value through profit or loss in the Level 3 category is considered a key audit matter given the degree of complexity involved in valuating these investments and the significance of the judgments and estimates made by the management. Refer to the summary of significant accounting policies, note No. (4) and note (5) which explains the critical judgments and estimates for fair value measurement, and note (25) which explains the investment valuation methodology used by the company.	We reviewed the methodology and assessed the appropriateness of valuation models and inputs used by the management to value the financial assets at fair value through profit or loss through involving our valuation experts. We also tested the valuation of the investments which are not traded in an active market and held at fair value through profit or loss. As part of these audit procedures, we assessed key inputs used in the valuation, such as comparable entities data and liquidity discounts, by benchmarking them with external data to verify that there is no impairment of investments and the cost price adopted due to, the approach of comparable entities data or discounted cash flows may result in a fair value that cannot be relied upon. We performed the following procedures: • We obtained the management valuation and assessed the key inputs used in the valuation. • Involved our valuation experts to perform an independent valuation and use specific assumptions. We have assessed the adequacy of the related disclosures included in the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Saudi Advanced Industries Company
(Saudi Joint Stock Company)
Riyadh-Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements (Continued)

Other Information

Other information consists of the information included in the Company's 2021 annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

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

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

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Saudi Advanced Industries Company
(Saudi Joint Stock Company)
Riyadh-Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Saudi Advanced Industries Company
(Saudi Joint Stock Company)
Riyadh-Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements (Continued)

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

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

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

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

For Al-Bassam & Co.

Ibrahim A. Al-Bassam
Certified Public Accountant
License No. 337
Riyadh on: 14 Shaaban 1443 H
Corresponding to 17 March 2022

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SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021
(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Property and equipment and intangible, net	6	**365,075**	464,376
Investments in associates companies	7	**479,322,812**	406,970,179
Financial assets at FVOCI	8	**250,795,293**	245,976,004
Financial assets at FVPL	9	**188,689,970**	188,689,970
Other financial assets		**1,976,625**	-
Total non-current assets		**921,149,775**	842,100,529
Current assets			
Prepayments and other current assets	10	**262,385**	470,728
Cash and cash equivalents	11	**23,780,237**	4,685,505
Total current assets		**24,042,622**	5,156,233
Total assets		**945,192,397**	847,256,762
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**500,000,000**	500,000,000
Statutory reserve	13	**150,000,000**	150,000,000
General reserve	14	**34,331,892**	34,331,892
Retained earnings		**185,114,021**	106,062,684
Actuarial reserve		**(876,347)**	(745,378)
Fair value reserve		**69,366,807**	50,105,775
Total equity		**937,936,373**	839,754,973
Liabilities			
Non-current liabilities			
Employees' end of service benefits	16-2	**2,375,616**	2,201,136
Total non-current liabilities		**2,375,616**	2,201,136
Current liabilities			
Accrued expenses and other current payables	17	**4,730,408**	2,681,683
Zakat provision	18	**150,000**	2,618,970
Total current liabilities		**4,880,408**	5,300,653
Total liabilities		**7,256,024**	7,501,789
Total equity and liabilities		**945,192,397**	847,256,762

Muhannad Mustafa Al-Ashqar	**Saeed Abdullah Al-Moeather**	**Yazeed Khaled Alshathry**
Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Directors**

The accompanying notes from 1 to 28 are an integral part of these financial statements.

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021
(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	31 December 2021	31 December 2020
Revenues	19	**101,475,095**	36,777,041
Gross income		**101,475,095**	36,777,041
General and administrative expenses	20	**(8,895,670)**	(7,708,636)
Operating Income		**92,579,425**	29,068,405
Finance costs		-	(34,844)
Other income		**60,755**	73,959
Net income before zakat		**92,640,180**	29,107,520
Zakat	18	**(1,507,114)**	(3,036,700)
Net income for the year		**91,133,066**	26,070,820
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss:			
Net change in financial assets at FVOCI	8	**16,653,263**	30,029,755
Share of other comprehensive (loss) / income of investment in an associate	7	**160,292**	(2,104,369)
Realized gain (losses) from disposals of financial assets at FVOCI		**3,123,726**	(341,349)
Actuarial losses	16-2	**(130,969)**	(226,851)
Total comprehensive income		**110,939,378**	53,428,006
Basic and diluted earnings per share			
Earnings per share from operating income	21	**1.85**	,58
Earnings per share from net income	21	**1.82**	,52

Muhannad Mustafa Al-Ashqar
Chief Financial Officer

Saeed Abdullah Al-Moeather
Chief Executive Officer

Yazeed Khaled Alshathry
Chairman of Board of Directors

The accompanying notes from 1 to 28 are an integral part of these financial statements.

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021
(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	Share capital	Statutory reserve	General reserve	Retained earnings	Actuarial reserve	Fair value reserve	Total
Balance as at 1 January 2020		500,000,000	150,000,000	36,320,000	93,299,170	(518,527)	19,726,324	798,826,967
Net income for the year		-	-	-	26,070,820	-	-	26,070,820
Share of other comprehensive income of investment in an associate	7	-	-	-	(2,104,369)	-	-	(2,104,369)
Transfer of fair value reserve on disposal of the investment		-	-	-	(691,045)	-	349,696	(341,349)
Other comprehensive loss	16	-	-	-	-	(226,851)	30,029,755	29,802,904
Total comprehensive income \ (loss) for the year		-	-	-	23,275,406	(226,851)	30,379,451	53,428,006
Dividends	15	-	-	-	(12,500,000)	-	-	(12,500,000)
Transfer to Retained earnings	18	-	-	(1,988,108)	1,988,108	-	-	-
Balance as at 31 December 2020		500,000,000	150,000,000	34,331,892	106,062,684	(745,378)	50,105,775	839,754,973
Net income for the year		-	-	-	**91,133,066**	-	-	**91,133,066**
Share of other comprehensive income of investment in associates companies	7	-	-	-	**160,292**	-	-	**160,292**
Realized gain (losses) from disposal of financial assets at FVOCI		-	-	-	**257,979**	-	**(257,979)**	-
Other comprehensive (loss) \ income	**16**	-	-	-	-	**(130,969)**	**19,519,011**	**19,388,042**
Total comprehensive income \ (loss) for the year		-	-	-	**91,551,337**	**(130,969)**	**19,261,032**	**110,681,400**
Dividends	**15**	-	-	-	**(12,500,000)**	-	-	**(12,500,000)**
Balance as at 31 December 2021		**500,000,000**	**150,000,000**	**34,331,892**	**185,114,021**	**(876,347)**	**69,366,807**	**937,936,373**

Muhannad Mustafa Al-Ashqar	**Saeed Abdullah Al-Moeather**	**Yazeed Khaled Alshathry**
Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Directors**

The accompanying notes from 1 to 28 are an integral part of these financial statements.

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021
(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	31 December 2021	31 December 2020
Cash flows from operating activities:			
Net Income for the year before zakat		**92,640,180**	29,107,520
Adjustments to reconcile net Income before zakat to net cash from operating activities:			
Depreciation of property and equipment and intangible	6	**180,360**	137,782
Provision for end of service benefits	16-2	**269,575**	242,133
Realized gain on financial assets at FVPL		**(316,902)**	-
Realized gain from financial assets at FVOCI		**(257,979)**	-
Share of profit in an associates companies	7	**(90,883,250)**	(25,739,265)
Loss on disposal of property and equipment		**659**	-
		1,632,643	3,748,170
Changes in working capital items			
Financial assets at FVPL		-	2,438,489
Prepayments and other current assets		**208,343**	(67,900)
Accrued expenses and payables		**72,100**	1,207,698
Cash generated from operating activities		**1,913,086**	7,326,457
Employees' end of service benefits paid	16-2	**(226,064)**	(27,316)
Zakat paid	18	**(3,976,084)**	(1,384,405)
Net cash generated (used in)/ from operating activities		**(2,289,062)**	5,914,736
Cash flows from investing activities:			
Purchase of property and equipment	6	**(81,718)**	(262,055)
Proceed from investments at the associate	7	**18,690,909**	9,090,909
Purchase of financial assets at FVOCI		**(2,038,375)**	-
Proceed from the disposal of financial assets at FVOCI		**16,996,076**	347,613
Purchase of financial assets at FVPL		**(1,352,507)**	-
Proceeds from the sale of financial assets at FVPL		**1,669,409**	-
Short-term Murabaha		-	6,000,000
Net cash generated from investing activities		**33,883,794**	15,176,467
Cash flows from financing activities:			
Long-term borrowings			(8,000,000)
Dividends Paid	15	**(12,500,000)**	(12,500,000)
Net cash used in financing activities		**(12,500,000)**	(20,500,000)
Net change in cash and cash equivalents		**19,094,732**	591,203
Cash and cash equivalent at the beginning of the year		**4,685,505**	4,094,302
Cash and cash equivalents at the end of the year		**23,780,237**	4,685,505
Non-cash transactions	24		

Muhannad Mustafa Al-Ashqar **Chief Financial Officer**	**Saeed Abdullah Al-Moeather** **Chief Executive Officer**	**Yazeed Khaled Alshathry** **Chairman of Board of Directors**

1. Organization and principal activities

Saudi Advanced Industries Company ("the Company") is a Saudi joint-stock company registered in the Kingdom of Saudi Arabia with Commercial Registration No. 1010068321 issued in Riyadh on Jumada Al-Awwal 24, 1408H, corresponding to 13 January 1988G.
The principal activity of the Company in Management of subsidiaries of holding companies, Investing the funds of the subsidiaries of the holding companies.

The headquarters of the Company is located at the following address:
Riyadh / Al-Narjis district - -Takhasusi Street with Othman bin Affan Road
P.O. Box 51743
Riyadh 11553
Saudi Arabia

2. Basis of preparation

a) Statement of compliance

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

b) Basis of measurement

These financial statements have been prepared in under the historical cost method, except in cases where international financial reporting standards require another basis for measurement as disclosed in the accounting policies in note No. (4) of the notes about the accompanying financial statements.

c) Functional and presentation currency

These financial statements are presented in Saudi Riyals, which is the Company's functional and presentation currency.

d) Use of estimates and assumptions

In preparing the financial statements in accordance with International Financial Reporting Standards requires the use of significant accounting estimates. It also requires the management has made judgments when the application of the Company's accounting policies to disclose accounts that require a high degree of judgment or complexity or areas in which assumptions and estimates are material to the financial statements.

In particular, information about significant matters regarding the estimation of uncertainty in the application of accounting policies that have a significant effect on the amounts recognized in the financial statements, note (5).

(All amounts are in Saudi riyals unless otherwise mentioned)

3. New standards, amendments to standards and interpretations

Amendments

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Company's Financial Statements, except for where referenced below.

New amendments to standards issued and applied effective in year 2021

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark ReformPhase 2	January 1, 2021	These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.
IFRS 16	Amendments to IFRS 16 Leasing - Covid-19 Related Rent Concessions	April 1, 2021	This amendment extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification for payments originally due on or before June 30, 2022 (rather than payment due on or before June 30, 2021).

3.1 New standards, amendments and revised IFRS issued but not yet effective

The Company has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract. These amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments.
IFRS 16, IFRS 9, IAS 41 and IFRS 1	Annual Improvements to IFRS Standards 2018–2020	January 1, 2022	IFRS 16: The amendment removes the illustration of the reimbursement of leasehold improvements IFRS 9: The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender. The amendment is to be applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. IAS 41: The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. IFRS 1: The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation difference.

(All amounts are in Saudi riyals unless otherwise mentioned)

3. New standards, amendments to standards and interpretations (continued)

3.1 New standards, amendments and revised IFRS issued but not yet effective (continued)

The Company has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	January 1, 2022	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use. Additionally, the amendments also clarify the meaning of 'testing whether an asset is functioning properly'.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 3	Reference to the Conceptual Framework	January 1, 2022	The amendment as a whole updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework.
IFRS 17	Insurance Contracts	January 1, 2023	This is comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005.
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of a liability would not impact its classification.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023	This amendment deals with assisting entities to decide which accounting policies to disclose in their financial statements
IAS 8	Amendment to definition of accounting estimate	January 1, 2023	This amendments regarding the definition of accounting estimates to help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Income taxes	January 1, 2023	This amendment deals with clarification regarding accounting of deferred tax on transactions such as leases and decommissioning obligations
Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	N/A	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary.

Management anticipates that these new standards interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

4. Significant accounting policies

4-1 Classification of assets and liabilities as current or non-current

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- Expected to be settled in the normal operating cycle; or
- Held primarily for the purpose of trading; or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Tax assets and liabilities are classified as non-current assets and liabilities.

4-2 Financial instruments

The financial instrument represents contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity.

4-2-1 Financial assets

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost (AC), fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL). The Company classifies its financial assets generally based on the business model in which a financial asset is managed and its contractual cash flows.

(i) Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Business model assessment

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

4. Significant accounting policies (continued)

4-2-1 Financial assets (continued)

(ii) Financial assets at fair value through OCI (FVOCI)

Debt Instruments

A debt instrument is measured at FVOCI only if it meets both of the following conditions and it is not designated as at FVPL

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and the interest on the principal amount outstanding.

Equity instruments

On the initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

(iii) Financial assets at fair value through profit or loss (FVPL)

All other financial assets are classified as measured at FVPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.
Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial assets that are held for trading, if any, and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss (FVPL) because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Impairment of financial assets

IFRS 9 requires the Company to recognize an expected credit loss allowance for all loans and other financial receivables not held at fair value. The company does not have commercial receivables, and for other financial assets such as employees' receivables and balances with banks, it has low credit risk and therefore the effect of applying expected credit losses is not significant.

Derecognition

The Company derecognizes a financial asset (or part of the financial asset or part of a group of similar financial assets) when:

The contractual rights to receive cash flows from the financial asset has expired, or

The Company has transferred its rights to receive cash flows out of an asset or incurs an obligation to pay fully received cash flows without substantial delay to a third party under a "passage" agreement, or (a) the Company transfers all risks and benefits of the asset or (b) the Company fails to transfer or retaining all risks and rewards of the asset, but transfers control of the asset.

4. Significant accounting policies (continued)

4-2-1 Financial assets (continued)

Derecognition (continued)

When the Company transfers its rights to receive cash flows from an asset or enters into a passage arrangement, it evaluates whether, and to what extent, it has retained the risks and benefits associated with ownership and has not transferred or retained substantially all of the risks and benefits associated with the asset and has not transferred its control over the asset, The Company continues to recognize the transferred asset to the extent that the Company's relationship with it continues. In that case, the Company continues to also recognize the liabilities related to the asset. The associated liability and the transferred asset are measured on a basis that reflects the rights and liabilities that the Company has retained.

The continuation of the relationship, which takes the form of a guarantee on the transferred asset, is measured by the original book value of the asset and the maximum amount that the company can be required to pay, whichever is less.

4-2-2 Financial liabilities

The Company classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate (EIR).

Derecognition

A financial liability is derecognized when it is discharged, canceled, or expired. When an existing financial obligation is substituted for another from the same lender according to completely different terms or the conditions of the present obligation substantially, such replacement or amendment is treated as canceling a restriction of the original financial obligation with the recognition of the new obligation. The difference between the relevant carrying values is recorded in the statement of comprehensive income.

4-2-3 Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when the Company currently has a legally enforceable right to offset the recognized amounts and its intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

4-3 Investment in associates companies

An associates companies is an entity in which the investing company has significant influence. The significant influence is the ability to participate in the financial and operating policy decisions of the investee, but it is not control or joint control over those policies.

Accounting for associates is accounted for using the equity method, under the equity method. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after the date of acquisition. The goodwill related to the associate is added to the carrying amount of the investment and it is not amortized or examined on an individual basis for impairment.

The income statement reflects the company's share of the associate's operating results. In the event that there is a change that has been recorded directly in the equity of the associate, then the company shall record its share of any changes and disclose them - as the case may be - in the statement of other comprehensive income.

The financial statements of the associate are prepared for the same period for which the financial statements of the investing company are prepared. When necessary, adjustments are made to match the accounting policies with the accounting policies of the investing company.

4. Significant accounting policies (continued)

4-3 Investment in associates companies (continued)

When the company's share in the associate's losses equals or exceeds its share in the same associate company, including any other unsecured receivables, the company does not recognize any additional losses, unless the company is legally or implicitly obligated to pay amounts on behalf of the associate. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investments,

The company determines at each financial reporting date whether there is any objective evidence of impairment of the investment in the associate. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent in the statement of profit or loss.

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal are recognized in the statement of profit or loss.

4-4 Property and equipment

Property and equipment are recognized initially at the cost of acquisition, including any costs directly attributable to bringing the assets to a working condition for their intended use. These assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses if any.

When the major components of items of property and equipment have different useful lives, they are accounted for as separate items of property and equipment.

Depreciation is charged to the statement of profit or loss and using the straight-line method to allocate the costs of the related assets less the residual values over the following estimated economic useful lives:

Category	Percentage
Cars	25%
Office furniture	15%
Office equipment	15%
Computers	33,3%
Improvements on leased buildings	15% or lease period which is less

Impairment

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell, and their value in use.

The cash-generating unit (CGU) at which the impairment assessment and testing are performed, is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

4. Significant accounting policies (continued)

4-4 Property and equipment (continued)

Capital work-in-progress

Assets in the course of construction or development are capitalized in the capital work-in-progress (“CWIP”) account. The asset under construction or development is transferred to the appropriate category in property and equipment or intangible assets (depending on the nature of the project), once the asset is in a location and/or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work in progress comprises its purchase price, construction/development cost, and any other directly attributable to the construction or acquisition of an item of CWIP intended by management. Costs associated with testing the items of CWIP (prior to its being available for use) are capitalized net of proceeds from the sale of any product during the testing period. Capital work-in-progress is not depreciated or amortized.

The expenses of repair and maintenance are charged to the statement of profit or loss. Repairs and maintenance expenses that increase the value of the assets or increase their useful life materially are capitalized.

The depreciation method, residual value estimates, and useful life estimates are reviewed annually.

Any item of property and equipment and any significant part initially recognized or derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized. The carrying amount of the asset is reduced immediately to its recoverable value in the event that the carrying amount of the asset exceeds its estimated recoverable value.

4-5 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with the bank, with maturity of three months or less from the date of acquisition that are readily convertible to known amount of cash and subject to insignificant risk of changes in value and are available for use by the company.

4-6 Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of financial liability or financial asset. The Company's ordinary shares and treasury shares are classified as equity instruments.

4-7 Employees benefits

4-7-1 Short term obligation

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that is expected to be settled wholly within 12 months after the end of the year in which the employees render the related service is recognized in respect of employees’ services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations within accruals in the consolidated statement of financial position.

4-7-2 Other obligations related to long-term employees benefits

The liability or asset is recognized in the statement of financial position in respect of defined benefit. EOSB plan is the present value of the defined benefit obligation at the end of the reporting year. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

4. Significant accounting policies (continued)

4-7-2 Other obligations related to long-term employees benefits (continued)

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Defined benefit costs are categorized as follows:

Service cost
Service costs include current service cost and past service cost are recognized immediately in the consolidated statement of profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit or loss as past service costs.

Interest cost
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefits expense in the statement of profit or loss.

Re-measurement gains or losses
Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the year in which they occur, directly in other comprehensive income.

4-8 Provisions
A provision is recognized if, as a result of past events, it appears that the Company has a present legal or contractual obligation the amount of which can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4-9 Contingent liabilities
Previous events whose existence will be confirmed only by the occurrence or absence of a single event all contingent liabilities arising from one or more of the uncertain future events that are not fully controlled by the company, or all of the current liabilities arising from previous events but not established for the following reasons: -
(1) There is no possibility that an outflow of resources embedded in the economic benefits will be required to settle the obligation.
(2) It is not possible to measure the amount of the obligation with sufficient reliability, as all of them must be evaluated at the date of each statement of financial position and disclosed on the company's financial statements are among the potential liabilities.

4-10 Revenue recognition
The income (losses) of investments in associates are recognized in accordance with the equity method. Dividend income from investments is recognized at fair value when the company has a right to receive those dividends. This right is generally upon the approval of those responsible for taking the decision to distribute the profits.

4-11 Expenses
All expenses, including general and administrative expenses and other expenses, are recognized and included in the profit or loss in the fiscal year in which those expenses were realized.

4. Significant accounting policies (continued)

4-12 Zakat

The Company is subject to Zakat in accordance with regulations of the zakat, tax and customs authority (ZTCA). Zakat is accrued and charged to income currently. Additional zakat liability, if any, related to prior years' assessment arising from ZTCA are accounted for in the period in which the final assessment is finalized.

4-13 Basic and diluted earnings per share

Basic earnings / (loss) per share

Basic earnings per share are calculated by dividing:

- the profit / (loss) attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings / (loss) per share

Diluted earnings/ (loss) per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4-14 Segment reporting

4-14-1 Operating segment

The operating sector is one of the components of the Company that carries out activities from which it may generate revenues and incur expenses for it, including revenues and expenses related to transactions with any of the Company's other segments. All segment results are evaluated periodically by the operational decision-maker for decision-making so that decisions are taken and the performance of the resources allocated to each segment is assessed and the financial information available separately.
Segment results that are reported to the operating decision-maker include items that refer directly to the segment in addition to those that can be allocated on an appropriate basis.
The Company has five operating segments in the Kingdom of Saudi Arabia, (petrochemicals - glass industry - industrial services "energy and service facilities" - financial services and investments "banks and financial services" - other segments). The segments reached the quantitative limits referred to in the operational segment standard in the International Financial Reporting Standard No. (8). Accordingly, reports on the operating segments were disclosed in the accompanying financial statements.

4-14-2 Geographical segment

A geographical segment is a group of assets, operations, or entities engaged in revenue-producing within activities of a particular economic environment that are subject to risks and returns different from those operating in other economic environments. All segments of the company are headquartered in the Kingdom of Saudi Arabia.

4-15 Cash dividends and non-cash dividends to shareholders

Dividends are recognized as liabilities when the distribution is authorized and the distribution is no longer at the decision of the Company. In accordance with the Companies Law in the Kingdom of Saudi Arabia, a distribution is authorized when it is approved by the shareholders. A corresponding amount is deducted directly from equity and recognized as a liability.

5. Critical judgments and estimates

The following is information about important areas of estimates, uncertainties, and significant judgments when applying accounting policies that have a material impact on the amounts included in the financial statements:

5-1 Economic useful life's of property and equipment and intangible

The company periodically reviews the estimated useful lives and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

5-2 Estimation defined benefit obligations

The cost of the defined benefit obligation and the present value of the obligation is determined using actuarial valuations. In addition, a defined liability requires assumptions that must be made for future results which mainly include an increase in salaries and benefits, and the discount rate used to convert future cash flows to present value. Any changes in these assumptions will affect the carrying amount of the liability. All assumptions are reviewed at the end of each financial year.

5-3 Zakat provision

Management has assessed the zakat position having regard to the local zakat legislation, decrees issued periodically, and conventions.

5-4 Impairment of non-financial assets

In assessing impairment, Management estimates the recoverable amount of each cash-generating asset or unit on the basis of expected future cash flows and uses the discount rate. Estimation uncertainty relates to assumptions about future operating results and the determination of an appropriate discount rate.

5-5 Impairment of financial assets

A provision for impairment of financial assets is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the agreement. For individually significant amounts, this assessment is performed on an individual basis. Amounts which are not individually significant, but which are in arrears, are assessed collectively and a provision is recognized by taking into account the length of time in accordance with the previous recovery rates.

5-6 Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (when active market prices are not available). This includes making estimates and assumptions that are consistent with how market participants price the instrument. Management bases its assumption on observable lists as much as possible but this is not always available. In that case, management uses the best available information. The estimated fair values may differ from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(All amounts are in Saudi riyals unless otherwise mentioned)

6. Property and equipment and intangible, net

For the year ended 31 December 2021

	Cars	Office furniture	Office equipment	Computers and software	Improvements on leased buildings	Total
Cost:						
Beginning of the year	**97,125**	**156,686**	**107,367**	**179,865**	**496,093**	**1,037,136**
Additions	**-**	**37,952**	**3,104**	**28,732**	**11,930**	**81,718**
Disposals	**-**	**(3,500)**	**-**	**-**	**-**	**(3,500)**
At the end of the year	**97,125**	**191,138**	**110,471**	**208,597**	**508,023**	**1,115,354**
Accumulated depreciation						
Beginning of the year	**72,911**	**100,820**	**69,601**	**118,018**	**211,410**	**572,760**
Charged for the year	**24,213**	**23,314**	**10,792**	**46,807**	**75,234**	**180,360**
Disposals	**-**	**(2,841)**	**-**	**-**	**-**	**(2,841)**
At the end of the year	**97,124**	**121,293**	**80,393**	**164,825**	**286,644**	**750,279**
Net carrying value	**1**	**69,845**	**30,078**	**43,772**	**221,379**	**365,075**

For the year ended 31 December 2020

	Cars	Office furniture	Office equipment	Computers and software	Improvements on leased buildings	Total
Cost:						
Beginning of the year	97,125	139,143	95,217	147,946	295,650	775,081
Additions	-	17,543	12,150	31,919	200,443	262,055
At the end of the year	97,125	156,686	107,367	179,865	496,093	1,037,136
Accumulated depreciation						
Beginning of the year	48,563	83,618	60,562	76,400	165,835	434,978
Charged for the year	24,348	17,202	9,039	41,618	45,575	137,782
At the end of the year	72,911	100,820	69,601	118,018	211,410	572,760
Net carrying value	24,214	55,866	37,766	61,847	284,683	464,376

(All amounts are in Saudi riyals unless otherwise mentioned)

7. Investments at the associates companies

Investments in associate amounted to the following:

Name	No. of share	Ownership %	31 December 2021	31 December 2020
Deutsche Gulf Finance	**18,181,818**	**31,62%**	**280,197,897**	267,878,188
Obeikan Glass Company	**9,600,000**	**40%**	**199,124,915**	139,091,991
			479,322,812	406,970,179

The following is a summary of the movement of investments in associates:

	31 December 2021	31 December 2020
Balance at the beginning of the year	**406,970,179**	392,426,192
Share of net profit of associate	**90,883,250**	25,739,265
Dividends received of Deutsche Gulf Finance	**(18,690,909)**	(9,090,909)
Company portion from comprehensive income items for associate	**160,292**	(2,104,369)
Balance at the end of the year	**479,322,812**	406,970,179

8. Financial assets at FVOCI

Financial assets amounted to as follows:

	31 December 2021	31 December 2020
A- Listed financial assets	**248,394,909**	245,976,004
B- Unlisted financial assets	**11,080,384**	8,680,000
	259,475,293	254,656,004
Less:		
Impairment losses	**(8,680,000)**	(8,680,000)
Total	**250,795,293**	245,976,004

The movement in FVOCI is as follows:

	31 December 2021	31 December 2020
Cost as at 1 January	**204,550,229**	205,588,887
Additions	**2,015,315**	-
Disposals during the year	**(16,457,058)**	(1,038,658)
	190,108,486	204,550,229
Fair value reserve as at 1 January	**50,105,775**	19,726,324
Unrealized gains (losses) during the year	**16,653,263**	30,029,755
Realized gains (losses) during the year	**(257,979)**	-
Transfer fair value reserve when investment disposal	**2,865,748**	349,696
Fair value reserve as at 31 December	**69,366,807**	50,105,775
Impairment losses	**(8,680,000)**	(8,680,000)
Net carrying value	**250,795,293**	245,976,004

A- **Listed financial assets**	No. shares	31 December 2021	31 December 2020
Yanbu National Petrochemical (YANSAB)	3,269,473	**224,612,795**	208,919,324
Investment portfolio in Alistithmar Capital	580,173	**23,782,114**	37,056,680
		248,394,909	245,976,004

* The company signed a banking facility agreement worth 50 million Saudi riyals with a local bank in the form of Islamic financing (tawarruq) to cover the expansion of the company's investments in return for mortgaging part of the shares of investments listed in Yanbu National Petrochemical Company (Yansab)(2M share), during 2021 the company did not use these facilities.

(All amounts are in Saudi riyals unless otherwise mentioned)

8. Financial assets at FVOCI

B- **Unlisted financial assets**	**31 December 2021**	31 December 2020
Derayah Global Venture Capital Fund	**226,940**	-
Graphene Venture Fund	**750,702**	-
Hala Ventures Fund	**1,422,742**	-
AGC Obeikan Glass*	**8,680,000**	8,680,000
	11,080,384	8,680,000
Less:		
Impairment losses*	**(8,680,000)**	(8,680,000)
	2,400,384	-

* During the year 2018, the Board of Directors decided, due to the investee Company's losses exceed 100% of the capital, to form an impairment provision for the entire investment amount within the other comprehensive income, which was deducted from the general reserve.

9. Financial assets at FVPL

Unlisted financial assets	**No. shares**	**%**	**31 December 2021**	**31 December 2020**
Industrialization and Energy Services Company (TAQA)	**16,874,997**	**3.375**	**168,749,970**	168,749,970
Arabian Industrial Fibers Company (Ibn Rushd) *	**1,249,354**	**0.62**	**12,493,540**	12,493,540
Alsalam Aerospace Industries Company	**162,000**	**10**	**19,940,000**	19,940,000
			201,183,510	201,183,510
Less:				
Impairment provision			**(12,493,540)**	(12,493,540)
Total			**188,689,970**	188,689,970

The shareholders decided in the extraordinary general assembly of the Arabian Industrial Fibers Company (Ibn Rushd) on December 31, 2017 to reduce the company's capital from 8.5 billion Saudi riyals to 2 billion Saudi riyals, as the share of the Advanced Industries Company from this reduction amounted to 40.7 million riyals. Saudi, so the investment will be 12,493,540 riyals as on December 31, 2021 (December 31, 2020: 12,493,540 Saudi riyals). In the previous period, the Company has fully recognized impairment losses in the value of the investment,
The company signed a preliminary memorandum of understanding on December 10, 2018, to sell its entire shares in Al Salam Aviation Industry Company, and due to the circumstances of the emerging coronavirus (“Covid-19”) pandemic, the aforementioned memorandum of understanding has been extended for an additional period ending on June 30, 2021, in order to complete the procedures used to reach the final agreement, The company announced the expiry of the memorandum of understanding without reaching an agreement. Accordingly, the investment was reclassified from current assets to non-current assets.

10. Prepayments and other current assets

	31 December 2021	31 December 2020
Prepaid expenses	**248,682**	452,232
Employees advances	**3,477**	8,270
Other	**10,226**	10,226
	262,385	470,728

(All amounts are in Saudi riyals unless otherwise mentioned)

11. Cash and cash equivalents

	31 December 2021	31 December 2020
Cash at banks	**23,780,237**	4,685,505
	23,780,237	4,685,505

12. Capital

The company's issued and paid capital amounted to SR 500 million consists of 50 million shares of equal value, each share value of SR 10.

13. Statutory reserve

In accordance with the Articles of Association and Saudi Arabian Regulations for Companies, the Company is required to transfer 10% of net income annually to the statutory reserve until such reserve equals 30% of the capital. As the reserve has reached this limit and there is no need for the further deduction, this reserve is not available for dividends distribution.

14. General reserve

This reserve was made based on the decision of the Ordinary General Assembly on May 15, 2018, with the aim of facing future investment or zakat losses, and authorizing the Board of Directors to transfer from the general reserve if it is established to face any investment or zakat losses, in accordance with what the Board deems in the interest of the company.

15. Dividends

On August 18, 2020, the Board of Directors decided - in accordance with the mandate of the General Assembly of shareholders on April 21, 2020 - to distribute interim dividends for the financial year 2020 at an amount of 12,5 million Saudi riyals at a rate of 0.25 Saudi riyals per share. On Dhul Qi'dah 13, 1442 H corresponding to June 23, 2021, the Extraordinary General Assembly decided to distribute dividends for the second half of the fiscal year 2020 in the amount of 12.5 million Saudi riyals at 0.25 Saudi riyals per share.

16. Defined employees' benefits obligations

Under the Saudi Arabian Labour Law, the end of service benefit is based on employee's compensation and accumulated period of service and is payable upon termination, resignation, or retirement.
The calculation of defined benefit obligations is performed as on 31 December 2021, 31 December 2020 by a qualified independent actuary using the projected unit credit method.
The actuarial assumptions that have been relied upon in the computation of employee end of service benefits are as follows:

16-1 Major actuarial assumptions

	31 December 2021	31 December 2020
Discount rate	**%1.90**	%1.40
Salary increase rate (%annum)	**%8**	%6
Employees turnover rate (%annum)	**%15**	%15

16-2 Movement in the present value of defined benefits obligations

	31 December 2021	31 December 2020
Balance at the beginning of the year	**2,201,136**	1,759,468
Current service cost	**238,781**	198,055
Interest cost	**30,794**	44,078
	269,575	242,133
Paid during the year	**(226,064)**	(27,316)
Actuarial losses \ (gains)	**130,969**	226,851
	2,375,616	2,201,136

(All amounts are in Saudi riyals unless otherwise mentioned)

16. Defined employees' benefits obligations (continued)

16-3 Sensitivity analysis on the present value of defined benefit obligation plans are as below:

		Balance after change	
Assumption	**Change in assumption**	**31 December 2021**	31 December 2020
Discount rate	+1%	**2,247,987**	2,332,912
	-1%	**2,517,387**	2,082,148
Salary increase rate	+1%	**2,507,679**	2,325,667
	-1%	**2,253,779**	2,086,035
Employees turnover rate	20+%	**2,255,771**	2,318,314
	20-%	**2,527,879**	2,107,717

The above sensitivity analysis is based on the change in one assumption while holding all other assumptions remain constant. In practice, this is unlikely to occur and changes in some assumptions may be correlated. When calculating the sensitivity of employees' end of service benefits to a significant actuarial assumption, the same method is (the present value of the employees' defined benefit obligation calculated on the basis of the projected unit credit method at the end of the reporting period) has been applied as when calculating the employees' end of service benefits recognized in the statement of financial position.

17. Accrued expenses and other current liabilities

	31 December 2021	31 December 2020
Payments due to investment funds	**1,976,625**	-
Committees and BOD members fees and allowances	**1,254,417**	1,646,458
Accrued employees' salaries and benefits	**1,286,153**	905,725
Other	**213,213**	129,500
	4,730,408	2,681,683

(All amounts are in Saudi riyals unless otherwise mentioned)

18. Zakat Provision

A-Zakat status:

The company submitted its zakat returns to the zakat, tax and customs authority until the year ended on December 31, 2020, and the company obtained a certificate from the General Authority for Zakat and Income, valid until Ramadan 29 1443H corresponding to April 30, 2022, The company also settled its zakat dues and completed the zakat assessments with the Authority until the year ending on December 31, 2020, and paid an amount of 3,152,552 riyals, the value of the zakat assessments due for the years from 2015 to 2020.

B-Zakat base:

	31 December 2021	31 December 2020
Net income before zakat	**92,640,180**	29,107,520
End of service provision	**269,575**	242,133
Zakat adjustments to net profit	**(90,883,250)**	-
Net adjusted profit (1)	**2,026,505**	29,349,653
Zakat base		
Capital	**500,000,000**	500,000,000
Reserves	**184,331,892**	206,046,324
Retained earnings	**93,562,684**	80,799,170
Accumulated provisions	**2,201,136**	22,933,008
Other additions	**1,234,564**	-
	783,356,781	839,128,155
Deduct:		
Property and equipment and intangible, net	**365,075**	(464,376)
Local investments	**829,680,126**	(797,133,013)
	830,045,201	(797,597,389)
Zakat base (B)	**(46,688,420)**	41,530,766
Zakat 2.5% (from net profit adjusted or zakat base which is higher)	**50,663**	1,048,592

C- Zakat provision

Zakat provision movement as follows:

	31 December 2021	31 December 2020
Balance beginning of the year	**2,618,970**	966,675
Charged during the year	**1,507,114**	3,036,700
Paid during the year	**(3,976,084)**	(1,384,405)
Balance end of the year	**150,000**	2,618,970

D- Zakat expense components

	For the year ended 31 December 2021	For the year ended 31 December 2020
Zakat expenses	**50,663**	1,048,592
Prior years zakat assessments	**1,456,451**	1,988,108
Total zakat expense	**(1,507,114)**	3,036,700

19. Revenue

	For the year ended 31 December 2021	For the year ended 31 December 2020
Share of net profit of associate	**90,883,250**	25,739,265
Earned dividends	**10,274,943**	11,024,031
Realized gain from financial assets at FVPL	**316,902**	13,745
	101,475,095	36,777,041

(All amounts are in Saudi riyals unless otherwise mentioned)

20. General and administrative expenses

	For the year ended 31 December 2021	For the year ended 31 December 2020
Salaries and wages and equivalents - (Note 22)	**4,901,398**	3,847,943
Board and key management remuneration - (Note 22)	**1,696,417**	1,758,458
Professional and consulting fees	**556,861**	862,500
Tadawul fees	**486,616**	91,854
Rents	**302,643**	231,876
Portfolio management expenses	**246,349**	274,000
Depreciation property and equipment and intangible (note 6)	**180,360**	137,782
Government expenses	**82,187**	58,957
Cleaning and hospitality	**72,525**	68,505
Phone and mail	**32,741**	24,356
Maintenance and repairs	**23,753**	14,405
Water and electricity	**12,571**	6,090
Stationery and prints	**10,854**	5,825
Bank charges	**6,001**	2,118
Other	**284,394**	323,967
	8,895,670	7,708,636

21. Basic and diluted earnings per share

The basic and diluted earnings per share of operating income and net income are calculated by dividing the operating income and net income by the weighted average number of ordinary shares outstanding at the end of the year. The outstanding number of shares as at 31 December 2021 is 50 million shares (50 million shares: 31 December 2020).
There has been no item of dilution affecting the weighted average number of ordinary shares.

22. Benefits, remuneration, and compensation of the Directors and Key management personal

	For the year ended 31 December 2021	For the year ended 31 December 2020
Committee members fees and meetings Expenses	**1,696,417**	1,758,458
Key management personal salaries and benefits	**3,309,389**	2,881,855
	5,005,806	4,640,313

23. Segment information

Segment information relates to the activities and business of the company, which the company'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.

Segments assets, liabilities, and operating activities include items directly related to a specific segment and items that can be distributed among the different sectors on a reasonable basis. Items that cannot be allocated between segments are classified under other segments.

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

31 December 2021

	Petrochemical segment	**Glass industry segment (Industrial investment)**	**Industrial services segment (Energy and utilities)**	**Financial services and investments segment (banks and financial services)**	**Other segments**	**Total**
Revenue	**8,991,051**	**69,472,632**	**-**	**23,011,412**	**60,755**	**101,535,850**
Net income \ (loss) for the year	**6,518,963**	**67,281,064**	**(2,076,721)**	**19,639,391**	**(229,631)**	**91,133,066**
Total assets	**224,612,795**	**199,124,915**	**188,689,970**	**306,380,395**	**26,384,322**	**945,192,397**
Total liabilities	**-**	**-**	**-**	**1,976,625**	**5,279,398**	**7,256,023**

31 December 2020

	Petrochemical segment	**Glass industry segment (Industrial investment)**	**Industrial services segment (Energy and utilities)**	**Financial services and investments segment (banks and financial services)**	**Other segments**	**Total**
Revenue	9,808,419	6,918,159	-	20,050,463	73,959	36,851,000
Net income \ (loss) for the year	7,150,207	5,148,404	(2,400,821)	16,170,582	2,448	26,070,820
Total assets	208,919,325	139,091,991	188,689,970	304,934,867	5,620,609	847,256,762
Total liabilities	-	-	-	-	7,501,789	7,501,789

The petrochemical sector represents the company's investment in Yanbu National Petrochemical (YANSAB) and the Arabian Industrial Fibers Company (Ibn Rushd), and the glass industry segment represents the company's investment in Obeikan Glass Company and AGC Obeikan Glass Company, and the Industrial Services segment represents the company's investment in the Industrialization and Energy Services Company And Alsalam Aerospace Industries Company, the services, and financial investments sector represent the company's investment in Deutsche Gulf Finance, and other financial investments and the other segments are represented in the remaining assets.

24. Non-cash transaction

Net realized losses from disposal of financial assets at FVOCI	**257,979**	691,045
Change in fair value reserve for financial assets at FVOCI	**19,261,032**	30,379,451
Company portion from comprehensive income items for associates companies	**160,292**	2,104,369
Transferred from retained earnings to general reserve	**-**	1,342,080
Actuarial losses	**130,969**	226,851

25. Financial instruments and risk management

The Company's principal financial liabilities include accrued expenses and other current liabilities. The main financial assets of the company consist of investments in associates companies, investments at fair value through other comprehensive income, investments at fair value through profit and loss, cash with banks, and other current assets. The main financial risks arising from the company's financial instruments are market risk (including currency risk) and credit risk. Management reviews and conforms to policies to manage these risks.

Market risk

It is the risk of fluctuation in a financial instrument due to changes in prices prevailing in the market, such as foreign exchange rates and interest rates, which affect the company's income or the value of its financial instruments. Market risk management aims to manage and control exposure to market risk within acceptable limits while maximizing returns. The company does not have interest prices risk and market risk as follows:

Currency risk

It is the risk that the value of a financial instrument may fluctuate due to changes in foreign exchange rates. The company's transactions are mainly conducted in Saudi riyals. Currency risk is managed regularly.

Share prices risk

The Company's listed and unlisted investments are sensitive to price risks, arising from uncertainties about the fair values of investment securities. The company manages equity price risk through diversification of investments and setting limits for them. The following table shows a breakdown of exposure to equity shares and their impact on equity, along with the percentage change in equity prices.

31 December 2021

Item	Balance	Sensitivity	Net profit	Equity
Financial assets at FVOCI	**250,703,466**	+1%	-	**+2,507,035**
		-1%	-	**-2,507,035**
Financial assets at FVPL	**188,689,970**	+1%	**+1,886,900**	**+1,886,900**
		-1%	**-1,886,900**	**-1,886,900**

31 December 2020

Item	Balance	Sensitivity	Net profit	Equity
Financial assets at FVOCI	245,976,004	+1%	-	+2,459,760
		-1%	-	-2,459,760
Financial assets at FVPL	188,689,970	+1%	+1,886,900	+1,886,900
		-1%	-1,886,900	-1,886,900

(All amounts are in Saudi riyals unless otherwise mentioned)

25. Financial instruments and risk management (continued)

Credit risk

It is the risk that one party will not be able to fulfill its obligations, causing financial losses to the other party. The company does not have a significant concentration of credit risk. The cash is deposited with local banks with good credit ratings. The company has policies in place to reduce its exposure to credit risk. The maximum exposure to credit risk at the reporting date is as follows:

	31 December 2021	31 December 2020
Cash and cash equivalents	**23,780,237**	4,685,505
	23,780,237	4,685,505

- Cash at bank is held with banks with good credit rating of BBB and above.

Liquidity risk

It is the risk that the company will encounter difficulties in obtaining the necessary financing to meet obligations associated with financial instruments. Liquidity risk may arise when the inability to sell a financial asset quickly at a value close to its fair value. Liquidity risk is managed through regular monitoring of the adequacy of liquidity available to meet the company's financial obligations. The company's approach to managing liquidity is to ensure that it has sufficient liquidity to meet its liabilities when due, under normal and established conditions, without incurring unacceptable losses or risking damage to the company's reputation.
The following table summarizes the company's financial liabilities in the related maturity based on the remaining period at the balance sheet date and up to the contractual maturity date. The amounts shown in the table are the contractual undiscounted cash flows.

31 December 2021	**Carrying amount**	**Less than a year**	**1-5 years**	**More than 5 years**
Accrued expenses and other current liabilities	**4,730,409**	**4,730,409**	**--**	**--**
	4,730,409	**4,730,409**	**--**	**--**

31 December 2020	**Carrying amount**	**Less than a year**	**1-5 years**	**More than 5 years**
Accrued expenses and other current liabilities	2,681,683	2,681,683	**--**	**--**
	2,681,683	2,681,683	**--**	**--**

Fair value measurement

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

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

The principal or the most advantageous market must be accessible to the Company.

(All amounts are in Saudi riyals unless otherwise mentioned)

25. Financial instruments and risk management (continued)
Fair value measurement (continued)

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

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

The company uses valuation methods commensurate with the circumstances and conditions and has sufficient data to measure fair value, maximizing the use of relevant observable data, and minimizing the use of unobservable data to the greatest extent.

All assets and liabilities whose fair values are measured or whose fair values are disclosed in the financial statements are categorized within the scope of the fair value hierarchy set forth below based on the lowest level data that is essential to the fair value measurement as a whole:
Level 1: prices traded in active markets for the same assets or liabilities.
Level 2: other valuation techniques in which the minimum significant inputs are observable, directly or indirectly, to the fair value measurement.
Level 3: other valuation techniques in which the minimum significant inputs that are relevant to the fair value measurement are unobservable.
With regard to the assets and liabilities included in the financial statements on a recurring basis, the company determines whether transfers have taken place between levels in the above hierarchy by reassessing the classification (based on the lowest level of data significant to the fair value measurement as a whole) at the end of each reporting period. Financial.
The company holds the following financial instruments at fair value in the balance sheet as follows:

31 December 2021	**Level 1 SR**	**Level 2 SR**	**Level 3 SR**	**Total**
Financial assets at FVOCI	**248,394,909**	**-**	**2,400,384**	**250,795,293**
Financial assets at FVPL	**-**	**-**	**188,689,970**	**188,689,970**
31 December 2020				
Financial assets at FVOCI	245,976,004	-	-	245,976,004
Financial assets at FVPL	-	-	188,689,970	188,689,970

The assets mentioned above are measured at fair value at the end of each reporting period. The table below provides information on how to determine fair values of level 3 assets:

Financial assets	**Evaluation methods and key inputs**	**Material inputs can't be recorded**	**The relationship and sensitivity of the inputs that cannot be recorded at fair value**
Financial assets through profit or loss	Cost	Not applicable	Not applicable

The cost price has been endorsed where the management does not have the inputs required by the use of valuation approaches (level one and level two) based on the market value, and the management has found that the discounted cash flow approach or the replacement cost approach may result in a fair value that cannot be relied upon. Accordingly, the management has endorsed the cost price of the investment, and the management does not expect the existence of impairment of investment.

26. Comparative figures

Certain comparative figures have been reclassified to conform to the classification used for the year ending on December 31, 2021

27. Subsequent events

On 10 Shaban 1443H corresponding to March 13, 2022, the company announced the Board of Directors' recommendation to distribute dividends to shareholders for the year 2021 in the amount of 37,500,000 Saudi riyals, provided that the share of each share is 0.75 Saudi riyal at the rate of 7.5% of the nominal value of the share

28. Approval of the financial statements

The financial statements were approved by the Board of Directors 13 March 2022 corresponding to 10 Shaban 1443H.