SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
Financial Statements together with Independent Auditor's Report
For the year ended 31 December 2023

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
Together with the Independent Auditor's Report
For the year ended 31 December 2023

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INDEPENDENT AUDITOR'S REPORT

**TO: THE SHAREHOLDERS OF
SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Saudi Fisheries Company (the "Company")**, which comprise the statement of financial position as of 31 December 2023, the statements of profit or loss and other comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2023, 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 issued by Saudi Organization for Chartered and Professional Accountants.

Basis for Qualified Opinion

1- As at 31 December 2023, the net book value of property, plant and equipment, capital work in progress and right-of-use assets (collectively referred to as "assets") was disclosed in the Company's statement of financial position as SR 112.45 million and SR 26.56 million. And an amount of SR 12.51 million, respectively. Due to the significant decrease in cash generated from fish and shrimp farm sales and other business operations and the accumulated losses incurred by the Company in the current year and previous years, the Company's management carried out an impairment assessment on its assets as at 31 December 2023, by comparing the carrying values of the assets with the recoverable amount, As a result of the company's management's evaluation, it concluded that there is no need to record an additional impairment provision for its assets as at 31 December 31. We examined and tested the fundamental judgments, assumptions and estimates used by the company's management, including determining the appropriate valuation methodologies. According to our view, some of the material assumptions and sources of information or inputs used in calculating the recoverable amount were not supported on a reasonable basis, and if the company's management had used reasonably supported assumptions and sources of information, some elements in the accompanying financial statements and related disclosures could have been materially affected. The effects on the financial statements have not been determined.

2- As indicated in Note No. (11) of the accompanying financial statements, which indicates the inability of the company's management to reach the fair value of the fish at 31 December 2022 due to the lack of appropriate tools for the inventory process, and accordingly it was shown at a cost of SR 12.9 million as shown on that date. This constitutes a departure from the requirements of the financial reporting framework. We were unable to access relevant financial information regarding the fair value of fish in the condensed interim statement of financial position as at 31 December 2022 and the change in fair value of fish in the statement of profit or loss and other comprehensive income for the year ended 31 December 2023 and 2022 Accordingly, we have not been able to implement the actions we deem necessary.

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INDEPENDENT AUDITOR'S REPORT ***(Continued)***
SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)

Basis for Qualified Opinion (Continued)
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 International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainties Related to Going Concern
We draw attention to Note (2.4) to the financial statements, which states that the Company has an net loss amounting to SR 91.4 million for the year ended in 31 December 2023, and the accumulated losses for the company have reached to SR 256 million as at that date which representing 64% of the share capital, in addition as at 31 December 2023 the current liabilities has exceed the current assets amounting SR 44 million, As stated in the note (2.4) These events and circumstances indicate that there is a material uncertainty about the Company's ability to continue as a going concern. Our opinion has not been modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters, Below is a description of each key audit matter and how it was addressed:

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INDEPENDENT AUDITOR'S REPORT ***(Continued)***
SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)

Key Audit Matters

Fair value of investment property	
Key audit matter	**How the matter was addressed in our audit**
As at 31 December 2023, the Company investment property with a fair value of SR 40.30 million (31 December 2022: SR 40.57 million) which are used to earn rentals and raise capital. During the year ending 31 December 2023, the company changed its accounting policy for measuring investment properties from the cost model to the fair value model, which resulted in an adjustment to previous years' comparison figures. The valuation of investment property is a key audit matter because the valuation of investment property is a substantive area of judgment, underpinned by a number of assumptions and involving a high degree of estimation uncertainty, with a potentially substantial range of reasonable outcomes. The company has appointed a group of professionally qualified external valuers to determine the fair value of investment property who perform their work in accordance with the professional valuation standards issued by the Royal Institution of Chartered Surveyors in accordance with the requirements of the Capital Market Authority to obtain two valuations for each investment property.	Our audit procedures included, among others: - Evaluating the experience and qualifications of vaulter experts appointed by the administration and whether the valuation methodology is appropriate to determine the fair value of property. - Verifying the accuracy of basic data by matching specific details (area, location, etc.) of investment property according to valuation reports with company records and investment property ownership deeds. - Verify whether the current information related to property provided to management by external evaluators reflects the basic records of proeprty maintained by the company and which were tested during our review. - Involving a property valuation specialist to evaluate the valuation methodology and determine whether important assumptions, including market comparability of land, discount rates, annual growth rates, and rates of return, are within the acceptable range. - Evaluating the adequacy of disclosures related to the financial statements, including disclosures of key assumptions and judgments.
Refer to note (5.3) for the accounting policy and note (8) regarding disclosure of revenue.	

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)
SAUDI FISHERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

Key Audit Matters ***(Continued)***

Fair value of biological assets	
Key audit matter	**How the matter was addressed in our audit**
As at 31 December 2023, the company's management used the fair value model to evaluate its biological assets, which amounted to SR 2.04 million, while in the comparison period for the year ending on 31 December 2022, the company did not measure the fair value of fish, and it was recorded at cost, amounting to SR 12.90 million, and management contented itself with By measuring the fair value of shrimp, which amounts to SR 3.02 million. IAS 41 "Agriculture" requires biological assets to be measured at fair value less costs to sell, unless fair value cannot be measured reliably. We consider this a key audit matter because of the significant judgments and key assumptions that management applies in determining the fair value of biological assets.	We have obtained the Company's methodology and calculation model for valuing its biological assets (the "Model"). We appointed an expert auditor and performed the following audit procedures: - Attend and observe actual counts to gain an understanding of counting procedures and validate internal assumptions made by management to estimate total quantities based on sample numbers. - Obtain the evaluation model and validate the inputs at the same feed conversion ratio, correction factor, biomass and mortality assumptions. - Validate the model assumptions used by management and involve our expert in this. -Recalculate the accuracy of the evaluation form numbers. - Evaluating the adequacy of disclosures related to the financial statements, including disclosures of key assumptions and judgments.
Refer to note (5.7) for the accounting policy and note (11) regarding disclosure of revenue.	

Other Matter

The financial statements of the Company for the year ended 31 December 2022 were audited by another auditor who expressed modified opinion on those financial statements on 14 Ramadan 1444H (corresponding to 5 April 2023).

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
SAUDI FISHERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

Other Information
Other information consists of the information included in the Company's 2023 annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Company's 2023 annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Company's 2023 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulation for Companies, 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 separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Company's Financial Reporting Process.

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 auditors' 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 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 omissions, misrepresentations or the override of internal control.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
SAUDI FISHERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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.

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 of Tabuk Cement Company.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that we reasonably believe affect our independence and, where possible, actions taken to eliminate threats or on applicable 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 auditors' 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.

شركة حلول كرو للاستشارات المهنية
C.R. No. 1010466353
سجل تجاري رقم ١٠١٠٤٦٦٣٥٣
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Abdullah M. Al Azem
License No. 335

27 Shawal 1445H (Corresponding to 6 May 2024)
Riyadh, Kingdom of Saudi Arabia

SAUDI FISHERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023
(In Saudi Riyals unless otherwise stated)

	Note	31 December 2023	31 December 2022 (Restated)	1 January 2022 (Restated)
ASSETS				
Non-Current Assets				
Property, plant, and equipment	6	**112,454,522**	123,117,745	106,021,385
Capital work in progress	7	**26,559,484**	32,699,617	57,228,686
Investment properties	8	**40,296,616**	40,566,305	34,556,915
Right-of-use assets	9-1	**12,513,225**	14,909,034	14,233,082
Investments carried at amortized cost non-current portion	14-2	**45,383,333**	64,509,990	95,084,892
Total Non-Current Assets		**237,207,180**	275,802,691	307,124,960
Current Assets				
Inventory	10	**9,074,562**	22,802,894	22,183,419
Biological assets	11	**2,035,352**	20,664,639	21,860,518
Trade receivables	12	**4,811,078**	3,414,657	5,051,454
Prepayments and other debit balances	13	**15,504,930**	8,585,885	14,683,409
Investments carried at FVTPL		**20,155**	33,546	33,546
Investments carried at amortized cost-current portion	14-2	**-**	11,099,000	-
Cash and cash equivalents	15	**3,087,011**	1,853,173	5,332,894
Total Current Assets		**34,533,088**	68,453,794	69,145,240
TOTAL ASSETS		**271,740,268**	344,256,485	376,270,200
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	16	**400,000,000**	400,000,000	400,000,000
Accumulated losses		**(256,023,721)**	(164,585,310)	(101,195,514)
Remeasurement of employee benefits plan		**816,740**	385,947	(103,627)
TOTAL SHAREHOLDERS' EQUITY		**144,793,019**	235,800,637	298,700,859
LIABILITIES				
Non-Current Liabilities				
Lease liabilities-non-current portion	18-1	**32,465,339**	22,278,408	3,304,320
Long-term loans – non-current portion	9-2	**11,198,981**	12,427,179	11,225,308
Employees' benefits obligations	19	**4,883,597**	5,838,149	6,935,471
Total Non-Current Liabilities		**48,547,917**	40,543,736	21,465,099
Current Liabilities				
Long-term loans - current portion	18-1	**12,293,462**	2,331,570	1,418,480
Short-term loans	18-2	**-**	10,073,467	-
Trade and other payables	20	**32,365,455**	28,814,255	29,338,024
Shareholder's compensation to priority right shares	21	**13,414,275**	13,414,275	13,424,457
Lease liabilities – current portion	9-2	**5,737,861**	5,419,438	4,351,263
Zakat provision	23	**14,588,279**	7,859,107	7,572,018
Total Current Liabilities		**78,399,332**	67,912,112	56,104,242
TOTAL LIABILITIES		**126,947,249**	108,455,848	77,569,341
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**271,740,268**	344,256,485	376,270,200

The accompanying notes 1 to 39 form part of these financial statements.

Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer
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SAUDI FISHERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023
(In Saudi Riyals unless otherwise stated)

	Note	2023	2022 (Restated)
Sales	25	52,208,079	48,815,516
Cost of sales	26	(62,395,066)	(66,487,445)
Loss of biological assets at fair value	11	(33,775,340)	(3,592,002)
Gross loss		(43,962,327)	(21,263,931)
Selling and distribution expenses	27	(20,099,595)	(22,186,059)
General and administrative expenses	28	(20,193,543)	(22,694,467)
Impairment of capital work in progress	7	(7,528,242)	(1,193,800)
Impairment of Inventory	10	(2,605,038)	(1,389,717)
Provision of slow-moving items	10,3	(803,074)	-
Expected credit losses provision of trade receivables	12	(1,610,125)	(1,324,561)
Expected credit losses provision of advance payment to supplier	13,1	(1,414,159)	-
Gain from Investment Properties at fair value	8	5,809,879	6,009,390
Realized loss from disposal Investment Properties	8	(2,646,235)	-
Other income, net	29	15,623,269	5,404,098
Loss from Operating activities		(79,429,190)	(58,639,047)
Finance cost	30	(3,661,705)	(1,956,637)
Loss before zakat		(83,090,895)	(60,595,684)
Zakat	23	(8,347,516)	(2,794,112)
Net loss for the year		(91,438,411)	(63,389,796)
<u>**Other comprehensive income**</u>			
Items that will not be reclassified subsequently to the statement of profit or loss:			
Actuarial gain on employees' benefits obligations	19	430,793	489,574
Total comprehensive loss for the year		(91,007,618)	(62,900,222)
Basic and diluted loss per share for the year	31	(2.29)	(1.58)

The accompanying notes 1 to 39 form part of these financial statement

Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer
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SAUDI FISHERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Note	Share capital	Accumulated losses	Remeasurement of employee benefits plan	Total shareholder's equity
Balance as at 1 January 2022		400,000,000	(128,627,297)	(103,627)	271,269,076
Restatement Impact	36	-	27,431,783	-	27,431,783
Restated Balance as at 1 January 2022		400,000,000	(101,195,514)	(103,627)	298,700,859
Restated net loss for the year		-	(63,389,796)	-	(63,389,796)
Other comprehensive income	19	-	-	489,574	489,574
Restated total comprehensive income		-	(63,389,796)	489,574	(62,900,222)
Balance as at 31 December 2022 (Restated)		400,000,000	(164,585,310)	385,947	235,800,637
Net loss for the year		-	(91,438,411)	-	(91,438,411)
Other comprehensive income	19	-	-	430,793	430,793
Total comprehensive income		-	(91,438,411)	430,793	(91,007,618)
Balance as at 31 December 2023		**400,000,000**	**(256,023,721)**	**816,740**	**144,793,019**

The accompanying notes 1 to 39 form part of these financial statement

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Abdulrahman Alowais
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Chairman of the Board of Directors

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F58BD7DCCC40493...
Chief Executive Officer

DocuSigned by:
F58BD7DCCC40493...
Chief Financial Officer

SAUDI FISHERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2023	2022 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year before zakat		(83,090,895)	(60,595,684)
Adjustments			
Depreciation of property, plant and equipment	6	9,638,667	9,379,277
Loss of biological assets at fair value	11	33,775,340	3,592,002
Depreciation of right-of- use assets	9	2,137,476	2,161,567
Employee's benefits obligations	19	1,214,482	1,811,136
Finance cost	30	3,661,705	1,850,705
Impairment of Inventory	10,1	2,605,038	1,389,717
Provision of slow-moving items	10,3	803,074	-
Expected credit losses provision of trade receivables	12	1,610,125	1,324,561
Expected credit losses provision of advance payment to supplier	13,1	1,414,159	-
Vat Provision	13,1	506,833	-
Income from investment carried at amortized cost	29	(2,753,461)	(1,526,228)
Gain from change at fair value of Investment Properties	8	(5,809,879)	(6,009,390)
Realized Loss on Disposal of Investment Property	8	2,646,235	-
Impairment of capital work in progress	7	7,528,242	1,193,800
Losses from disposal of property, plant and equipment	6	751,321	691,317
Gain from derecognition of lease liability	9	2,709	(10,980)
Changes in Financial assets carried at FVTPL		13,391	-
Change in working capital items			
Inventory	10	10,320,220	(2,009,192)
Biological assets	11	(15,146,053)	(2,396,123)
Trade receivables	12	(3,006,546)	312,236
Prepayments and other debit balances	13	(8,840,037)	6,097,524
Trade payables and other credit balances	20	3,551,200	(131,202)
Cash used in operating activities		(36,466,654)	(42,769,025)
Zakat paid	23	(1,618,344)	(2,507,022)
Employee's benefits obligations paid	19	(1,738,241)	(2,418,884)
Net cash flow used in operating activities		(39,823,239)	(47,694,931)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(557,200)	(2,512,949)
Additions to capital work in progress	7	(1,388,109)	(1,318,736)
Income proceeds from investment carried at amortized cost		2,370,128	1,002,129
Proceeds from disposal of property, plant and equipment		830,435	-
Proceeds from disposal of Investment Property	8	3,433,333	-
Redemption of investments carried at amortized cost	14	30,608,990	20,000,000
Cash flow generated from investing activities		35,297,577	17,170,444
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from loans	18	20,075,356	30,000,000
Long-term loans paid	18	(10,000,000)	(1,418,480)
Finance cost paid		(2,971,625)	(222,465)
Shareholder's compensation and subscription to priority right shares paid	23	-	(10,182)
Lease liabilities paid	9	(1,344,231)	(1,304,106)
Cash flows generated from financing activities		5,759,500	27,044,766
Net change in cash and cash equivalents during the year		1,233,838	(3,479,721)
Cash and cash equivalents at the beginning of the year		1,853,173	5,332,894
Cash and cash equivalents at the end of the year	15	3,087,011	1,853,173

The accompanying notes 1 to 39 form part of these financial statements.

Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer
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1. LEGAL STATUS AND OPERATIONS

The Saudi Fisheries Company, a saudi joint stock Company (the "Company"), was established in accordance with the provisions of the Companies Law issued by the Royal Decree No. M / 6 dated 22 Rabi Al-Awwal 1385 H and its amendments, and in accordance with Ministerial Resolution No. 67 of 30/4/1400 H after being licensed under Ministerial Order No.(545) dated 10/9/1398 H, which included establishing a fishing Company (a joint stock Company) in which the government participates with 39.99% of the capital, and Ministerial Resolution No. (35) dated 3/2/1399 H, which includes the formation of the first board of directors for the Company.

In accordance with the bylaws, the Company shall engage in fishing in international waters, fish farming in the seas, and other activities for the processing and preservation of shrimps and aquatic organisms, shrimps and seafood grilling shops. The above activities require obtaining a license from relevant authorities such as the Ministry of Environment, Water and Agriculture and the Ministry of Energy, Industry and Mineral Resources.

The Company is registered in the Kingdom of Saudi Arabia ("KSA") and its head office is located in Riyadh under Commercial Registration No. 1010042732 and unified number 7000677091 dated 9 Jumada Al-Awwal 1401 H corresponding to 14 March 1981.

The accompanying financial statements include the Company's branches as follows:

Branch name	Commercial Registration No	Place of issue	Date
Jizan	5900001712	Jizan	22 Dhul Hijjah1401 H
Riyadh	1010042732	Riyadh	22 Rabi Al-Awwal1402 H
Jeddah	4030041385	Jeddah	13 Rabi Al-Awwal 1404 H
Rijal Almada- Al-Huraidah	5861023704	Abha- Rijal Alma'a	18 Rabi Al-Awwal 1424 H
Onaizah	1128184612	Onaizah	22 Shawal 1431 H
Dammam	2050010531	Dammam	8 Jamada Al-Awwal 1401 H
Jizan 2	5900129772	Jizan	15 Muharam 1443 H
Dammam 2	2050145614	Dammam	21 Shawal 1442 H

2. BASIS OF PREPARATION

2.1. Statement of compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (here and after refer to as "IFRS as endorsed in Saudi Arabia").

2.2. Basis of measurement

These financial statements have been prepared in accordance with the historical cost basis, except for the following:

a) Equity investment at FVTPL is measured at fair value.
b) Measuring biological assets at fair value.
c) Employees' benefits after end of service recognized at the present value of future obligations using the Projected Unit Credit Method.
d) Measuring investment properties at fair value.

2.3. Functional and presentation currency

These financial statements have been presented in Saudi Riyals (SAR) which is the Company's functional and presentation currency. All financial information presented in Saudi Riyals has been rounded to the nearest Saudi Riyal, unless otherwise mentioned.

2. BASIS OF PREPARATION (CONTINUED)

2.4. Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to manage liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

The Company has reported a net loss of SAR 91.44million for the period ended 31 December 2023, indicating uncertainty regarding the Company's ability to manage liquidity, in addition the Company reported accumulated losses as of 31 December 2023 amounting to SR 256,02 million representing 64.01% (31 December 2022: SR 164,59 million representing 41%) of the share capital. The Company has implemented various measures to enhance its business model and address the uncertainties regarding to Going concern. Management has taken several strategic steps to increase its trade business, improve operational efficiency, and ensure the Company's sustainability.

Key initiatives undertaken by the Company include:

Capital Restructuring:

To ensure compliance with regulatory requirements, the Company's board of members has approved the restructuring of the company's capital to offset accumulated losses by the cancellation of 52.89% shares of the company's stock in the subsequent period as mentioned in note 38. It will not only maintain compliance with regulatory requirements but also improve the company's overall financial position by improving solvency ratios.

The company is actively engaged in executing a comprehensive turnaround plan under the direct supervision of the Board of Directors. This initiative is designed to address the current financial challenges and operational inefficiencies, with the goal of restoring financial stability and ensuring sustainable growth. The Board's involvement signifies a high level of commitment and oversight, aiming to implement strategic measures that will effectively reverse the company's fortunes and secure its position as a going concern. This plan includes a range of actions, from cost reduction and revenue enhancement to asset optimization and strategic partnerships, all tailored to navigate the company through its present difficulties and pave the way for long-term success.

Cashflow Optimization Strategies:

The Company entered into a significant agreement with National Aquaculture Group (Naqua), a leading player in the Kingdom seafood industry. This partnership will aid in expanding the Company's trade business and create new market opportunities. Regular monitoring and evaluation of the partnership's performance will enable the Company to make necessary adjustments and leverage the full potential of this significant agreement. This commitment ensures that the partnership is mutually beneficial for both parties and that it is aligned with the Company's long-term strategic goals. Moreover, this initiative will improve the company's cash flow from operations because of a heightened focus on trade backed by the strategic partnership with Naqua.

In Q1 2024, the company is confident in securing bridge financing bolstering its capability to fulfil short-term obligations.

Importing and Supply Deals:

The Company has pursued and successfully concluded deals for importing and supplying various Seafood goods, which will enhance its product portfolio and contribute to its overall financial performance. By importing a wider range of seafood goods, the company would be positioned to offer a more diverse array of products to its customers. This expanded product variety would expect to resonate with a broader customer base, catering to a wider range of tastes and preferences. In addition, the company's new importing and supply deals will help to reduce its reliance on a single supplier or market. This will make the company's supply chain more resilient and less vulnerable to disruptions. As a result, the company anticipates a significant boost in sales.

2. BASIS OF PREPARATION (CONTINUED)

2.4. Going concern (Continued)

Farm Productivity and Cost Management:

The Company has taken initiatives to improve the productivity of its farms by adopting farming techniques and implementing stringent cost management policies to optimize costs and increase efficiency.

Chain of Stores Upgrades:

The Company's management has invested resources in upgrading and modernizing its chain of stores, which will help attract more customers and offer a better shopping experience, ultimately leading to increased revenues. Furthermore, the company is actively striving to enhance profitability on a per-store basis, with a particular focus on those stores that hold strategic importance.

Based on the outlined strategies and initiatives, the management is reassured of the company's capacity to sustain its operations as a going concern. This conviction stems from the firm's solid financial standing, bolstered by access to financial resources, stakeholder support, and a demonstrated ability to navigate operational challenges effectively. With a proactive approach to capital restructuring, strategic partnerships, and operational enhancements across various facets of its business, the company is poised for resilience and growth in the foreseeable future.

3. USE OF JUDGMENTS ESTIMATES AND ASSUMPTIONS.

In preparing these financial statements, management has used judgments, if any, and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. A revision of accounting estimates is recognized in the period in which the estimates are revised if the revision affects only that period, or in the revision period and future periods if the revision affects both current and future periods.

3.1. Assumption and estimation uncertainties

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting year that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Determine the discount rate to calculate the present value

Discount rates represent the current market assessment of the risks involved in scheduling cash flows, taking into account the time value of money and the individual risks of the underlying assets that have not been included in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company. The related estimates and assumptions if any, are disclosed in Note 9 (lease liabilities), Note 11 (biological assets) and Note 18 (Loans) to the financial statements.

Actuarial valuation of employees' end of service benefits

The cost of employee end-of-service benefits ("employee benefits") under the defined benefit program is determined using the projected unit credit method. The actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include determining the discount rate, future salary increases, mortality and employee turnover. Given the complexity of the evaluation and its long-term nature; The defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are adjusted on an annual basis, or more frequently, if necessary. The related estimates and assumptions if any, are disclosed in Note 19 to accompanying financial statements.

3. USE OF JUDGMENTS ESTIMATES AND ASSUMPTIONS (Continued).

Zakat provision

The management has evaluated the zakat position taking into consideration the local zakat legislations, the resolutions issued periodically and the agreements. The interpretation of legislative decrees and agreements is not always clear and requires completion of the assessment by the Zakat, Tax and Customs Authority ("ZATCA"). The related estimates and assumptions if any, are disclosed in Note 23 to accompanying financial statements.

Net Realizable Value (NRV) of Farm Inventory

The Company assesses the Net Realizable Value (NRV) of its farm inventories by allocating the inventories considering the sales pattern of preceding year between Trading and Restaurant. This involves taking the sales prices of each segment and determining an average. The resulting selling prices are then utilized to arrive at the NRV. Inventories held under confirmed sales contracts are excluded from the NRV assessment, in line with the requirements outlined in the IFRS. The related estimates and assumptions if any, are disclosed in Note 10 to accompanying financial statements.

Fair value of biological assets

Estimates are involved in determining the fair value of fish and shrimps relating to market prices, average weight, tails of fish and shrimps, quality of the fish and shrimps, and mortality rates. There is no effective market for fish and shrimps, so the market price is derived from observable market prices (when available), contracted sales prices or estimated future prices based on historical data. The weight of the fish and shrimps is determined based on the estimated number of fish and shrimps at the yearend less expected mortality rate multiplied by the estimated average weight of the fish and shrimps. The fish and shrimps grow at different rates and there can be a considerable spread in the quality and weight of the fish and shrimps that affects the price achieved. The related estimates and assumptions if any, are disclosed in Note 11 to accompanying financial statements.

Impairment of non-financial assets

A non-financial asset is impaired when the carrying amount of the asset or cash-generating unit exceeds the asset's recoverable amount (which represents the fair value of the asset less costs to sell or its value in use, whichever is greater). The fair value of the asset is estimated through sales that are on a purely commercial basis for similar assets. Market prices are observable minus the incremental costs of selling the asset. The value in use is calculated based on the present value of the expected cash flows of the asset. These expected cash flows do not include restructuring activities for which the Company is not yet committed or significant future investments that enhance the asset performance of the cash-generating unit under consideration. The recoverable amount is most sensitive to the discount rate used to calculate the cash flows as well as the expected future cash flows and the growth rate used to estimate the value in use.

The related estimates and assumptions if any, are disclosed in Note 6 (property, plant and equipment) and Note 7 (capital work in progress) Note 9 (Leases).

Fair value measurement and valuation process

Certain Company's assets and liabilities are measured at fair value for financial reporting purposes. The Company's management is responsible to determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The related estimates and assumptions if any, are disclosed in Note 8 (investment properties) and Note 7 (capital work in progress) and Note 11 (biological assets) to accompanying financial statements.

3. USE OF JUDGMENTS ESTIMATES AND ASSUMPTIONS (Continued).

Expected Credit Losses (ECLs) of Trade Receivables and advances to suppliers
The Company has applied the standard's simplified approach of impairment in accordance with IFRS (9) and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Useful lives and residual values of property, plant and equipments
Management reviews the useful lives and residual values of property and equipment annually. Any change in the estimated useful life or depreciation pattern will be accounted for prospectively.

Leases - Estimating the incremental borrowing rate
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Going Concern
The financial statements have been prepared on a going concern basis. The company management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainty that may cast significant doubt on the Company ability to continue as a going concern for more details ref to note 2-4.

3.2. Judgements
Determining the lease term of contract with renewal and termination options – The Company as a lessee. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several leases that include renewal and termination options. The Company applies judgements in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

The following are the amendments to the International Financial Reporting Standards and Interpretations Committee that may apply to the Group and that come into effect on January 1, 2023 and have not had a material impact:

4.1 New international financial reporting standards issued and implemented

- International Financial Reporting Standard No. (17) – Insurance Contracts
- Amendments to International Accounting Standard No. (8) – Definition of Accounting Estimates
- Amendments to International Accounting Standard No. (1) and Statement of International Financial Reporting Standards Practice No. (2) - Accounting Policy Clarifications.
- Amendments to International Accounting Standard No. (12) Deferred taxes related to assets and liabilities arising from a single transaction.

4.2 International financial reporting standards issued but not yet implemented

Certain new and amended standards and interpretations issued and not yet effective as at December 31, 2023 have not been early adopted by the Company and will be adopted upon their effective date subject to applicability. The application of these standards and interpretations is not expected to have any material impact on the Company on their effective date.

- Amendments to International Accounting Standard No. (1) - Classification of liabilities as current and non-current.
- Amendments to International Accounting Standard No. (1) – non-current liabilities associated with requirements.
- Amendments to International Accounting Standard No. (7) and International Financial Reporting Standard No. (7) - Supplier Financing Arrangements.
- Amendments to International Financial Reporting Standard No. (16) – Lease Obligations in Sale and Leaseback Transactions.
- Amendments to International Accounting Standard No. (21) – non-exchangeability.

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.

(All amounts in Saudi Riyals unless otherwise stated)

5. MATERIAL ACCOUNTING INFORMATION

5.1. Property, plant and equipments, and intangible assets

Property, plant, and equipment are recognized in principle at the cost of acquisition, including any costs directly attributable to returning the assets to the site and the condition necessary to enable them to operate in the manner intended by the Company management. These assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, if any. When the major components of items property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Depreciation is charged on statement of profit or loss and calculated on a straight-line basis over the estimated useful lives of each item of property, As follows, the estimated depreciation rates for the assets to be depreciated:

Item	Years
Buildings and ponds	5 to 30
Factory equipment	4 to 20
Boats and fishing equipment	20
Vehicles	4 to 10
Furnitures and Fixtures	5 to 10
Software and computer accessories	10

If there is an indication that there has been a significant change in the useful life or residual value of an item, future depreciation is revised to reflect the new estimates.

An item of property, plant and equipment and any significant part that is recognized initially is derecognized when it has been disposed of or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Items such as spare parts, auxiliary equipment and servicing equipment, if any, are recognized in accordance with this IFRS when they meet the definition of property, plant and equipment. Otherwise, these items are classified as inventories.

cost at initial recognition and subsequent to initial recognition. Intangible assets are measured at cost less accumulated amortization and impairment losses, if any. Internally generated intangible assets are not capitalized and the related expenses are recognized in the statement of profit or loss in the period incurred. Intangible assets are considered to have a finite useful life. If the Company cannot make a reliable estimate of the useful life, an estimated useful life of 10 years is assumed for software. Intangible assets are amortized using the straight-line method over their useful life.

5.2. Capital work in progress.

Capital Work in Progress is recorded according to acquisition cost plus all direct costs that are incurred on them to bring them to location and condition necessary to enable the Company to have these assets ready for intended use. These assets are transferred to relevant assets categories and are depreciated once they are available for their intended use.

5.3. Investment Properties

Investment properties also include property that is being constructed or developed for future use as investment properties. In addition, land, if any held for undetermined use is classified as investment properties and is not depreciated.

Maintenance and normal repairs which do not materially extend the estimated useful life of an asset are charged to the statement of profit or loss as and when incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognized and presented separately within the statement of profit or loss.

5. MATERIAL ACCOUNTING INFORMATION (CONTINUED)

5.3. Investment Properties (Continued)

During the period ended December 31, 2023, the company applied the fair value model for subsequent measurement of its investment properties under International Accounting Standard 40, reflecting the most relevant information, taking into consideration volatility and changes in the fair value of investment properties, which include land. The change in accounting policy was applied retrospectively, as required by International Accounting Standard 8. Consequently, comparative information presented as of December 31, 2022, and January 1, 2022 (the nearest period presented) has been adjusted. The details of the changes in accounting policy are disclosed as follows:

Previously, the company measured investment properties at cost after initial recognition, reduced by any accumulated depreciation (if applicable) and any impairment. Land was not subject to depreciation. Due to the change in accounting policy, investment properties will now be measured at fair value, and any changes in fair value will be recognized in profit or loss. In the case of properties under construction (if applicable), where fair value cannot be reliably measured, they will be measured at cost minus any impairment until fair value becomes reliably measurable or upon substantial completion of construction (whichever is closer). The measurement of fair value for investment properties includes unobservable inputs and key assumptions for fair values.

For further details of the judgement and assumption made, refer to note 8.

5.4. Impairment of non-financial assets

At each reporting date, the non-financial assets are reviewed to determine whether there is an indication that those assets have incurred an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of similar assets), is estimated and compared to it carrying amount. If the estimated recoverable amount is less the carrying amount is reduced to its estimated recoverable amount, and the impairment loss is recognized immediately in the statement of profit or loss.

Impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is greater than its fair value less costs of disposal and value in use.

The recoverable amount is sensitive to the discount rate used for the (discounted cash flow) model as well as expected future cash flows and the growth rate used for extrapolation purposes.

Similarly, at each reporting date, inventories are assessed for any impairment by comparing the carrying amount of each inventory asset (or group of similar assets) to its selling price less costs to complete and sell. If there is a decrease on one of the inventory assets (or group of similar assets), it carrying amount is reduced to the selling price less the costs necessary to complete and sell, and the impairment loss is recognized immediately in the statement of profit or loss.

When the impairment loss entry is subsequently reversed, the carrying amount of the assets (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and selling, in the case of inventory), provided that the carrying amount does not increase in excess of the carrying amount that would have been determined had no impairment loss been recognized for those assets for the previous year. The reversal of the impairment loss is recognized immediately in the statement of profit of loss.

5.5. Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

5. MATERIAL ACCOUNTING INFORMATION (CONTINUED)

5.5. Leases (Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

• The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

• A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position. The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

5.6. Inventory

Inventories includes finished goods, raw materials, packaging and consumable materials and spare parts, and it is stated at cost or net realizable value whichever is lower. Cost includes the cost of materials and all expenditures directly related to the manufacturing process as well as the appropriate amount of other costs, based on normal operating capacity. The cost of finished goods includes the cost of raw materials, labour and appropriate general production overheads. The cost of inventories is determined using the weighted average method.

5. MATERIAL ACCOUNTING INFORMATION (CONTINUED)

5.7. Inventories (Continued)

The net realizable value consists of the estimated selling price during the normal course of business after deducting additional production costs for completion and selling and marketing expenses.

The Company reviews the carrying value of the inventories regularly, and when needed, the inventories is reduced to the net realizable value.

Biological produce initially measured at fair value and later transfer to inventories at fair value less cost to sell at the point of harvest.

5.7. Biological assets

The Company's biological assets comprise of Shrimps and fish at all stages of the life cycle and both fish and shrimps are measured at fair value less cost to sell.

Where fair value cannot be measured reliably, biological assets are stated at cost of purchase or cost of rearing or growing to the point of commercial production (termed as biological assets appreciation), less accumulated depreciation and accumulated impairment loss, if any. The costs of immature biological assets are determined by the cost of rearing or growing to their respective age. Immature biological assets are not depreciated.

Measurement of fair value of fish and shrimps is in accordance with IFRS 13. 'Fair value' refers to the price that would have been achieved on sale of the asset in an orderly transaction between market participants at the measurement date under the prevailing market conditions.

For the preharvest phase (immature) the historical cost is deemed a reasonable approach to fair value, as there is little biological transformation. This assessment is based on the fact that when larvae and fingerlings are placed in the ponds/cages their weight is still relatively low.

The cost is measured based on monthly weighted average cost formula, and includes cost of purchase plus transportation charges (if any), feed and medication, direct labour cost and an appropriate proportion of farm operating overheads accumulated on a project basis.

In accordance with the principle for highest and best use, the Company considers that the fish and shrimp have optimal weight for harvest when they have a live weight corresponding to management approved grams benchmark. Fish and shrimps with a live weight equal to this or more, are classified as ready for harvest while fish and shrimps that have still not achieved this weight are classified as preharvest. For ready for harvest, the highest and best use is defined as harvesting and selling the fish and shrimps as quickly as possible. For preharvest, the highest and best use is in principle defined as growing the fish and shrimps to optimal weight for harvest, then harvesting and selling the fish and shrimps.

The Company uses a discount rate to present value future cash flows. Significant judgement is required in determining the appropriate rate to be used, which is based on incremental borrowing rate of the Company. Estimates are also involved in determining the fair value of shrimps relating to market prices, average weight and size, number of larvae and fingerlings, and mortality rates.

Estimated biomass (volume) is based on the actual number of individuals in the pond on the statement of position date, adjusted to cover projected mortality up to harvest date and multiplied by the estimated weight per individual at the time of harvest. The measurement unit is the individual fish and Shrimp. Changes to the estimated fair value of biological assets are recorded through the statement of profit or loss and presented on the line for fair value adjustments related to biological assets.

5. MATERIAL ACCOUNTING INFORMATION (CONTINUED)

5.8. Financial Instruments

5.8.1 Financial Assets

Initial measurement
At initial recognition, the Company recognizes the financial asset at its fair value.

Subsequent measurement
After initial recognition financial assets can be measured at Amortized cost, Fair value through other comprehensive income ("FVOCI") or Fair value through profit and loss ("FVTPL"), if any.

Financial Asset 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 FVTPL:

- 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.

Financial asset at FVOCI

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

- the asset is held within a business model whose objective is achieved by both collecting the 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 profit on the principal amount outstanding.

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

Financial Asset at FVTPL
All other financial assets are classified as measured at FVTPL (for example equity held for trading and debt securities that are not classified as either amortized cost or carried at FVTOCI).

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 FVTPL 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 year after the Company changes its business model for managing financial assets.

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 the information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning a contractual profit, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;

5. MATERIAL ACCOUNTING INFORMATION (CONTINUED)

5.8. Financial Instruments (Continued)

5.8.1. Financial Assets (Continued)

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated- e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of financings in prior years, the reasons for such financings and its expectations about future financings activity. However, information about financing activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward. Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessments whether contractual cash flows are solely payments of principal and profit.

For the purposes of this assessment, 'principal' is the fair value of the financial asset on initial recognition. 'Profit' is the consideration for the time value of money, the credit and other basic financing risks associated with the principal amount outstanding during a particular year and other basic financing costs (e.g., liquidity risk and administrative costs), along with profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to the cash flows from specified assets (e.g., non-recourse asset arrangements); and
- features that modify consideration of the time value of money- e.g., periodical reset of profit rates.

De-recognition of financial assets

A financial asset or a part of a financial asset is de-recognized when:

- The right to receive cash flows from the asset have expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement: and either:

a) The Company has transferred substantially all the risks and rewards of the asset, or
b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset

Modification

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, The Company recalculates the gross carrying amount of the financial asset and recognize a modification gain or loss in the statement of comprehensive income.

5. MATERIAL ACCOUNTING INFORMATION (CONTINUED)

5.8. Financial Instruments (Continued)

5.8.1. Financial Assets (Continued)

Modification (Continued)

The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

Reclassifications

Financial assets are reclassified when the Company changes its business model for managing financial assets. For example, when there is a change in management's intention to hold the asset for a short term or long term. Financial liabilities are not reclassified.

Impairment

The Company assesses on a forward-looking basis the lifetime expected credit losses associated with its financial assets carried at amortized cost. For receivables, the Company applies the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognized from the initial recognition of account receivables. The Company uses a provision matrix in the calculation of the expected credit losses on receivables to estimate the lifetime expected credit losses, applying certain provision rates to respective contractual past due aging buckets. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. The provision matrix was developed considering the probability of default and loss given default which was derived from historical data of the Company is adjusted to reflect the expected future outcome which includes macro-economic factors.

Other financial assets such as employees' receivables, bank balances have low credit risk. The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts and the impact of applying ECL is immaterial.

(a) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

• When there is a breach of financial covenants by the debtor

• Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking-into-account any collateral held by the Company) Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(b) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

• Significant financial difficulty of the issuer or the borrower

• A breach of contract, such as a default or past due event (see (i) above)

• The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider

• It is becoming probable that the borrower will enter bankruptcy or other financial reorganization

• The disappearance of an active market for that financial asset because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowances for expected credit losses for financial assets measured at amortized cost are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

5. MATERIAL ACCOUNTING INFORMATION (CONTINUED)

5.8. Financial Instruments (Continued)

5.8.2. Financial Liabilities

Write-off

Financial assets are written off only when:
(1) there is no reasonable expectation of recovery, and
(2) write off is approved by the board of directors.

Where financial assets are written off, the Company continues to engage in enforcement activities to attempt to recover the receivable due. Where recoveries are made, after write-off, are recognized as other income in the statement of profit or loss.

Classification of financial liabilities

The Company designates a financial liability at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistency or where a group of financial liabilities is managed, and its performance is evaluated on a fair value basis.

These amounts represent liabilities for goods and services provided to the Company prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 12 months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Initial measurement

At initial recognition, the Company recognizes the financial liability at its fair value.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the amortization process.

De-recognition of financial liabilities

Financial liabilities are derecognized when the obligations specified in the contract is discharged, canceled or expires. A substantial change in the terms of a debt instrument is considered as an extinguishment of the original liability and the recognition of a new financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment.

Modification

For financial liabilities, if an exchange or change in the terms of a debt instrument does not qualify for de-recognition it is accounted for as a modification of the financial liability. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

5.8.3. Fair value hierarchy of financial instruments

Offsetting financial assets and liabilities

Financial assets and liabilities are offset so that the net amount reported in the statement of financial position where the Company currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

5. MATERIAL ACCOUNTING INFORMATION (CONTINUED)

5.8. Financial Instruments (Continued)

5.8.3. Fair value hierarchy of financial instruments (continued)

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

Level 1
The fair value of financial instruments quoted in active markets is based on their quoted closing price at the statement of financial position date. Examples include exchange-traded commodity derivatives and other financial assets such as investments in equity and debt securities.

Level 2
The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

Level 3
The fair value of financial instruments that are measured on the basis of entity-specific valuations using inputs that are not based on observable market data (unobservable inputs).

5.8.4. Effective interest method
The effective interest method is a method of calculating the amortized cost of financial asset and liability and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

5.9. Cash and cash equivalents
Cash and cash equivalents include cash in banks and bank deposits with original maturity of three months or less. It also includes cash in hand.

5.10. Statutory reserves
On 22 October 2023, the Company's General Assembly approved amending the Company's bylaws to comply with the new Companies law, issued on Dhu al-Hijjah 1, 1443 AH, corresponding to June 30, 2022 ("the Law"). as Article No. 44 of the bylaws related to the company's statutory reserve was removed.

5. MATERIAL ACCOUNTING INFORMATION (CONTINUED)

5.11. Provisions

A provision is recognized if, as a result of past events, it appears that the Company has a present legal or contractual obligation whose amount can be estimated reliably and that it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

5.12. Contingent liabilities

All possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence one or more uncertain future events that are not under the full control of the Company, or all current obligations arising from past 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, or
(2) the obligation amount cannot be measured sufficient reliability; they all must be evaluated at each statement of financial position and disclosed in the Company financial statements as possible liabilities.

5.13. Loans

Loans are initially recognized at fair value, net of transaction costs incurred. Loans are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss and other comprehensive income over the period of the Loans using the effective interest method.

Assumptions are removed from the statement of financial position when the obligation specified in the contract is discharged, canceled or expires. Loans are classified as a current liability when the remaining maturity date is less than 12 months.

5.14. Employees' benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, air fare, child education allowance, furniture allowance that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

Employees' end of service benefits

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

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 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.

5. MATERIAL ACCOUNTING INFORMATION (CONTINUED)

5.14. Employees' post-employment benefits (continued)

Re-measurement gains or losses

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

5.15. Zakat

According to ZATCA terms the Company is subject to zakat. Zakat provision of the Company is recognized and charged in the statement of profit or loss and other comprehensive income. Additional zakat liabilities are calculated, if any, which relate to assessments of previous years by the ZATCA and income in the period in which the final assessments are issued.

5.16. Finance cost

Borrowing costs directly attributable to acquisition, construction or production of qualifying assets are capitalized over a period of time necessary to complete and prepare the asset for its intended use or sale. Other finance costs are expensed in the period in which they are incurred and are recorded as 'finance expenses'. Finance costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

5.17. Revenue recognition

Revenue is recognized when the Company fulfils its obligations in contracts with customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Specifically, the standard provides a five-step approach for revenue recognition:

Step one: identify the (contracts) with customers.
Step two: identify the performance obligations in the contract.
Step three: Determine the transaction price.
Step four: Allocate the transaction price to each performance obligation in the contract.
Step five: Recognize revenue when a performance obligation is satisfied.

Revenue is recognized upon satisfying the performance of contractual obligations, when control over the goods or services is transferred to the customer to be able to use them for the intended purpose and without restrictions or to benefit from the services rendered under the contract.

The main source of the Company's revenues from contracts with customers include whole sales and retail sales.

Wholesale

For sales of seafood products to the wholesale market, revenue is recognized when control of the goods has transferred, which typically occurs upon shipment to the wholesaler's specific location (delivery). The Company acts as the principal in most sales contracts, and in some cases as an agent, in accordance with the principles outlined in IFRS 15. Following delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods. As the principal, the Company has the primary responsibility for fulfilling the sales contract and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognized by the Company when the goods are delivered to the wholesaler, as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Retail

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company records sales returns and sales discounts on an incurred basis, as per its policy. The Company does not offer any variable discounts, and no sales returns are accepted based on expiry.

The Company records sales returns and sales discounts on an incurred basis, in accordance with its policy. The company does not offer any variable discounts, and sales returns are not accepted upon expiration.

5. MATERIAL ACCOUNTING INFORMATION (CONTINUED)

5.17. Revenue recognition (Continued)

principal versus agent

The judgment is required in determining whether the Company is acting as principal, reporting revenue on a gross basis, or acting as an agent, reporting revenue on a net basis. The Company evaluates the following indicators among others when determining whether it is acting as principal or agent in the transactions and reporting revenue on a gross, or net, basis:

1- The Company is primarily responsible for fulling the promise to provide specific services.
2- The Company has risks before the service has been transferred to a customer.
3- The Company has discretion in establishing a price for the specified services.

5.18. Selling and Distribution, General and Administration Expenses

Selling, Distribution, General and Administration Expenses include direct and indirect costs not specifically part of Cost of Sales. Allocations between Cost of Sales and Selling, Distribution, General and Administration Expenses, when required, are made on a consistent basis. The Company recognizes the marketing support from vendors in the selling and distribution expenses on an accrual basis

5.19. Earnings per share

The Company presents basic and diluted earnings per share (if any) for the common share. Basic earnings per share are calculated from net profit or loss by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of common shares outstanding during the year, adjusted by the number of ordinary shares repurchased or issued during the year. Diluted earnings per share are adjusted by the profit or loss attributable to common equity holders of the Company and the weighted average number of shares outstanding during the year with the effect of all of the common shares that are likely to be issued.

5.20. Value added tax.

Revenues, expenses and assets are recognized after deducting VAT, except for:

When the VAT incurred in connection with the purchase of assets or services in non-refundable from ZATCA, in this case, the transaction tax is recognized as part of the cost of purchasing the asset or as part of the expense's items, where applicable; and Receivables and payables that are included with the transaction tax amount.

The net amount of VAT recoverable from, or payable to, ZATCA as part of purchase asset or expenses items in statement of financial position.

5. MATERIAL ACCOUNTING INFORMATION (CONTINUED)

5.21. Transactions and balances in foreign currencies

Transactions in foreign currencies are converted into Saudi Riyals using the exchange rate prevailing on the date of the transactions. Foreign exchange profits and losses resulting from the settlement of these transactions and from remeasurement of monetary items denominated in foreign currency at the rates prevailing at the end of the year are recognized in the statement of profit or loss and other comprehensive income. Non-monetary items are not retranslated at the end of the year and are measured at historical cost (they are translated using the exchange rates on the date of the transaction), except for non-monetary items at fair value, which are translated using the exchange rates at the date on which the fair value was determined.

5.22. Segmental Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments operating results are reviewed regularly by the Company's Chief Executive Officer to make decisions about resources to be allocated to the segment and to assess its performance. and for which discrete financial information is available.

Segment results that are reported to the Company's Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

a) Operational segment

The analysis of sectors according to activities is represented in farming, wholesale, retail and others.

b) Geographical segment

The Company has no geographical sectors, as all revenues from the Company's activities are made within the Kingdom of Saudi Arabia, and therefore there are no geographical sectors to be disclosed.

5.23. Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the general assembly.

(All amounts in Saudi Riyals unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT

	2023						
	Land, Buildings and ponds	Factory equipment	Vessels and fishing equipment	Vehicles	Furniture and fixtures	Software and computer accessories	Total
Cost							
1 January 2023	204,670,312	145,141,128	30,965,706	13,068,818	8,603,898	3,144,475	405,594,337
Additions during the year	1,450	279,000	219,450	-	57,300	-	557,200
Disposals during the year (note 6-1)	(10,717,594)	(8,871,654)	-	(4,409,370)	(80,017)	-	(24,078,635)
31 December 2023	193,954,168	136,548,474	31,185,156	8,659,448	8,581,181	3,144,475	382,072,902
Accumulated depreciation							
1 January 2023	121,616,452	128,128,047	13,022,011	11,744,982	6,957,441	1,007,659	282,476,592
Depreciation for the year	4,815,118	2,266,811	1,098,170	402,750	608,766	447,052	9,638,667
Disposal during the year (note 6-1)	(9,181,310)	(8,833,511)	-	(4,409,370)	(72,688)	-	(22,496,879)
31 December 2023	117,250,260	121,561,347	14,120,181	7,738,362	7,493,519	1,454,711	269,618,380
Net book value							
31 December 2023	76,703,908	14,987,127	17,064,975	921,086	1,087,662	1,689,764	112,454,522

(All amounts in Saudi Riyals unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2022						
	Land, Buildings and ponds	Factory equipment	Vessels and fishing equipment	Vehicles	Furniture and fixtures	Software and computer accessories	Total
Cost							
1 January 2022	183,954,447	143,241,988	30,354,721	11,176,103	8,777,095	1,162,469	378,666,823
Reclassification (note 6-6)	(200,001)	12,482	-	1,966,045	(374,522)	347,257	1,751,261
Additions during the year	183,577	1,788,887	271,060	120,045	11,461	137,919	2,512,949
Transfer from capital work in progress (note 7)	22,149,255	478,131	339,925	-	189,864	1,496,830	24,654,005
Disposals during the year	(1,416,966)	(380,360)	-	(193,375)	-	-	(1,990,701)
31 December 2022	204,670,312	145,141,128	30,965,706	13,068,818	8,603,898	3,144,475	405,594,337
Accumulated depreciation							
1 January 2022	129,058,313	115,482,868	11,963,882	8,862,063	7,047,837	230,475	272,645,438
Reclassification (note 6-6)	(11,143,128)	10,706,035	260	2,612,741	(771,904)	347,257	1,751,261
Depreciation for the year	4,625,786	2,120,634	1,057,869	463,553	681,508	429,927	9,379,277
Disposals during the year	(924,519)	(181,490)	-	(193,375)	-	-	(1,299,384)
31 December 2022	121,616,452	128,128,047	13,022,011	11,744,982	6,957,441	1,007,659	282,476,592
Net book value							
31 December 2022	83,053,860	17,013,081	17,943,695	1,323,836	1,646,457	2,136,816	123,117,745
1 January 2022	54,896,134	27,759,120	18,390,839	2,314,040	1,729,258	931,994	106,021,385

(All amounts in Saudi Riyals unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation charge for the year has been allocated as follows:

	Note	2023	2022
Cost of sales	26	**7,586,061**	7,282,331
Selling and distribution expenses	27	**1,011,954**	1,138,868
General and administrative expenses	28	**1,040,652**	958,078
		9,638,667	9,379,277

6-1 During the current year, the company has disposed and written off property, plant, and equipment totaling SAR 24 million, with a net book value of SAR 1.5 million.

6-2 The Company's Buildings, Factory and facilities are constructed on land which are leased from the government of Kingdom of Saudi Arabia. Right-of-use assets for the same are duly created. Please refer note 9.

6-3 Depreciation is allocated based on the assets tagged with the related cost centers on actual basis.

6-4 Property, plant and equipment include assets having gross carrying amount of SAR 181 million which are fully depreciated but are still in use.

6-5 Land, buildings and ponds include a land in Qatif, with a book value of SAR one million as of 31 December 2023 and 31 December 2022 is mortgage to the Saudi Agricultural Development Fund against the Loans granted to finance the shrimp cultivation and breeding project. Please refer note 18.1.

6-6 During the previous year the management performed physical verification of property, plant and equipment with external consultants and as result of physical verification the management has made certain adjustments and reclassification to reconcile their books with the property, plant and equipment register. This also resulted in write off of assets having net book value of SAR 0.691 million (gross amount of SAR 1.99 million) based on the approval of board of directors.

7. CAPITAL WORK IN PROGRESS

	Note	31 December 2023	31 December 2022
Cost			
Balance at the beginning of the year		**38,322,524**	61,657,793
Additions during the year		**1,388,109**	1,318,736
Transfer to property, plant and equipments (note 6)		**-**	(24,654,005)
Balance at end of the year		**39,710,633**	38,322,524
Less: Provision of impairment	7-2	**(13,151,149)**	(5,622,907)
Balance as at 31 December		**26,559,484**	32,699,617

(All amounts in Saudi Riyals unless otherwise stated)

7. CAPITAL WORK IN PROGRESS (CONTINUED)

7.1 Capital Work in Progress Projects

The details of closing capital work in progress are as follows:

	Note	31 December 2023	31 December 2022
Feed plant project		25,808,955	25,808,955
Development of farms		12,880,163	10,689,483
Development of processing plant		1,021,515	1,570,922
Development of warehouses		-	253,164
Less: Provision of Impairment	7-2	(13,151,149)	(5,622,907)
Balance at the end of the year		26,559,484	32,699,617

7.2 Movement of Impairment

	Note	31 December 2023	31 December 2022
Balance at the beginning of the year		(5,622,907)	(4,429,107)
Impairment on feed plant project	7-3	(738,048)	(1,193,800)
Impairment on development of farms	7-4	(5,768,679)	-
Impairment on development of processing plant	7-4	(1,021,515)	-
Balance at the end of the year		(13,151,149)	(5,622,907)

7.3. Feed plant project is a long outstanding project. The Company has already maintained a provision of impairment in this regard based on the last impairment assessment. During the year, the Company has performed an impairment exercise by an external party for determining the fair value. Measurement data of fair value according to IFRS 13 as at 31 December 2023 is as follows:

Properties	Valuation methodology	Purpose	Key inputs	Book value at 31 December 2023	Fair value as at 31 December 2023	Impairment of 2023
Feed plant						
Building	Cost approach	Impairment assessment	Replacement cost	20,186,048	19,448,000	(738,048)
Equipment	Cost approach	Impairment assessment	Replacement cost			

The name and qualifications of the valuer performed evaluation of the feed plant building and equipment are as follows:

Name of valuers	Ejadah Saudia (For Building) Rqeem (For Equipment)
Valuer's qualifications	Licensed (TAQEEM).

The valuer is independent to the Company and the valuation conforms to International Valuation Standards.

7.4. During the year, indicators of impairment were observed in the farm and processing plant development project, and accordingly, management conducted impairment tests to evaluate the recoverable amounts of these assets, which resulted in recording impairment losses related to those projects.

(All amounts in Saudi Riyals unless otherwise stated)

8. INVESTMENT PROPERTIES

The following is a summary of the movement of investment properties as of:

	31 December 2023	31 December 2022 (Restated)
Fair value at the beginning of the year	40,566,305	34,556,915
Net gain from fair value	5,809,879	6,009,390
Disposal of Riyadh Land	(6,079,568)	-
Fair value at the end of the year	40,296,616	40,566,305

During the current period, the company's management changed the accounting policy related to measuring investment properties from the cost model to the fair value model. As a result, the company's management has amended the comparative figures presented. (Note 36).

The fair value measurement for the investment properties of SR 40.30 million (31 December 2022: SR 40.57 million) (1 January 2022: SR 34.56 million) has been categorized as a level 3 fair value based on the significant unobservable inputs adopted by the valuer in the valuation technique used which are future retail rental payment terms; discount rates; capitalization rate (yields); forecasted occupancy; and cost to complete projects.

As at the reporting dates of the financial statements, the fair value of investment properties for all properties is determined by independent external experts with appropriate qualifications and experience in real estate valuation. Due to the change in the accounting policy for the subsequent measurement of investment properties, the effective dates of the valuation are January 1, 2022, December 31, 2022, and December 31, 2023, and it is prepared in accordance with the professional standards issued by the Royal Institute of Chartered Surveyors (2020), which are in line with international valuation standards and professional standards issued by the Institute. Royal Chartered Surveyors. In accordance with the instructions of the Capital Market Authority, the company's management prepared two evaluations for each investment property, taking the lowest value evaluation, provided that it was carried out by independent and competent evaluation experts with appropriate qualifications and experience in evaluating real estate. The evaluation was carried out by Makan Real Estate Evaluation Company and the Value Experts Company.

key unobservable inputs and fair value measurement:

31 December 2023

Property	Fair value SR	Valuation Approach	Significant unobservable input	Range
Al-Khobar land	6,888,735	Income Approach – Capitalization Approach	Occupancy (%)	90%
			Return ratio (%)	9%
			Operating and maintenance (%)	5%
Onezah land	298,800	Market price Approach	Price Average (SR/sqm)	10,8 – 75,7
			Reconciliation Average (%)	6,1% - 21,2%
			Density	4,980
Abu Arish land	33,109,081	Income Approach – Remaining Value	Discount Rate (%)	13,02%
			Inflation Rate (%)	2,49%
			Local government sukuk returns (%)	5,03%

(All amounts in Saudi Riyals unless otherwise stated)

8. INVESTMENT PROPERTIES (CONTINUED)

31 December 2022

Property	Fair value SR	Valuation Approach	Significant unobservable input	Range
Al-Khobar land	6,581,363	Income Approach – Capitalization Approach	Occupancy (%) Return ratio (%) Operating and maintenance (%)	90% 9% 5%
Riyadh land	6,079,568	Income Approach – Capitalization Approach	Occupancy (%) Return ratio (%) Operating and maintenance (%)	95% 8,25% 5%
Onezah land	239,040	Market price Approach	Price Average (SR/sqm) Reconciliation Average (%) Density	10,2 – 71,6 6,1% - 21,2% 4,980
Abu Arish land	27,666,334	Income Approach – Remaining Value	Discount Rate (%) Inflation Rate (%) Local government sukuk returns (%)	12,28% 2,25% 4,53%

The carrying amount and fair values of the land as of 31 December 2023 is presented below:

Location	Purpose	Book value	Valuation Approach	Fair Value Amount as per Valuation
Al-Khobar land (Note 8.1)	Rental	6,581,363	Income approach – Capitalization Approach	6,888,735
Onezah land	Share Capital Increase	239,040	Market price Approach	298,800
Abu Arish land (Note 8.3)	Rental	27,666,334	Income approach – Remaining value	33,109,081
		34,486,737		**40,296,616**

The carrying amount and fair values of the land as of 31 December 2022 is presented below:

Location	Purpose	Book value	Valuation Approach	Fair Value Amount as per Valuation
Al-Khobar land (Note 8.1)	Rental	6,378,300	Income approach – Capitalization Approach	6,581,363
Riyadh land	Rental	5,674,263	Income approach – Capitalization Approach	6,079,568
Onezah land	Share Capital Increase	219,120	Market price Approach	239,040
Abu Arish land (Note 8.3)	Rental	22,285,232	Income approach – Remaining value	27,666,334
		34,556,915		40,566,305

(All amounts in Saudi Riyals unless otherwise stated)

8. INVESTMENT PROPERTIES (CONTINUED)

8.1. The lands include a land in Khobar, with a book value of SAR 2.1 million and were mortgaged to the Saudi Agricultural Development Fund against the Loans granted to finance the shrimp cultivation and breeding project.

8.2. During the year ended 31 December 2023, the Company disposed of the Riyadh land for a total consideration of SR 3.30 million resulting in a loss on disposal of SR 2.65 million which has been recorded in the statement of profit or loss.

8.3. Title deed of the land document is still not digitized as per the requirements of the regulations. The company is currently in a process of updating the title deed.

8.4 The investment lands included a land in the Dammam area that the Company had previously purchased from the General Organization for Railways on 25 January 2012 for SAR 39.25 million, until the purchase was rejected by the State General Authority for Real Estate, on account of violation of the approved railway protection system. The Company excluded the land from its records and all the required documents were submitted to the General Organization of Railways and a cheque for SAR 24.38 million received by the Company after deducting the accumulated dues of the ZATCA of SAR 11.32 million in addition to deducting the amount of SAR 0.16 million for warehouse rent. Subsequently, the Company submitted the documents required to recover the remaining amount of SAR 3.39 million. The impairment of other assets includes a provision for the full value (note 13).

The name and qualifications of the valuer performed evaluation of the investment properties are as follows:

	31 December 2023	31 December 2022	License number
Name of valuer	1. Amaken Valuation Company	1. Amaken Valuation Company	1210000040
	2. Value Experts	2. Value Experts	1210000027
Valuer's qualifications	Licensed (TAQEEM).	Licensed (TAQEEM).	

The valuer is independent to the Company and the valuation conforms to International Valuation Standards.

9. LEASES

9.1 Right-of-Use Assets

Lands and buildings

	Note	2023	2022 (Restated)
Cost			
Balance at the beginning of the year		**21,440,238**	19,036,805
Additions for the year		-	1,908,327
Remeasurement of right-of-use assets		-	1,037,712
Disposals for the year	9-1-1	**(692,575)**	(542,606)
Balance at the end of the year		**20,747,663**	21,440,238
Accumulated depreciation			
Balance at the beginning of the year		**6,531,204**	4,803,723
Depreciation Charged for the year		**2,137,476**	2,161,567
Disposals for the year	9-1-1	**(434,242)**	(434,086)
Balance at the end of the year		**8,234,438**	6,531,204
Net book value			
as at 31 December		**12,513,225**	14,909,034

(All amounts in Saudi Riyals unless otherwise stated)

9. LEASES (CONTINUED)

Depreciation charge for the year has been allocated as follows:

	Note	2023	2022 (Restated)
Selling and distribution expenses	27	**1,116,317**	1,076,210
Cost of sales	26	**905,491**	737,803
General and administrative expenses	28	**115,668**	347,554
		2,137,476	2,161,567

Depreciation is allocated based on the assets tagged with the related cost centers on actual basis.

The Company leases several assets including lands and buildings. The average lease term is 5.03 years (2022: 5.03 years).

Amounts recognized in profit or loss

	Note	2023	2022
Depreciation expense of right-of-use assets		**2,137,476**	2,161,567
Lease finance cost (included in finance cost)	30	**690,080**	747,614
Total amounts recognized in statement of profit or loss		**2,827,556**	2,909,181

9-1-1 These amounts relate to fully depreciated Right-of-use assets written off and dispose lease contract.

9.2 Lease liabilities

	31 December 2023	31 December 2022 (Restated)
Lease liabilities as at the beginning of the year	**17,846,617**	15,576,571
Additions during the year	**-**	1,908,327
Remeasurement of right-of-use assets	**-**	1,037,714
Disposals for the year	**(255,624)**	(119,502)
Finance cost	**690,080**	747,614
Paid during the year	**(1,344,231)**	(1,304,107)
Balance at the end of the year	**16,936,842**	17,846,617

The incremental borrowing rate applied is 5% (2022: 5%) for all the leases of the Company.

	31 December 2023	31 December 2022 (Restated)
Non-current	**11,198,981**	12,427,179
Current	**5,737,861**	5,419,438
Total	**16,936,842**	17,846,617

Details of future lease liability payments are as follows:

	31 December 2023	31 December 2022 (Restated)
Year 1	**1,826,734**	2,731,115
Year 2	**1,100,534**	1,826,734
Year 3	**949,634**	1,100,534
Year 4	**949,634**	949,634
Year 5 onwards	**17,556,115**	18,505,748
Total undiscounted lease liabilities	**22,382,651**	25,113,765
Less: Finance cost	**(5,445,809)**	(7,267,148)
Total	**16,936,842**	17,846,617

(All amounts in Saudi Riyals unless otherwise stated)

10. INVENTORY

	Note	31 December 2023	31 December 2022
Packaging materials and consumables		**3,209,390**	3,503,609
Finished Goods, net	10.1	**2,663,165**	12,145,399
Raw materials		**2,383,316**	5,476,269
Spare parts		**1,621,765**	1,677,617
Provision of slow-moving items	10.3	**(803,074)**	-
		9,074,562	22,802,894

10.1. During the year, the Company has written-down finished goods amounting to SAR 2.61 million based on the net realizable value assessment. (2021: SAR 1.39 million)

10.2. Refer note 26 for the cost of inventories recognised as an expense during the year.

10.3. The Movement on provision of slow-moving items is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	-	-
Provision during the year	**803,074**	-
At the end of the year	**803,074**	-

11. BIOLOGICAL ASSETS

	31 December 2023	31 December 2022
Fish	**2,035,352**	12,897,234
Shrimps	-	3,022,858
Raw materials	-	4,744,547
	2,035,352	20,664,639

	31 December 2023		31 December 2022	
	Shrimps (At fair value)	**Fish (At fair value)**	Shrimps (At fair value)	Fish (At cost)
Book value amount at 1 January	**3,022,858**	12,897,234	21,860,518	-
Net purchases during the year	**4,471,337**	3,676,831	28,439,772	9,883,135
Overhead costs	**13,651,257**	12,015,852	23,766,748	7,242,974
Transfers to inventory	**(8,618,362)**	(5,306,315)	(67,452,178)	(4,228,875)
Loss resulted from changes in fair value less cost to sell	**(12,527,090)**	(21,248,250)	(3,592,002)	-
Book value amount at 31 December	-	2,035,352	3,022,858	12,897,234

The company evaluated the fish biological assets at fair value starting from the third quarter of year 2023 in accordance with accounting standards, also the Company's management was unable to conduct a physical count of the fish as at 31 December 2022 due to the lack of a mechanism to verify the quantities of fish in the sea. Consequently, the management was unable to reach the fair value of the fish as at that date, which could be measured reliably and was therefore stated at cost. In the amount of SAR 12.90 million. The management of the Company considers the market prices, average weight, tails of shrimps, quality of the shrimps and mortality rates to fair value the biological assets. There is no active market for shrimps, so market price is derived from observable market prices including contracted sales which is considered to be level 3 of the fair value hierarchy of IFRS 13.

	Fair value SR	Valuation approach	Significant unobservable input	Range
Fish	2,035,352	Fair Value (-) cost to sell	Discounted Cash flow (%)	2%
			Correction Factor (%)	22%

(All amounts in Saudi Riyals unless otherwise stated)

12. TRADE RECEIVABLES

	31 December 2023	31 December 2022
Trade receivable	10,550,816	7,544,270
Less: Expected credit losses provision	(5,739,738)	(4,129,613)
	4,811,078	3,414,657

12.1. The credit terms of the trade receivables vary across the business segments of the Company and therefore any significant change in affects the aging profile of trade receivables accordingly.

12.2. The average credit period on sales of goods is 45 days. No interest is charged on outstanding trade receivables.

12.3. Movement on expected credit losses provision is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	4,129,613	2,805,052
Impairment during the year	1,610,125	1,324,561
At the end of the year	5,739,738	4,129,613

13. PREPAYMENTS AND OTHER DEBIT BALANCES

	Note	31 December 2023	31 December 2022
Advance payments to suppliers		5,021,524	3,747,422
VAT receivables		4,848,188	5,710,009
Prepaid expenses (medical, insurance and utilities)		798,646	1,492,595
Less: Expected credit losses provision	13-1	(5,366,327)	(3,445,335)
		5,302,031	7,504,691
Financial Asset			
Receivable from Government for Jeddah building	13-2	8,971,782	-
Land related receivables	13-3	3,377,204	3,377,204
Government grant receivable	13-4	493,603	510,402
Rental receivable		369,585	1,273,208
Receivables from staff		116,937	256,633
Margin of guarantees		170,775	170,775
Others		159,157	99,116
		13,659,043	5,687,338
Less: Impairment provision	13-5	(3,456,144)	(4,606,144)
		10,202,899	1,081,194
Total		15,504,930	8,585,885

13-1 Movement in allowance for impairment of Vat receivable and Advance payment to suppliers is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	3,445,335	-
Advance payment to suppliers	1,414,159	3,445,335
Vat	506,833	-
At the end of the year	5,366,327	3,445,335

13-2 During the year 2022, Jeddah Municipality expropriated the land, vacated the site and has demolished the administrative building located in Jeddah Governorate and the recoverability amount from the government has been ascertained as SAR 8.97 million by the Saudi Authority for Accredited Valuers approved fair valuer and legal advisor of management has confirmed the reasonableness and recoverability of the same. Accordingly, based on the general inquiries to SOCPA, a receivable from government has been recorded in the books during 2023 in line with the requirements of the applicable accounting standard.

(All amounts in Saudi Riyals unless otherwise stated)

13. PREPAYMENTS AND OTHER DEBIT BALANCES (CONTINUED)

13-3 During the year 2011, the Saudi Fish Company purchased the land in Dammam located near the railway for an amount of 39.26 million Saudi riyals, but the purchase was later rejected by the State Property Authority, due to a violation of the railway protection system, in addition to Violating the royal orders not to grant, sell, or dispose of government lands and merely leasing them, the company excluded the land from its records, and the required documents were submitted to the General Organization for Railways, and a check was received for the amount of 24.4 million Saudi riyals, after deducting the accumulated dues from the General Authority of Zakat and Tax amounting to 11,000,000. 32 million Saudi riyals, in addition to a deduction of 165,000 Saudi riyals for the warehouse rent. The company submitted the documents required to recover the remaining amount of 3.37 million Saudi riyals. The company's management has created a provision for the full recovery value due from the purchase of lands.

13-4 Government grant receivable relate to the program from the Ministry of Environment, Water and Agriculture to support the Company in the shrimp and fish farming that meets the required criteria.

13-5 During the period, the company wrote off the provision for impairment against a credit balance of SAR 1.15 million as a result of the settlement of the case based on the approval of the executive management and the movement is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	4,606,144	4,606,144
Write off during the year	(1,150,000)	-
At the end of the year	3,456,144	4,606,144

14. INVESTMENTS CARRIED AT AMORTIZED COST

1. Restricted cash deposits	31 December 2023	31 December 2022
Current portion	-	11,000,000
Accrued profits - current portion	-	99,000
Non-current portion	45,000,000	20,000,000
Accrued profits - non-current portion	383,333	126,667
	45,383,333	31,225,667
2. Term deposit		
Original maturity - more than three months	-	44,000,000
Accrued profits	-	383,323
	-	44,383,323
Total	45,383,333	75,608,990

14-2 Maturity date	31 December 2023	31 December 2022
Current portion	-	11,099,000
Non-current portion	45,383,333	64,509,990
	45,383,333	75,608,990

14-1-1 The Company has placed these funds in restricted deposit against the bank loan. The Company also earns a profit on these balances. The average yield on the restricted cash deposits ranges from 3.49% – 5.60%. (31 December 2022: 4% - 5.25%).

(All amounts in Saudi Riyals unless otherwise stated)

15. CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash on hand	226,591	83,294
Cash at bank	2,860,420	1,769,879
	3,087,011	1,853,173

Cash in banks are maintained in current accounts and does not yield any income. Out of total cash at bank, a current account with a balance of SAR 0.16 million (2022: 0.86 million) maintained with National Bank of Bahrain, a related party to the Company. These banks have a high credit rating

16. SHARE CAPITAL

The Company's issued and paid-up capital as at 31 December 2023 is SAR 400 million (31 December 2022: SAR 400 million) divided into 40 million shares issued and paid (31 December 2022: 40 million shares) with a par value of SAR 10 per share.

The Company has one class of ordinary shares which carry no right to fixed income.

17. STATUTORY RESERVE

On 22 October 2023, the Company's General Assembly approved amending the Company's bylaws to comply with the new Companies law, issued on Dhu al-Hijjah 1, 1443 AH, corresponding to June 30, 2022 ("the Law"). as Article No. 44 of the bylaws related to the company's statutory reserve was removed.

18. LOANS

18-1 LONG TERM LOANS

	Note	31 December 2023	31 December 2022
Murabha finance	18-1-1	39,812,321	20,000,000
Loans free interest	18-1-2	4,071,498	3,696,888
Accrued finance cost		874,982	913,090
		44,758,801	24,609,978
Maturity date			
Non-current portion		32,465,339	22,278,408
Current portion		12,293,462	2,331,570
		44,758,801	24,609,978

18-1-1 The Company has obtained financial facilities from local Islamic bank for the purpose of financing working capital needs. The bank facility bears profit at market prevailing rates.

At 10 December 2023, the company restructured their facilities with the local bank by transferring all of the old facilities and LC facilities into a single facility amount of $40 million, to be paid quarterly beginning March 31, 2024 and ending December 31, 2027.

As a result of rescheduling the loan and modifying the terms, the Company performed a 10% test of the loan commitment in accordance with the requirements of IFRS 9 "Financial instruments" and this test resulted in a loss of SR 5,477 million This amount represents the difference between the present value of the loan under the terms before the modification and the present value of future cash payments under the terms of the loan being renegotiated and modified, discounted at the original effective interest rate of the loan. Since the difference is less than 10%. the amendment in the terms is not considered essential. and it is not accounted for as the disposal of the loan obligation and establishment of a new financial obligation. Accordingly, the present value of future cash payments is recognized in accordance with the terms of the modification using the original effective interest rate of the loan. and the difference is recognized as loss from the effect of the modification.

(All amounts in Saudi Riyals unless otherwise stated)

18. LOANS (CONTINUED)

The loan is secured by an investment in the amortized cost, note (14). The loan includes financial covenants. The management monitors the fulfillment of commitments on a regular basis, and in the event of a breach expected to occur in the future. the necessary measures are taken to ensure compliance.

18.1.2 The company has a long-term interest-free loan from the Saudi Agricultural Development Fund for agricultural activities. The loan is due to be repaid by 2026. These loans are discounted using the prevailing market rate. The difference between the loan received and the present value is recorded as a deferred government grant. The same amount is amortized over the life of the loan as required by international standards for financial reporting.
In addition, the loan from Saudi Agricultural Development Fund for agricultural are secured against mortgage for lands owned by the Company in Qatif and Al Khobar at their book values in the amount of SAR 1 million (within property, plant and equipment) and SAR 6.6 million (within investment properties), respectively.

18.2 SHORT TERM LOANS

	31 December 2023	31 December 2022
Short Term Loan	-	10,000,000
Accrued finance cost	-	73,467
	-	10,073,467

During the year the company has repaid SAR 10 million loan from a related party National Bank of Bahrain (One of the members of the Board of Directors - Chief Executive Officer in Kingdom of Saudi Arabia).

19. EMPLOYEES' BENEFITS OBLIGATIONS

19-1 During the year the actuarial valuations of the defined benefit obligations were carried out under the Projected Unit Credit Method using the following significant assumptions:

	31 December 2023	31 December 2022
The present value of the employees' post-employment benefit	4,883,597	5,838,149

19-2 Key actuarial assumptions

	31 December 2023	31 December 2022
Estimated rate of increase in employee salaries	4.00%	4.00%
Discount rate	4.50%	4.20%
Employee turnover (withdrawal) rates	HIGH	HIGH

19-3 Amount recognized in the statement of profit or loss for the year ended in 31 December:

	2023	2022
Service Cost	1,341,222	1,705,204
Finance cost on employees' post-employment benefit	180,090	105,932
The total amount charged to the statement of profit or loss	1,521,312	1,811,136

19-4 Amount recognized in the statement of other comprehensive income for the year ended in 31 December:

	31 December 2023	31 December 2022
Actuarial losses due to change in financial assumptions	(125,456)	161,679
Actuarial gains due to change in demographic assumptions	64,103	(209,324)
Actuarial losses due to change in experience assumptions	(369,440)	(441,929)
Total charged amount to OCI	(430,793)	(489,574)

(All amounts in Saudi Riyals unless otherwise stated)

19. EMPLOYEES' BENEFITS OBLIGATIONS (CONTINUED)

19-5 The movement in the present value of employees' post-employment benefit

	31 December 2023	31 December 2022
Present value at the beginning of the year	5,838,149	6,935,471
Service Cost	1,341,222	1,705,204
Finance cost	180,090	105,932
Payments during the year	(1,738,241)	(2,418,884)
Settlements	(306,830)	-
Actuarial gain through OCI	(430,793)	(489,574)
Present value at the ending of the year	4,883,597	5,838,149

The liability of employees' post-employment benefits related to key management amounted to SAR 0.163 million (31December 2022: 0.167 million) (refer note 22).

	31 December 2023	31 December 2022
Year 1	2,290,699	2,296,720
Year 2	573,176	798,025
Year 3	539,602	615,757
Year 4	465,205	555,288
Year 5 onwards	1,014,915	1,572,359

19-6 Sensitivity Analysis of significant actuarial assumptions

	Change in assumption	Increase / (decrease) in employments obligation benefit	
		Amount	%
Discount rate	+1%	4,757,744	-2.58%
	-1%	5,020,135	2.80%
Salary increase rate	+1%	5,038,995	3.18%
	-1%	4,737,621	-2.99%
Mortality	+1 year	4,883,398	0.00%
	-1 year	4,883,797	0.00%
Withdrawal rate	+10%	4,848,242	-0.72%
	-10%	4,923,153	0.81%

20. TRADE AND OTHER CREDIT BALANCES

	Note	31 December 2023	31 December 2022
Trade payables		13,041,586	13,644,540
Due to related party	22-2	5,389,719	2,274,336
Accrued salaries and wages		4,876,281	5,842,214
Board of directors benefits	22-3	3,416,898	1,429,286
Not received and accrued dividends	20-1	2,859,525	2,859,525
Accrued rents		740,276	435,086
		30,324,285	26,484,987
Advance from customers		162,332	254,887
Provision for legal cases		435,563	596,403
Other		1,443,275	1,477,978
Total		32,365,455	28,814,255

(All amounts in Saudi Riyals unless otherwise stated)

20. TRADE AND OTHER PAYABLES (CONTINUED)

20-1 The Company has outstanding dividends that were announced in prior periods but remain unsettled due to the unavailability of bank account details of the shareholders. The company is currently addressing this matter and settling the outstanding dividends based on shareholder claims submitted to the Company.

The Company remains committed to fulfilling its obligations to shareholders and is taking necessary measures to facilitate the timely payment of these dividends. The Company expects to settle the outstanding dividends in accordance with applicable regulations and requirements.

21. SHAREHOLDER'S COMPENSATION TO PRIORITY RIGHT SHARES

The Company has completed the legal procedures related to the capital increase and announced the subscription of new shares for existing shareholders. Despite this, some shareholders have opted not to exercise their right to participate in the capital increase.

To address this, the Company compensated these shareholders who did not exercise their right to subscribe to priority rights shares related to the capital increase in 2011. The compensation was calculated based on the difference between the nominal value and the market value of the share, amounting to SAR 11.74 per share.

The total value of the compensation amounted to SAR 31.74 million, with SAR 13.41 million remaining unpaid as of 31 December 2023 (compared to SAR 13.41 million as of 31 December 2022) for the first increase. The Company remains committed to completing the compensation process and settling all outstanding amounts owed to these shareholders.

22. RELATED PARTIES' TRANSACTION AND BALANCES

Key management personnel are those persons, including the Board of Directors members, Managing Director and top executives having authority arid responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

The transactions with related parties represent the salaries, bonuses and allowances of the members of the Board of Directors, the committees and the executive management that took place during the period between the Company and the members of the Board of Directors, the members of the committees and the executive management. The most important transactions with related parties are as follows:

22.1. Transactions during the year

Related Party Name	Nature of Relationship	Nature of transactions	2023	2022
Key management personnel	Board of directors members	Board benefits	**2,378,417**	2,556,790
		Payment to Board	**(345,056)**	(2,408,799)
	Key executive employees	Salaries, wages, and other allowances	**3,918,928**	3,833,210
		Employees' post-employment benefits	**163,156**	167,082
National Bank of Bahrain	The CEO of the bank is a member of the Board of Directors	Finance cost on loans	**269,473**	73,467
		Amount received as Loans /(Paid)	**(10,000,000)**	10,000,000
Naqua	The CEO of Naqua is a member of the Board of Directors	Purchases	**26,586,293**	7,140,485

(All amounts in Saudi Riyals unless otherwise stated)

22. RELATED PARTIES' TRANSACTION AND BALANCES (CONTINUED)

22.2. Balance as at the year end

Name of related party	Nature of relationship	Nature of Balance	As at 31 December 2023	2022
National Bank of Bahrain (Note 18)	The CEO of the bank is a member of the Board of Directors	Short-term loans	-	10,073,467
Naqua (Note 20)	The CEO of Naqua is a member of the Board of Directors	Purchases	5,389,719	2,274,336
			5,389,719	12,347,803

22.3. Salaries and wages for top management

	2023	2022
Board of directors benefits	3,416,898	1,429,286
Salaries, wages, and other allowances	3,918,928	3,833,210
Employees Post-Employment Benefit	163,156	167,082
	7,498,982	5,429,578

23. ZAKAT PROVISION FOR

23.1 The movement in the provision for zakat is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	7,859,107	7,572,018
Charged during the year *	8,347,516	1,943,962
Prior year adjustment	-	850,149
Paid during the year	(1,618,344)	(2,507,022)
Balance at the end of the year	14,588,279	7,859,107

23.2 Components of zakat base:

* Zakat is calculated from the adjusted net profit at 2.5%, 2.577684% from the zakat base.

23.3. Status of Assessment

Zakat returns for the year ended 31 December 2023 has been filed and are under review with the Zakat, Tax and Customs Authority ("ZATCA").

On 25 October 2018, the ZATCA issued zakat assessments for the years from 2011 to 2016 amounting to SAR 8.8 million. The Company has submitted an objection to the zakat assessments, and the objection is still under study by the General Secretariat of Tax Committees. The Company has made a provision amounting to SAR 8.3 million for this assessment based on the consultant's advice.

On 30 September 2020, the ZATCA issued zakat assessments for the years from 2017 to 2018 amounting to SAR 2.4 million. The Company has submitted an objection to the zakat assessments, and the objection is still under study by the General Secretariat of Tax Committees. The Company has made a provision amounting to SAR 1.4 million for this assessment based on the consultant's advice.

On 19 October 2021, the ZATCA issued Zakat assessment differences on the company in the amount of SAR 328,677 for the year 2020, and these differences have been paid.

The company has cleared all outstanding balances of Zakat related to year 2020 amounting to SAR 2,2 million.

The company has cleared all outstanding balances of Zakat related to year 2021 amounting to SAR 3,8 million.

(All amounts in Saudi Riyals unless otherwise stated)

24. CONTINGENCIES AND COMMITMENTS

24-1 The commitment to banks against letters of credit issued on the Company's behalf are SAR 9.3 million at 31 December 2023 (2022: SAR 3.5 million).

24-2 The commitment to banks against letters of guarantee issued on the Company's behalf are SAR 0.17 million at 31 December 2022 (2022: SAR 0.17 million).

25. SALES

	2023	2022
Wholesale sales	46,466,081	28,737,413
Retail sales	12,410,183	23,609,535
Less:		
Sales return	(2,400,968)	(1,496,185)
Sales discount	(4,267,217)	(2,035,247)
	52,208,079	48,815,516

Sales recognition timing	2023	2022
At point of time	52,208,079	48,815,516
	52,208,079	48,815,516

25.1. The Company's revenue is derived from the contracts with customers for sale of goods. Products are transferred at a point in time, when goods are delivered, accordingly sale is recognised.

25.2. Revenue from Retail includes SAR 3.05 million related to the online applications sales (2022: SAR 8.86 million).

26. COST OF SALES

	Note	2023	2022
Raw material		33,680,188	28,064,327
Salaries and wages		13,378,590	20,601,806
Depreciation of property, plant and equipment	6	7,586,061	7,282,331
Electricity cost and other utilities		3,722,991	4,476,573
Equipment rent		1,927,894	2,514,448
Depreciation of the right to use assets	9	905,491	737,803
Repair & maintenance		584,897	2,372,562
Others		608,954	437,595
		62,395,066	66,487,445

(All amounts in Saudi Riyals unless otherwise stated)

27. SELLING AND DISTRIBUTION EXPENSES

	Note	2023	2022
Salaries and wages		11,447,973	13,297,473
Electricity, water, other utilities expenses		2,562,674	2,924,143
Transportation fees		2,437,066	1,104,828
Depreciation of the right of use asset	9	1,116,317	1,076,210
Depreciation of property, plant and equipment	6	1,011,954	1,138,868
Sales commission		732,769	2,000,068
Professional fees		509,000	367,105
Advertising expenses		28,459	85,384
Others		253,383	191,980
		20,099,595	22,186,059

28. GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2023	2022
Salaries and wages		10,491,885	10,266,729
Board of directors members benefits	22	2,378,417	2,556,790
Electricity, water, other utilities expenses		1,778,494	2,039,875
Professional fees		1,501,845	1,107,620
Depreciation of property, plant and equipment	6	1,040,652	958,078
Impairment of accrued VAT	13	506,833	3,445,335
Subscriptions		403,973	437,260
Legal expenses		286,237	596,403
Depreciation of the right of use assets	9	115,668	347,554
Other		1,689,539	938,823
		20,193,543	22,694,467

29. OTHER INCOME, NET

	Note	2023	2022
Government grant	29-1	1,772,060	2,253,128
Income from investment carried at amortized cost		2,753,461	1,526,228
Rental income	8	1,540,080	1,256,670
Loss from disposal of property, plant and equipment	6	(751,321)	(691,317)
Reimbursement of Jeddah Building	13-2	8,971,782	-
Others		1,337,207	1,059,389
		15,623,269	5,404,098

29-1 Government grant includes subsidy received from the Ministry of Environment, Water and Agriculture on the farming and sales of owned produced shrimps and fish.

(All amounts in Saudi Riyals unless otherwise stated)

30. FINANCE COST

	Note	2023	2022
Finance Costs-loan interest		2,791,535	1,103,091
Lease liabilities	9	690,080	747,614
Finance cost employees' benefits obligations	19-3	180,090	105,932
		3,661,705	1,956,637

31. BASIC AND DILUTED LOSSES PER SHARE

The basic and diluted share of income is calculated by dividing the income for the year attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding at the end of the year, which amounted to 40,000,000 shares (31 December 2021: 40,000,000 shares).

	2023	2022 (Restated)
Net loss of the year	(91,438,411)	(63,389,796)
Weighted average number of shares outstanding during the year	40,000,000	40,000,000
Earnings per share (SAR)	(2.29)	(1.58)
- Basic	(2.29)	(1.58)
- Diluted	(2.29)	(1.58)

32. SEGMENT INFORMATION

The Company's principal business activities involve farming, retail and wholesale of sea food. Selected financial information as at 31 December 2023 and 31 December 2022, and for the years then ended, categorized by these business segments, is as follows:

Farm	Includes shrimp and fish products processing and distribution
Retail	Includes restaurant and online sales of sea food and related products
Wholesale	Trading of sea food products on wholesale basis

The management constantly analyzes the results of its operations in order to make decisions related to resource allocation and performance evaluation. The Company presents basic financial statements according to activities and products.

The analysis of sectors according to activities is represented in farm, wholesale and retail.

2023	Farm	Retail	Wholesale	Total
Revenue				
External revenue	9,772,486	12,123,449	30,312,144	52,208,079
Expenses	(47,431,777)	(20,070,671)	(51,792,629)	(119,295,077)
Net Gain from Fair Value for Investment Properties	5,809,879	-	-	5,809,879
loss of biological asset at fair value	(33,775,340)	-	-	(33,775,340)
Other income	2,924,417	3,627,943	9,070,909	15,623,269
	(72,472,821)	(16,442,728)	(42,721,720)	(131,637,269)
OPERATING LOSS	(62,700,335)	(4,319,279)	(12,409,576)	(79,429,190)
Finance cost	(685,411)	(850,299)	(2,125,995)	(3,661,705)
NET LOSS BEFORE ZAKAT	(63,385,746)	(5,169,578)	(14,535,571)	(83,090,895)
Zakat	(1,562,517)	(1,938,410)	(4,846,589)	(8,347,516)
NET LOSS FOR THE YEAR	(64,948,263)	(7,107,988)	(19,382,160)	(91,438,411)
As at 31 December 2023				
Total Assets	255,466,642	3,156,496	13,117,130	271,740,268
Total Liabilities	83,228,380	12,419,582	31,299,287	126,947,249

(All amounts in Saudi Riyals unless otherwise stated)

32. SEGMENT INFORMATION (CONTINUED)

2022 (Restated)	Farm	Retail	Wholesale	Total
Revenue				
External revenue	21,695,105	23,293,234	3,827,177	48,815,516
Expenses	(61,733,849)	(42,066,988)	(11,475,212)	(115,276,049)
Net Gain from Fair Value for Investment Properties	6,009,390	-	-	6,009,390
loss of biological asset at fair value	(3,592,002)	-	-	(3,592,002)
Other income	2,894,059	1,972,084	537,955	5,404,098
	(56,422,402)	(40,094,904)	(10,937,257)	(107,454,563)
OPERATING LOSS	(34,727,297)	(16,801,670)	(7,110,080)	(58,639,047)
Finance cost	(1,481,502)	(403,370)	(71,765)	(1,956,637)
NET LOSS BEFORE ZAKAT	(36,208,799)	(17,205,040)	(7,181,845)	(60,595,684)
Zakat	(1,241,788)	(1,333,262)	(219,062)	(2,794,112)
NET LOSS FOR THE YEAR	(37,450,587)	(18,538,302)	(7,400,907)	(63,389,796)
As at 31 December 2022				
Total Assets	327,007,491	8,669,603	8,579,391	344,256,485
Total Liabilities	71,614,521	30,825,468	6,015,859	108,455,848

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

33.1. Currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates, foreign currency risk arises when future commercial transactions, assets and liabilities are recognized in a currency other than the Saudi Riyals. Management monitors the risks of fluctuations in exchange rates closely and on an ongoing basis, and based on its experience and market reactions, management does not believe that it is necessary to hedge against foreign exchange risks as most of the foreign exchange risks are relatively limited in the medium term.

33.2. Credit risk

It is the risk that one party will not be able to fulfill its obligations, causing financial losses to the other party. The Company does not have significant concentration of credit risk. Cash at bank and term deposits are deposited with local banks with high credit ratings. Trade and other assets are mainly due from customers in the local market and are shown at their estimated collectible value. The Company has policies in place to reduce its exposure to credit risk. The book value of the financial assets represents the maximum credit risk.

33.2.1 Incorporation of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of a receivable has increased significantly since its initial recognition and its measurement of ECL. The economic scenario used includes the key indicators of Gross Domestic Product (GDP) forecast and Inflation Rate forecast and Government Expenditure forecast.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

	31 December 2023	31 December 2022
Cash at bank	**2,860,420**	1,769,879
Investment carried at amortized cost	**45,383,333**	75,608,990
Trade receivables	**4,811,078**	3,414,657
Other assets	**13,771,295**	5,687,338
	66,826,126	86,480,864

(All amounts in Saudi Riyals unless otherwise stated)

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

33.2 Credit risk

Aging of trade receivables is as follows:

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer segments.

	2023			2022		
	Book value before ECL	ECL	%	Book value before ECL	ECL	%
0-30 days	3,764,150	21,927	1%	1,197,713	55,985	5%
31-90 days	639,267	134,980	21%	713,880	104,861	11%
Credit-impaired						
91 and above	6,147,399	5,582,821	50-100%	5,632,677	3,968,767	50-100%
Total	10,550,816	5,739,738		7,544,270	4,129,613	

Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

If the ECL rates on trade receivables between 0 to 30 days past due had been 3% per cent higher (lower) as of December 2023, the loss allowance on trade receivables would have been SAR 0.036 million (2021: SAR 0.043 million) higher (lower).

If the ECL rates on trade receivables between 31 and 90 days past due had been 3% per cent higher (lower) as of December 2023, the loss allowance on trade receivables would have been SAR 0.013 million (2022: SAR 0.011 million) higher (lower). The following is the credit rating of the banks that the Company deals with and their balance as on 31 December 2023

	31 December 2023	31 December 2022
Bank balance		
Baa1	16,371	316,379
B1	154,356	73,300
A3	2,689,693	1,380,200
	2,860,420	1,769,879

	31 December 2023	31 December 2022
Term deposits and restricted cash deposits balances		
A3	45,383,333	64,509,990
B1	-	11,099,000
	45,383,333	75,608,990

Bank balances and term deposits are placed with banks with sound credit ratings which are given in note 35.2. Bank balances, term deposit, restricted cash deposits and other assets are considered to have low credit risk. Based on management impairment assessment, Expected Credit Loss (ECL) in respect for them as at the valuation date was immaterial.

(All amounts in Saudi Riyals unless otherwise stated)

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

33.3. 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 companies 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 2023	Book value	Less than one year	1 year to 5 years	More than 5 years
Long-term loans	44,758,801	12,293,462	32,465,339	-
Trade and other credit balances	32,365,456	32,365,456	-	-
Shareholder's compensation and subscription to priority right shares	13,414,274	13,414,274	-	-
Lease liabilities	16,936,842	1,826,734	2,999,802	12,110,306
	107,475,373	59,899,926	35,465,141	12,110,306

31 December 2022	Book value	Less than one year	1 year to 5 years	More than 5 years
Long-term loans	24,609,978	2,331,570	22,278,408	-
Short-term loans	10,073,467	10,073,467	-	-
Trade and other credit balances	28,814,255	28,814,255	-	-
Shareholder's compensation and subscription to priority right shares	13,414,275	13,414,275	-	-
Lease liabilities	17,846,617	2,731,115	3,876,902	11,238,600
	94,758,592	57,364,682	26,155,310	11,238,600

33.4. Fair value

The financial assets and liabilities that are not measured at fair value and are carried at amortized cost -have short term maturity, whereby, its book value approximates its fair value and include therefore it does not fair value information for these financial instruments.

The Company's principal financial liabilities include trade and other payables and Loans. The Company's principal financial assets consist of cash and cash equivalent, trade receivables, prepayments and other assets, and term deposits. The main financial risks arising from the Company's financial instruments are market risk, credit risk, liquidity risk, currency risk and concentration risk. Management reviews and conforms to policies to manage these risks.

33.5. 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 affects 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. There has been no change in the Company's exposure to market risks or the way in which these risks are managed and how they are measured.

(All amounts in Saudi Riyals unless otherwise stated)

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

33.6. Interest rate risk

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. The Company is exposed to interest rate risk on its interest-bearing assets and liabilities, which mainly consist of term deposits measured at variable rate and Loans. Includes both which measured at variable rate and interest free.

	31 December 2023	31 December 2022
Investments carried at amortized cost	45,383,333	75,689,990
Long-term loans	44,758,801	24,609,978
Short-term loans	-	10,073,467
	90,142,134	110,373,435

		Increase / decrease in basis points of interest rates	Effect on income of the year
31 December 2023	SAR	+100	451,810
	SAR	-100	(451,810)
31 December 2022	SAR	+100	950,849
	SAR	-100	(950,849)

33.7. Capital risk management.

The Company manages its capital to ensure that that the Company will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2022.

The capital structure of the Company consists of net debt and equity of the Company.
Debt is defined by the Company as long- and short-term Loans and lease liabilities as disclosed in note 9, note 19 and note 21. Net debt is defined as debt after deducting cash and cash equivalents (including cash and bank balances). Equity includes capital, reserves and retained earnings.

The Company is not subject to any externally imposed capital requirements. The Company's board of directors reviews the capital structure on periodic basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity. The Company's gearing ratios at the year end of the reporting year were as follows:

	31 December 2023	31 December 2022
Debts	44,758,801	34,683,445
Cash and cash equivalents	(3,078,011)	(1,853,173)
Net debt	41,671,790	32,830,272
Restated shareholders' equity	144,793,019	235,800,637
Net debt to shareholders' equity ratio	29%	14%

(All amounts in Saudi Riyals unless otherwise stated)

34. FAIR VALUES OF FINANCIAL INSTRUMENTS

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. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets consist of cash and bank balances, investment, restricted cash deposits and other assets, its financial liabilities consist of trade payables, financial facilities and other liabilities.

The Company's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

31 December 2023		**Fair value level**		
	Level 1	**Level 2**	**Level 3**	**Total**
FINANCIAL ASSET				
Financial assets at fair value Through profit or loss	**20,155**	-	-	**20,155**
Biological assets	-	-	**2,035,352**	**2,035,352**
Investment Properties	-	-	**40,296,616**	**40,296,616**

31 December 2022		**Fair value level**		
	Level 1	**Level 2**	**Level 3**	**Total**
FINANCIAL ASSET				
Financial assets at fair value Through profit or loss	33,545	-	-	33,545
Biological assets	-	-	20,664,638	20,664,638
Investment Properties	-	-	40,566,305	40,566,305

The above financial assets and financial liabilities are measured at fair value at the end of each reporting period.

35. SIGNIFICANT EVENTS

Based on the Royal Decree No. 41355 dated 10 Ramadan 1433H to allocate the two plots of land in Riyadh and Jeddah and transfer their ownership from the Ministry of Agriculture to the Company in exchange for an increase in the government capital at the market value.

The Company's current head office land and building in Riyadh is provided by the government without any rental payments. During the year 2022, the ownership of Riyadh land has been transferred to the Company, but it is still not recorded in the Company's books as of 31 December 2023, as the Company is currently waiting for the completion of procedures for including the value of the land within Company's capital as stipulated by the Royal Decree, subject to completion of other necessary legal formalities from the relevant authorities.

(All amounts in Saudi Riyals unless otherwise stated)

36. RESTATEMENT IMPACT

36-1 On December 20, 2022, the company's board of directors approved a change in the accounting policy for the subsequent measurement of the company's investment properties from the cost model to the fair value model, provided that it is the result of the financial impact of the accounting policy change in the financial year ended 2023. The impact of the change in accounting policy was recorded by adjusting each relevant item in the financial statements for previous periods in accordance with International Accounting Standard 8, "Accounting Policies, Changes in Accounting Estimates and Errors," adopted in the Kingdom of Saudi Arabia. The following table summarizes the impact on the company's condensed financial statements for the current period and the presented previous periods (including the nearest period presented):

36-2 The management rectified an error that was identified in the calculation of the Right of Use (ROU) assets and lease liabilities in the previous year's financials. The error primarily stemmed from inaccuracies in the application of lease accounting standards. As per International Accounting Standard (IAS) 8, "Accounting Policies, Changes in Accounting Estimates and Errors," the financial statements are restated to correct these inaccuracies. The restatement has been performed to ensure the accuracy and reliability of our financial reporting.

Impact of the Amendment on the Statement of Financial Position as at January 1, 2022:

	Previously recorded amounts January 1, 2022	Amendments	Balance after Amendments As At January 1, 2022
Non-current assets			
Investment Property (Note 8)	6,645,794	27,911,121	34,556,915
Right of use assets (Note 9-1)	7,171,453	7,061,629	14,233,082
Shareholder's equity			
Accumulated Losses	(128,627,297)	27,431,783	(101,195,514)
Non-current liabilities			
Lease liabilities (Note 9-2)	8,035,604	7,540,967	15,576,571

Impact of the Amendment on the Statement of Financial Position as at December 31, 2022:

	Previously recorded amounts December 31, 2022	Amendments	Balance after Amendments As At December 31, 2022
Non-current assets			
Investment Property (Note 8)	6,645,794	33,920,511	40,566,305
Right of use assets (Note 9.1)	15,647,412	(738,378)	14,909,034
Shareholder's equity			
Accumulated Losses	(197,419,153)	32,833,843	(164,585,310)
Non-current liabilities			
Lease liabilities (Note 9.2)	17,498,327	348,290	17,846,617

(All amounts in Saudi Riyals unless otherwise stated)

36. RESTATEMENTS AND AMENDMENTS FROM CHANGE IN ACCOUNTING POLICY (Continued)

Impact of the Amendment on the Statement of profit or loss and other comprehensive income for the year ended 31 December 2022:

	Previously recorded amounts 31 December 2022	Reclassification	Amendments	Balance after Amendments 31 December 2022
Net Gain from Fair Value for Investment Properties	-	-	6,009,390	6,009,390
Cost of sales	(67,877,162)	1,389,717	-	(66,487,445)
General and administrative expenses	(23,764,413)	1,193,800	(123,854)	(22,694,467)
Impairment of capital work in progress	-	(1,193,800)	-	-
Impairment on Inventory	-	(1,389,717)	-	(1,389,717)
Other income, net	5,446,106	-	(42,009)	5,404,097
Finance cost	(1,515,170)	-	(441,467)	(1,956,637)
Net loss for the year	(68,791,856)	-	5,402,060	(63,389,796)
Total comprehensive loss	(68,791,856)	-	5,402,060	(63,389,796)
Basic loss per share	(1.72)	-	0.14	(1.58)

37. RECLASSIFICATION OF PRIOR YEAR FIGURES

Certain comparative information has been reclassified to conform the current year presentation.

38. SUBSEQUENT EVENTS

During the subsequent period the Board recommended restructuring the company's capital to offset losses by cancelling 21,156,000 shares of stock, accounting for 52.89% of total capital. to be the new capital 188,440,000 SAR Instead of 400,000,000 SAR, with 18,844,000 shares.

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 27 Shawal 1445H (corresponding to 6 May 2024) by the Board of Directors of the Company.