

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024 AND
INDEPENDENT AUDITOR'S REVIEW REPORT

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY
A SAUDI JOINT STOCK COMPANY

(1 /3)

RIYADH, KINGDOM OF SAUDI ARABIA

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Saudi Fisheries Company (the "Company") as at 30 June 2024 and the related interim statement of profit and loss and other comprehensive loss for the three-month and six-month periods then ended and the interim statement of changes in equity and cashflows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

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

BASIS FOR QUALIFIED CONCLUSION

As discussed with in note 6 of the accompanying interim condensed financial statements, due to the unavailability of the mechanism to validate the quantities of the fish in the sea, we were unable to obtain sufficient and appropriate review evidence through alternative means regarding the existence and valuation of the biological assets related to fish amounting to SAR 17.24 million as of 30 June 2023. Consequently, we are unable to ascertain whether any adjustments are necessary to be recognized in the interim statement of financial position as at 30 June 2023 and in the interim statement of profit or loss and other comprehensive loss and in the interim statement of cash flows for the period ended 30 June 2023.

QUALIFIED CONCLUSION

Except for the adjustments to the interim condensed financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY
A SAUDI JOINT STOCK COMPANY

(2 /3)

RIYADH, KINGDOM OF SAUDI ARABIA

MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN

We draw attention to Note 2.5 to the accompanying interim condensed financial statements, which states that the Company has an accumulated losses as of 30 June 2024 amounting to SR 304.32 million (31 December 2023: SR 284.55 million) representing 76.08% (December 31, 2023: 71.14%) of the share capital and, as of that date, the Company's current liabilities exceed its current assets by SR 44.51 million which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our conclusion is not modified in respect of these matters.

OTHER MATTER

1. The financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on 27 Shawal 1445H corresponding to 6 May 2024 on the following basis:
 - a. Due to a significant decrease in cash generated from operations and accumulated losses, the Company's management conducted an impairment assessment and concluded no additional impairment provision was necessary. In the auditor's opinion, certain material assumptions and inputs were not reasonably supported and if the management had used reasonably supported assumptions, some elements of the financial statements could have been materially affected. Therefore, the effects on the financial statements have not been determined.

During the period, the Company has restated the financial statements as of 31 December 2023 to reflect the impact of the impairment on the assets. The restatement was based on management's revised assumptions and inputs, which are now reasonably supported. Accordingly, we are not qualifying our conclusion on the prior period comparative financial statements as of 31 December 2023.

- b. As the Company's management was unable to determine the fair value of fish as at 31 December 2022 due to a lack of appropriate inventory tools. Consequently, the fish were recorded at cost, which is not in compliance with the financial reporting framework. Therefore, the auditors were unable to obtain relevant financial information regarding the fair value of fish as at 31 December 2022 and the change in fair value for the years ended 31 December 2023 and 2022. Therefore, the auditors were unable to perform the necessary audit procedures.

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY
A SAUDI JOINT STOCK COMPANY**

(3 /3)

RIYADH, KINGDOM OF SAUDI ARABIA

OTHER MATTER (CONTINUED)

2. The interim condensed financial statements of the Company for the six-month period ended 30 June 2023 were reviewed by another auditor who expressed a qualified review conclusion on those interim condensed financial statements on 27 Safar 1445H corresponding to 12 September 2023 on the following basis:

- a. As the Company has changed their accounting policy related to the measurement of investment properties from the cost model to the fair value model during the period ended 30 June 2023. The auditors were unable to obtain sufficient appropriate evidence and complete their review of the fair value of the investment properties as at 30 June 2023, 31 December 2022 and 1 January 2022, and the change in fair value for the three and six-month periods ended 30 June 2023. Accordingly, they were unable to determine whether any adjustments to these amounts were necessary.

During the period, the Company has restated the interim condensed financial statements comparative period to account for the impact of the change in accounting policy related to the measurement of investment properties from the cost model to the fair value model. The restatement includes revised fair valuations of the investment properties as at 30 June 2023, as well as the change in fair value for the three and six-month periods ended 30 June 2023. Accordingly, we are not qualifying our conclusion on the prior period comparative financial statements as of 31 December 2023.

- b. Due to the inability of the Company's management to reach the fair value of the fish as at 30 June 2023 due to the lack of appropriate tools for the inventory process and accordingly it was shown at a cost which constitutes a departure from the requirements of the financial reporting framework. Therefore, the auditors were unable to access relevant financial information regarding the change in fair value of fish in the interim statement of profit or loss and other comprehensive loss for the three and six-month periods ended 30 June 2023, accordingly, they had not been able to implement the actions they deem necessary.

For PKF Al-Bassam
Chartered Accountants

Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337

Riyadh: 14 Safar 1446H

Corresponding to: 18 August 2024



SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024
(All amounts in Saudi Riyals unless otherwise stated)

		30 June 2024	31 December 2023
	Note	(Unaudited)	(Audited) (Restated)
ASSETS			
Non-current assets			
Property, plant, and equipment	5	85,961,478	90,635,522
Capital work in progress	6	21,923,634	21,923,634
Investment properties	7	40,296,616	40,296,616
Right-of-use assets	8	9,582,863	10,447,225
Restricted cash deposits	11	45,404,165	45,383,333
Total non-current assets		203,168,756	208,686,330
Current assets			
Inventories		4,896,458	9,074,562
Biological assets	9	-	2,035,352
Trade receivables		4,802,646	4,811,078
Prepayments and other assets	10	15,069,926	15,504,930
Investments carried at FVTPL		20,155	20,155
Cash and bank balances		20,052,927	3,087,011
Total current assets		44,842,112	34,533,088
TOTAL ASSETS		248,010,868	243,219,418
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	400,000,000	400,000,000
Accumulated losses		(304,315,629)	(284,544,571)
Actuarial reserve		816,740	816,740
TOTAL EQUITY		96,501,111	116,272,169
LIABILITIES			
Non-current liabilities			
Long-term borrowings	12	46,557,484	32,217,629
Employees' post-employment benefits		4,722,286	4,883,597
Lease liabilities	8	10,878,835	11,198,981
Total non-current liabilities		62,158,605	48,300,207
Current liabilities			
Long-term borrowings - current portion	12	17,276,365	12,293,462
Trade and other payables		37,993,250	32,613,165
Shareholder's compensation to priority right shares		13,412,698	13,414,275
Lease liabilities – current portion	8	5,784,545	5,737,861
Provision for zakat	13	14,884,294	14,588,279
Total current liabilities		89,351,152	78,647,042
TOTAL LIABILITIES		151,509,757	126,947,249
TOTAL EQUITY AND LIABILITIES		248,010,868	243,219,418
Contingencies and commitments	14		

The accompanying notes 1 to 24 form part of these interim condensed financial statements.

Authorized Member of the Board of Directors

Chief Executive Officer

Chief Financial Officer

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Abdulrahman

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Muhammad Thani

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Muhammad Thani

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SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE LOSS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2024 (Unaudited)	2023 (Unaudited) (Restated)	2024 (Unaudited)	2023 (Unaudited) (Restated)
Revenue		6,577,055	15,961,008	15,706,654	27,558,972
Cost of sales		(11,725,438)	(17,491,774)	(22,815,967)	(28,789,266)
Loss on fair valuation of biological asset	9	-	-	(827,768)	-
Gross loss for the period		(5,148,383)	(1,530,766)	(7,937,081)	(1,230,294)
Selling and distribution expenses		(2,851,012)	(3,050,271)	(5,886,889)	(10,687,469)
General and administrative expenses		(4,271,152)	(5,285,616)	(7,429,180)	(9,643,953)
Reversal of impairment of trade receivables		-	-	-	800,585
Reversal / (provision) of impairment of inventory		1,024,397	(2,783,740)	1,024,397	(2,783,740)
Net fair value gain on investment properties		-	5,714,115	-	5,714,115
Other income	16	1,427,112	1,578,203	2,854,365	13,726,238
Operating loss		(9,819,038)	(5,358,075)	(17,374,388)	(4,104,518)
Finance cost	17	(1,298,911)	(788,268)	(2,100,655)	(1,471,830)
Loss before zakat		(11,117,949)	(6,146,343)	(19,475,043)	(5,576,348)
Zakat	13	303,985	(6,597,517)	(296,015)	(7,147,517)
Net loss for the period		(10,813,964)	(12,743,860)	(19,771,058)	(12,723,865)
Other comprehensive (loss) / income		-	-	-	-
Total comprehensive loss for the period		(10,813,964)	(12,743,860)	(19,771,058)	(12,723,865)
Basic and diluted loss per share	18	(0.27)	(0.32)	(0.49)	(0.32)

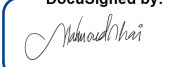
The accompanying notes 1 to 24 form part of these interim condensed financial statements.

Authorized Member of the Board of Directors

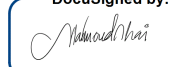
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Chief Executive Officer

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Chief Financial Officer

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SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals unless otherwise stated)

<u>For the six-month period ended</u> <u>30 June 2023</u>	Note	Share capital	Accumulated losses	Actuarial reserve	Total
Balance as at 1 January 2023 - Audited		400,000,000	(197,419,153)	385,947	202,966,794
Impact of restatement due to change in accounting policy	21	-	32,833,843	-	32,833,843
Balance as at 1 January 2023 - Audited - (Restated)		400,000,000	(164,585,310)	385,947	235,800,637
Total comprehensive loss for the period	21	-	(12,723,865)	-	(12,723,865)
Balance as at 30 June 2023 (Unaudited) – (Restated)		400,000,000	(177,309,175)	385,947	223,076,772

<u>For the six-month period ended</u> <u>30 June 2024</u>		Share capital	Accumulated losses	Actuarial reserve	Total
Balance as at 31 December 2023 - Audited		400,000,000	(256,023,721)	816,740	144,793,019
Impact of restatement due to impairment assessment	21	-	(28,520,850)	-	(28,520,850)
Balance as at 1 January 2024 - Audited - (Restated)		400,000,000	(284,544,571)	816,740	116,272,169
Total comprehensive loss for the period		-	(19,771,058)	-	(19,771,058)
Balance as at 30 June 2024 (Unaudited)		400,000,000	(304,315,629)	816,740	96,501,111


The accompanying notes 1 to 24 form part of these interim condensed financial statements.

Authorized Member of the Board of Directors


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Chief Executive Officer

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Chief Financial Officer

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SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals unless otherwise stated)

		For the six-month period ended	
	Note	30 June 2024 (Unaudited)	30 June 2023 (Unaudited) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss before zakat		(19,475,043)	(5,576,348)
Adjustments for:			
Depreciation of property, plant and equipment	5	4,749,931	4,822,809
Depreciation of right-of-use assets	8	864,362	979,109
Provision for employee's post-employment benefits		323,149	666,007
Loss on fair valuation of biological asset	9	827,768	-
Finance cost	17	2,100,655	1,471,830
(Reversal) / provision of impairment of inventory		(1,024,397)	2,783,740
Reversal of impairment of trade receivables		-	(800,585)
Net change in fair value on investment properties	7	-	(5,714,115)
Accrued Income from investment carried at amortized cost		-	(1,475,663)
Income from restricted cash deposits	11	(1,325,433)	(463,228)
Gain on disposal of property, plant and equipment		-	(569,565)
(Increase) / decrease in operating assets			
Inventories		5,202,501	(2,954,941)
Biological assets	9	1,207,584	(2,714,276)
Trade receivables		8,432	(6,985,578)
Prepayments and other assets	10	435,004	(12,001,364)
(Increase) / decrease in operating liabilities			
Trade and other payables		5,380,085	(2,214,717)
Cash used in operating activities			
Zakat paid	13	(725,402)	(30,746,885)
Employees post-employment benefits paid		-	(1,618,344)
		(484,460)	(1,319,124)
Net cash used in operating activities			
		(1,209,862)	(33,684,353)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(75,887)	(631,756)
Proceed from disposal of property, plant and equipment		-	569,565
Additions to capital work in progress		-	(502,841)
Proceed of investments carried at amortized cost		-	1,664,274
Proceed of restricted cash deposits		1,304,601	369,024
Redemption of investments carried at amortized cost		-	24,000,000
Net cash generated from investing activities			
		1,228,714	25,468,266
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings	12	19,000,000	10,000,000
Lease liabilities paid		(582,938)	(1,635,253)
Shareholder's compensation and subscription to priority right shares paid		(1,577)	-
Finance cost paid		(1,468,421)	(247,583)
Net cash generated from financing activities			
		16,947,064	8,117,164
Net change in cash and cash equivalents during the period			
		16,965,916	(98,923)
Cash and cash equivalents at the beginning of the period		3,087,011	1,853,173
Cash and cash equivalents at the end of the period			
		20,052,927	1,754,250

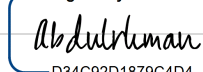
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Authorized Member of the Board of Directors

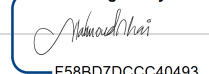
Chief Executive Officer

Chief Financial Officer

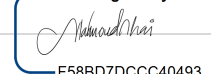
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SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals unless otherwise stated)

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 1385H and its amendments, and in accordance with Ministerial Resolution No. 67 of 30 Rabi Al-Thani 1400 H after being licensed under Ministerial Order No. 10 Ramadan 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 Safar 1399 H, which includes the formation of the first board of directors for the Company.

The Company engages in marine fishing, marine fishing in international waters, marine life fishing (for the investor), marine aquaculture in marine waters, shrimp farming in the seas, wholesale sale of fish and aquaculture, retail sale of fish and other seafood and its products. Under license from the Ministry of Environment, Water and Agriculture No. 7090184811 dated 25 Shawwal 1441H corresponding to 16 June 2020.

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 1401H corresponding to 14 March 1981.

The accompanying interim condensed financial statements include the Company’s branches as follows:

Branch name	Commercial Registration No	Place of issue	Date
Jizan	5900001712	Jizan	22 Dhul Hijjah 1401 H
Riyadh	1010042732	Riyadh	22 Rabi Al-Awwal 1402 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 Muharah 1443 H
Dammam 2	2050145614	Dammam	21 Shawal 1442 H

2. BASIS OF PREPARATION

2.1. Statement of compliance

These interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and professional Accountants (“SOCPA”) and should be read in conjunction with the company’s last annual Financial Statements for the year ended 31 December 2023.

These interim condensed financial statements do not include all of the information required for a complete set of Financial Statements; however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company’s financial position and performance since last annual Financial Statement.

The results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2024.

2. BASIS OF PREPARATION (CONTINUED)

2.2. Basis of measurement

These condensed financial statements have been prepared in accordance with the historical cost basis.

2.3. Functional and presentation currency

These interim condensed 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.

2.4. Significant accounting judgements, estimates and assumptions

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

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements except for as mentioned below:

2.5. Going concern

The financial statements have been prepared on a going concern basis, assuming the Company will restructure its capital, manage its liquidity and secure sufficient funds to meet liabilities as they come due, in both normal and stressed conditions.

Financial Position

For the six months ended 30 June 2024, the Company reported a net loss of SAR 19.77 million. Additionally, current liabilities significantly exceed current assets by SAR 44.51 million. Accumulated losses as of 30 June 2024, amount to SAR 304.32 million, representing 76.08% of the share capital, up from SAR 284.55 million and 71.14% as of 31 December 2023. This indicates material uncertainty regarding the Company's ability to continue as a going concern.

Strategic Response

Management Actions

Management is updating its strategy and conducting diagnostics to address these uncertainties. An external strategic expert has been appointed to develop a detailed plan, which will be presented to the shareholders to restructure the Company's capital.

Key Initiatives

- **Capital Restructuring:** The Board has approved a plan for submission to the shareholders to absorb the accumulated losses through 76.08% of share capital, enhancing solvency ratios and regulatory compliance which are subject to regulatory approvals.
- **Comprehensive Turnaround Plan:** Under Board supervision, this plan aims to reduce costs, enhance revenue, optimize assets, and form strategic partnerships, targeting long-term stability and growth.
- **Restructuring SFC Activities:** Focus on core aquaculture operations, rebuilding wholesale sales and marketing functions, and continuing trade with the National Aquaculture Group (NAQUA).

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

2.5. Going concern (continued)

- **Importing and Supply Deals:** Expanding product portfolio through new deals, reducing supply chain vulnerabilities, and boosting sales.
- **Cashflow Optimization:** Agreement with NAQUA to enhance trade business, to improve operational cash flow.
- **Store Upgrades:** Investing in store modernization to increase revenues, focusing on profitability per store.

Liquidity Management

The Company has secured the first tranche of bridge financing and anticipates receiving another tranche soon, addressing short-term cash flow challenges.

Conclusion

Management is confident in the Company's ability to meet its obligations and continue operations as a going concern. This confidence is supported by the Company's strategic initiatives, access to financial resources, and stakeholder support.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied to these condensed interim financial statements are the same as those applied to the latest annual financial statements for the year ended 31 December 2023.

4. NEW AMENDED STANDARDS AND INTERPRETATIONS

4.1. A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Company's interim condensed financial statements:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals unless otherwise stated)

4. NEW AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

4.2. The Company has not applied the following amendment to IFRS that have been issued but are not yet effective:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Management anticipates that this amendment will be adopted in the Company's financial statements as and when it is applicable and adoption of this amendments may have no material impact on the financial statements of the Company in the period of initial application.

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5. PROPERTY, PLANT AND EQUIPMENT

		For the six-month period ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited) (Restated)
<u>Cost</u>	Note		
1 January		382,072,902	405,594,337
Additions during the period / year		75,887	557,200
Disposal for the period / year		-	(22,103,744)
Write-off for the period / year		-	(1,974,891)
Cost as at		382,148,789	382,072,902
<u>Accumulated depreciation</u>			
1 January		269,618,380	282,476,592
Depreciation for the period / year		4,749,931	9,638,667
Disposal for the period / year		-	(21,783,741)
Write-off for the period / year		-	(713,138)
Accumulated depreciation as at		274,368,311	269,618,380
Net book value before impairment		107,780,478	112,454,522
Less: Provision of impairment	5.6	(21,819,000)	(21,819,000)
Net book value after impairment		85,961,478	90,635,522

5.1. Movement of impairment

	For the six-month period ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited) (Restated)
Balance at the beginning of the period / year	21,819,000	-
Impairment charged during the period / year	-	21,819,000
Balance at the end of the period / year	21,819,000	21,819,000

5.2. 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 8.

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

5.4. Land, buildings and ponds include a land in Qatif, with a book value of SAR 1 million as of 30 June 2024 and 31 December 2023 is mortgage to the Saudi Agricultural Development Fund against the borrowings granted to finance the shrimp cultivation and breeding project.

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

5.6. During the period, the management has performed the impairment assessment of property, plant and equipment as at 31 December 2023 and as result, an impairment loss has been recognized and accordingly the balances for the year ended 31 December 2023 has been restated.

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5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Measurement data of fair value according to IFRS 13 as at 31 December 2023 is as follows:

Properties	Valuation methodology	Purpose	Key inputs	Carrying value at 31 December 2023	Recoverable amount as at 31 December 2023	Impairment loss for 2023
Property, plant and equipment	Market approach / Cost approach	Impairment assessment	Comparable transaction method / Replacement cost method	112,454,522	90,635,522	(21,819,000)

The name and qualifications of the valuer performed evaluation of the property, plant and equipment are as follows:

Name of valuers	Rqem
Valuer's qualifications	Licensed (TAQEEM).

The valuer is independent to the Company and the valuation conforms to International Valuation Standards. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Taking into considering the valuation technique and key inputs utilized by the valuator, the valuation is categorized at Level 3 of the fair value hierarchy of IFRS 13.

6. CAPITAL WORK IN PROGRESS

	For the six-month period ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited) (Restated)
Cost		
1 January	39,710,633	38,322,524
Additions	-	1,388,109
Balance as at	39,710,633	39,710,633
<i>Less: Provision of impairment</i>	<i>(17,786,999)</i>	<i>(17,787,999)</i>
Balance as at	21,923,634	21,923,634

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

	Note	For the six-month period ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited) (Restated)
Feed plant project		25,808,955	25,808,955
Spare parts		9,397,259	9,397,259
Other projects		4,504,419	4,504,419
		-	-
<i>Less: Provision for impairment</i>	6.2	<i>(17,786,999)</i>	<i>(17,786,999)</i>
Balance at the end of the period / year		21,923,634	21,923,634

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 period, the Company has performed an impairment exercise by an external party for determining the fair value of all three projects as at 31 December 2023 and accordingly, the balances for the year ended 31 December 2023 has been restated.

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6. CAPITAL WORK IN PROGRESS (CONTINUED)

6.2. Movement of impairment

	For the six-month period ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited) (Restated)
Balance at the beginning of the period / year	17,786,999	5,622,907
Impairment on feed plant project	-	5,730,277
Impairment on spare parts	-	1,929,396
Impairment on other projects	-	4,504,419
Balance at the end of the period / year	17,786,999	17,786,999

Measurement data of fair value according to IFRS 13 as at 31 December 2023 is as follows:

Properties	Valuation methodology	Purpose	Key inputs	Carrying value at 31 December 2023	Recoverable amount as at 31 December 2023	Impairment loss for 2023
<u>Feed plant</u>						
Building	Market Value	Impairment assessment	Available data in building plans			
Equipment	On site / Market approach	Impairment assessment	Data collection, onsite observations, interviews with relevant personal, Market research etc.	25,808,955	14,455,771	11,353,184
Spare parts	Cost approach	Impairment assessment	Replacement cost	9,397,259	7,467,863	1,929,396

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. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Taking into considering the valuation technique and key inputs utilized by the valuator, the valuation is categorized at Level 3 of the fair value hierarchy of IFRS 13.

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7. INVESTMENT PROPERTIES

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 3.37 million. The impairment of other assets includes a provision for the full value.

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

	For the six-month period ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited)
Fair value at the beginning of the period / year	40,296,616	40,566,305
Net fair value gain on investments properties	-	5,809,879
Disposal of Riyadh Land	-	(6,079,568)
Fair value at the end of the period / year	40,296,616	40,296,616

The management also did not estimate the fair value of real estate investments as of 30 June 2024, and the fair value of investment properties was relied upon based on the evaluation that took place during the year ended on 31 December 2023 considering that there have been no changes in the assumptions and cash flows used as at 31 December 2023 valuation, no changes in the fair valuation are expected. Accordingly, the management did not record any profits or losses from measuring the fair value of real estate investments for the period of six months ended 30 June 2024.

The fair values as of 30 June 2024 is presented below:

Location	Purpose	Name of the Valuer	Valuation Technique	Key Inputs	Percentage	Fair Value Amount as per Valuation
Al-Khobar (Note 5.1)	Rental	Value Experts	Income Approach	Occupancy Return Ratio Operating and maintenance Price Average (SR/sqm)	90% 9% 5% 10.8-75.7	6,888,735
Onezah	Capital Appreciation	Value Experts	Market Approach	Reconciliation average (%) Density Discount Rate (%) Market risk rate	6.1% - 21.2% 4980 13.02% 3%	298,800
Abu Arish (Note 5.2)	Rental	Value Experts	Income Approach	The risk premium for Property Systematic risk premium Local government sukuk for next 7 years	2.5% 2.49% 5.03%	33,109,081
						40,296,616

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7. INVESTMENT PROPERTIES (CONTINUED)

Taking into consideration the valuation technique and key inputs utilized by the valuers, the valuations are categorized at Level 3 of the fair value hierarchy of IFRS 13.

7.1. 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 borrowings granted to finance the shrimp cultivation and breeding project. 7.2. Title deed of the land document is still not digitized as per the requirements of the regulations. Company is currently in a process of updating the title deed.

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

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

The Company engaged two different valuers for investment properties valuations and adopted the lower valuation for their fair value assessment.

The valuer is independent to the Company and the valuation conforms to International Valuation Standards. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

8. RIGHT OF USE ASSETS

Land and buildings

	For the six-month period ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited) (Restated)
<u>Cost</u>		
1 January	20,747,663	21,440,238
Additions for the period / year	-	-
Derecognition	-	(692,575)
Cost as at	20,747,663	20,747,663
<u>Accumulated depreciation</u>		
1 January	8,234,438	6,531,204
Charge for the period / year	864,362	2,137,476
Derecognition	-	(434,242)
Accumulated depreciation as at	9,098,800	8,234,438
Net book value before impairment	11,648,863	12,513,225
<i>Less: Provision of impairment</i>	(2,066,000)	(2,066,000)
Net book value after impairment	9,582,863	10,447,225

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8. RIGHT OF USE ASSETS (CONTINUED)

8.1. Movement of impairment

	For the six-month period ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited)
Balance at the beginning of the period / year	2,066,000	-
Impairment charged during the period / year	-	2,066,000
Balance at the end of the period / year	2,066,000	2,066,000

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

The Company leases several assets including land and buildings. The average lease term is 5.03 years (31 December 2023: 5.03 years)

Right-of-use assets includes a rental property of Saudi Arabia Railways. Currently, the Company has subleased the property on operating leases to multiple parties.

Lease liabilities on right-of-use assets

	For the six-month period ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited)
Lease liabilities as at the beginning of the period / year	16,936,842	17,846,617
Additions during the period / year	-	-
Lease liability – remeasurement	-	-
Modifications for the period / year	-	-
Derecognition	-	(255,624)
Finance cost	309,476	690,080
Paid during the period / year	(582,938)	(1,344,231)
	16,663,380	16,936,842

The incremental borrowing rate applied is 5% (2023: 5%) for all the leases of the Company based on varying lease terms.

The total cash outflow for leases amount to SAR 0.582 million (2023: SAR 1.344 million)

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Non-current	10,878,835	11,198,981
Current	5,784,545	5,737,861
	16,663,380	16,936,842

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Year 1	5,784,545	1,826,734
Year 2	949,634	1,100,534
Year 3	949,634	949,634
Year 4	949,634	949,634
Year 5 onwards	16,806,115	17,556,115
Total undiscounted lease liabilities	25,439,562	22,382,651
Less: Finance cost	(8,776,182)	(5,445,809)
	16,663,380	16,936,842

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9. BIOLOGICAL ASSETS

	<u>30 June 2024</u>	<u>31 December 2023</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
<u>At fair value</u>		
- Fish	-	2,035,352
	-	2,035,352

	For the six-month period ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited)	
	Shrimps (At fair value)	Fish (At fair value)	Shrimps (At fair value)
			Fish (At cost)
Carrying amount at 1 January	-	2,035,352	3,022,858
Additions due to purchases during the period / year	-	382,112	4,471,337
Shared overheads	-	770,400	13,651,257
Transfers to inventories	-	(2,360,096)	(8,618,362)
Loss arising from changes in fair value less cost to sell	-	(827,768)	(12,527,090)
Carrying amount as at	-	-	-
			2,035,352

The Company assessed the fair value of the fish starting from the third quarter of 2023 in accordance with International Accounting Standard 41 "Agriculture". The Company's management was also unable to conduct a physical count of the fish as of 31 December 2022 due to the lack of a tools to verify the quantities of fish in the sea, and therefore Management was unable to reach the fair value of the fish as at that date and was also unable to access the relevant financial information relating to the change in the fair value of the fish in the interim condensed statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2023.

As of June 2024, the Company reports does not have biological assets balance. This is due to the current dry out season, a necessary phase in our farming operations as dictated by our Standard Operating Procedures (SOPs). This strategic downtime is crucial for pond maintenance and health, ensuring a clean and healthy environment for future stocks. Such measures are expected to yield long-term benefits, including improved productivity and profitability in subsequent quarters.

Additionally, the Company is in the process of implementing strategic changes to streamline future farming activities, further enhancing operational efficiency and effectiveness.

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10. PREPAYMENTS AND OTHER ASSETS

		30 June 2024	31 December 2023
	Note	(Unaudited)	(Audited)
Advance payments to suppliers		5,066,865	5,021,524
VAT receivables		4,260,448	4,848,188
Prepaid expenses (medical, insurance and utilities)		626,498	798,646
Government grant receivable	10.1	449,157	493,603
<i>Less: Impairment</i>		<i>(5,366,573)</i>	<i>(5,366,327)</i>
		5,036,395	5,795,634
<i>Financial Asset at Amortized Cost – Unsecured</i>			
Receivable from Government for Jeddah building	10.2	8,971,782	8,971,782
Land related receivables		3,377,204	3,377,204
Others		1,140,689	816,454
		13,489,675	13,165,440
<i>Less: Impairment of financial assets</i>		<i>(3,456,144)</i>	<i>(3,456,144)</i>
		10,033,531	9,709,296
Total		15,069,926	15,504,930

10.1. Government grant receivables 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.

10.2. 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 Taqueem approved fair valuer and legal advisor of management has confirmed the reasonableness and recoverability of the same. Accordingly, based on the guidance provided by SOCPA, a receivable from government has been recorded in the books in line with the requirements of the applicable accounting standard.

11. RESTRICTED CASH DEPOSIT

The Company has placed these funds in restricted bank accounts as a margin deposit against borrowings obtained. The Company also earns a profit on these balances. The average yield on the restricted cash deposits ranges from 4.89% – 5.22%. (31 December 2023: 4% - 5.25%)

	30 June 2024	31 December 2023
	(Unaudited)	(Audited)
<i>Financial Assets at Amortized Cost – Secured</i>		
Restricted cash deposit	45,000,000	45,000,000
Accrued profit on restricted cash deposit	404,165	383,333
	45,404,165	45,383,333

Maturity profile:

	30 June 2024	31 December 2023
	(Unaudited)	(Audited)
Restricted cash deposit		
Current portion	-	-
Non-current portion	45,404,165	45,383,333
	45,404,165	45,383,333

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12. LONG TERM BORROWINGS

	30 June 2024	31 December 2023
	(Unaudited)	(Audited)
<i>Financial Liabilities at Amortized Cost - Secured</i>		
Murabaha finance	58,900,382	39,812,321
Zero-interest loan	4,007,735	3,823,788
Accrued finance cost	925,732	874,982
	63,833,849	44,511,091
	30 June 2024	31 December 2023
	(Unaudited)	(Audited)
Maturity profile		
Non-current portion	46,557,484	32,217,629
Current portion	16,350,633	11,418,480
Accrued finance cost	925,732	874,982
	63,833,849	44,511,091

- 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. The loan is repayable beginning 31 March 2024 and ending 31 December 2026, and the loan is secured by a restricted cash deposit, refer note (7).
- During the period the Company has obtained additional funding of SAR 19 million from Riyadh bank. The loan carries markup at the market prevailing rates. The tenor of contract is 2 years. Grace period against payment is given for 1 year and payments will be commenced after the end of grace period. The Saudi Agricultural and Livestock Investment Company (SALIC), majority shareholder of the Company has guaranteed the loan.
- The Company has a long-term interest-free loan from the Saudi Agricultural Development Fund for the farming activities. The loan is repayable by the year 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 under trade and other payables. The same amount is amortized over the life of the loan in accordance with the requirements of IFRS. Furthermore, these loans 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 6.88 million at their fair value (within investment properties), respectively.
- The facility agreements include covenants which, among other things, require the Company to comply with certain terms of business. As of 30 June 2024, the Company is following the covenants for all the financial facilities.

13. PROVISION FOR ZAKAT

The movement in the provision for zakat is as follows:

	For the six-month period ended 30 June 2024	For the year ended 31 December 2023
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	14,588,279	7,859,107
Charged during the period / year	296,015	8,347,516
Paid during the period / year	-	(1,618,344)
Balance at the end of the period / year	14,884,294	14,588,279

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13. PROVISION FOR ZAKAT (CONTINUED)

13.1. Status of Assessment

Zakat return for the year ended 31 December 2023 has been filed and are under review with the Zakat, Tax and Customs Authority (“ZATCA”). As of the date of the approval of these interim condensed financial statements, zakat certificate of the Company has expired and the Company has still not obtained the renewed zakat certificate from the Authority due to outstanding dues. There is no material impact of non-renewal on Company’s operations.

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 full provision amounting to SAR 8.8 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 full provision amounting to SAR 2.4 million for this assessment based on the consultant’s advice.

Subsequent to the period ended 30 June 2024, On 22 July 2024, the ZATCA issued zakat assessments for the years from 2021 to 2022 amounting to SAR 0.15 million. The Company has not made any provision as of the date of the issuance of the financial statements.

The Company has paid zakat assessment difference on the Company amounting to SAR 0.33 million for the year 2020.

14. CONTINGENCIES AND COMMITMENTS

The commitment to banks against letters of guarantee issued on the Company’s behalf are SAR 0.17 million at 30 June 2024 (31 December 2023: 0.17 million).

15. RELATED PARTIES’ TRANSACTION AND BALANCES

Key management personnel are those persons, including the Board of Directors members, Managing Director and top executives having authority and 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:

15.1. Transactions during the Period

Name of Related Party	Nature of Relationship	Nature of transactions	For the six-month period ended 30 June 2024 (Unaudited)	For the six-month period ended 30 June 2023 (Unaudited)
Key management personnel	Board members	Board remuneration	1,303,766	1,079,047
		Reversal of board remuneration	(893,716)	-
		Payment to board	-	(345,056)
	Key executive employees	Salaries, wages and other allowances paid during the period	1,398,766	1,615,661
National Bank of Bahrain	Affiliate	Finance cost on borrowings	-	94,672
		Repayment of borrowing	-	5,000,000

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15. RELATED PARTIES' TRANSACTION AND BALANCES (CONTINUED)

15.2. Balance as at the period end

Name of related party	Nature of relationship	Nature of Balance	30 June 2024	31 December 2023
			(Unaudited)	(Audited)
Key management personnel	Board members	Board remuneration	3,827,061	3,416,898
	Key executive employees	Salaries, wages and other allowances	53,650	224,400
National Aquaculture Group (NAQUA)	Affiliate	Purchases	9,303,621	5,389,719

16. OTHER INCOME

	Note	For the six-month period ended 30 June 2024 (Unaudited)	For the six-month period ended 30 June 2023 (Unaudited)
Income from restricted cash deposit	11	1,325,433	1,938,891
Rental income	5	674,633	655,000
Government grant	12.1	638,725	998,793
Gain on disposal of property, plant and equipment		-	569,565
Reimbursement receivable of Jeddah building	10	-	8,971,782
Others		215,574	592,207
		<u>2,854,365</u>	<u>13,726,238</u>

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

17. FINANCE COST

	For the six-month period ended 30 June 2024 (Unaudited)	For the six-month period ended 30 June 2023 (Unaudited)
Murabaha finance	1,607,233	1,002,746
Lease liabilities	309,476	308,889
Unwinding of zero-interest loan	183,946	-
Conventional loan	-	160,195
	<u>2,100,655</u>	<u>1,471,830</u>

18. 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 30 June 2024, which amounted to 40,000,000 shares (30 June 2023: 40,000,000 shares).

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18. BASIC AND DILUTED LOSSES PER SHARE (CONTINUED)

	For the six-month period ended 30 June 2024 (Unaudited)	For the six- month period ended 30 June 2023 (Unaudited)
Net loss of the period	(19,771,058)	(12,723,865)
Weighted average number of shares outstanding during the period	40,000,000	40,000,000
loss per share (SAR)	(0.49)	(0.32)
-Basic	(0.49)	(0.32)
-Diluted	(0.49)	(0.32)

19. SEGMENT INFORMATION

The Company's principal business activities involve farming, retail and wholesale of sea food. Selected financial information as at 30 June 2024 and 30 June 2023, and for the periods then ended, categorized by these business segments, is as follows:

Farming	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.

For the six-month period ended 30 June 2024 - (Unaudited)

	Farm	Retail	Wholesale	Total
Revenue				
External revenue	4,112,983	2,913,610	8,680,061	15,706,654
Expenses	(8,437,228)	(6,702,552)	(19,967,859)	(35,107,639)
Net Fair Value Gain on Investment Properties	-	-	-	-
Loss for fair value biological asset	(827,768)	-	-	(827,768)
Other revenue	747,451	529,489	1,577,425	2,854,365
	(8,517,545)	(6,173,063)	(18,390,434)	(33,081,042)
OPERATING LOSS	(4,404,562)	(3,259,453)	(9,710,373)	(17,374,388)
Finance cost	(550,082)	(389,675)	(1,160,898)	(2,100,655)
NET LOSS BEFORE ZAKAT	(4,954,644)	(3,649,128)	(10,871,271)	(19,475,043)
Zakat	(77,515)	(54,911)	(163,589)	(296,015)
NET LOSS FOR THE PERIOD	(5,032,159)	(3,704,039)	(11,034,860)	(19,771,058)
As at 30 June 2024				
Total Assets	233,893,302	1,554,468	12,563,098	248,010,868
Total Liabilities	99,353,701	12,555,206	39,600,850	151,509,757
As at 31 December 2023				
Total Assets	230,159,947	2,238,242	10,821,230	243,219,419
Total Liabilities	83,228,380	12,419,582	31,299,287	126,947,249

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19.SEGMENT INFORMATION (CONTINUED)

For the six-month period ended 30 June 2023 - (Unaudited) – (Restated)

	Farm	Retail	Wholesale	Total
Revenue				
External revenue	7,077,125	7,242,417	13,239,430	27,558,972
Expenses	(13,123,437)	(13,424,983)	(24,555,424)	(51,103,844)
Net Fair Value Gain on Investment Properties	1,467,380	1,501,653	2,745,082	5,714,115
Loss for fair value biological asset	-	-	-	-
Other revenue	3,524,888	3,605,796	6,595,555	13,726,239
	(8,131,169)	(8,317,534)	(15,214,787)	(31,663,490)
OPERATING LOSS	(1,054,044)	(1,075,117)	(1,975,357)	(4,104,518)
Finance cost	(377,965)	(386,650)	(707,215)	(1,471,830)
NET LOSS BEFORE ZAKAT	(1,432,009)	(1,461,767)	(2,682,572)	(5,576,348)
Zakat	(1,835,477)	(1,877,652)	(3,434,388)	(7,147,517)
NET LOSS FOR THE YEAR	(3,267,486)	(3,339,419)	(6,116,960)	(12,723,865)
<u>As at 30 June 2023</u>				
Total Assets	216,404,146	43,154,242	78,755,795	338,314,183
Total Liabilities	32,750,469	40,016,594	47,305,579	120,072,642
<u>As at 31 December 2022</u>				
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

20. FAIR VALUE 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 receivables, 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.

All financial assets and liabilities are measured at amortized cost except investment carried at FVTPL. The carrying amounts of all other financial assets and financial liabilities measured at amortized cost approximate to their fair values.

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20. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	Fair value Level			
30 June 2024 - (Unaudited)	Level 1	Level 2	Level 3	Total
FINANCIAL ASSET				
Financial assets at fair value Through profit or loss	20,155	-	-	20,155

	Fair value Level			
31 December 2023 - (Audited)	Level 1	Level 2	Level 3	Total
FINANCIAL ASSET				
Financial assets at fair value Through profit or loss	20,155	-	-	20,155

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

21. RESTATEMENTS AND RECLASSIFICATION FOR PRIOR PERIOD FIGURES

21.1. During the period ended 30 June 2023, the management of the Company has changed the accounting policy of investment properties from cost method to fair value method. Accordingly, the opening retained earnings as at 1 January 2023 have been restated to disclose the changes in accounting policy. The management has corrected an error identified in the recording of other income during the comparative period.

21.2. Further, during the period ended 30 June 2024, management conducted an impairment assessment on the balances of property, plant and equipment, capital work in progress, and right-of-use assets as of 31 December 2023. Consequently, the balances as of 31 December 2023 were restated based on the results of this assessment.

The summary of the restatements and reclassification has been shown below:

Impact of adjustment on statement of financial position as at 31 December 2023:

	Balance as previously reported as at 31 December 2023	Effect of prior period adjustment	Reclassification	Balance after reclassification / Adjustment
Long term Borrowings	32,465,339	-	(247,710)	32,217,629
Trade and other payables	32,365,455	-	247,710	32,613,165
Property, plant, and equipment	112,454,522	(21,819,000)	-	90,635,522
Capital work in progress	26,559,484	(4,635,850)	-	21,923,634
Right of use assets	12,513,225	(2,066,000)	-	10,447,225

Impact of adjustment on statement of changes in equity as at 1 January 2023:

	Balance as previously reported 1 January 2023	Effect of prior period adjustment	Balance restated 1 January 2023
Accumulated Losses	(197,419,153)	32,833,843	(164,585,310)

Impact of adjustment on statement of changes in equity as at 1 January 2024:

	Balance as previously reported 1 January 2023	Effect of prior period adjustment	Balance restated 1 January 2023
Accumulated Losses	(256,023,721)	(28,520,850)	(284,544,571)

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21. RESTATEMENTS AND RECLASSIFICATION FOR PRIOR PERIOD FIGURES (CONTINUED)

Impact of adjustment on the interim condensed statement of profit or loss and other comprehensive loss for the six months period ended 30 June 2023:

	Balance as previously reported for the period ended 30 June 2023	Effect of prior period adjustment	Balance restated for the period ended 30 June 2023
Other income	14,605,123	(878,885)	13,726,238
Net fair value gain on investment properties	12,610,930	(6,896,815)	5,714,115
Total comprehensive loss	(4,948,165)	(7,775,700)	(12,723,865)
Basic and diluted loss per share	(0.12)	(0.19)	(0.32)

Impact of adjustment on the statement of profit or loss and other comprehensive loss for the year ended 31 December 2023:

	Balance as previously reported for the year ended 31 December 2023	Effect of prior period adjustment	Balance restated for the year ended 31 December 2023
Impairment of PPE	-	(21,819,000)	(21,819,000)
Impairment of Capital work in progress	(7,528,242)	(4,635,850)	(12,164,092)
Impairment of ROU	-	(2,066,000)	(2,066,000)
Net loss for the year	(91,438,411)	(28,520,850)	(119,959,261)
Total comprehensive loss for the year	(91,007,618)	(28,520,850)	(119,528,468)
Basic loss per share	(2.28)	-	(2.99)

Impact of restatement on the interim condensed statement of cash flows:

No material impact on interim condensed statement of cashflows was identified due to prior period restatements.

22. SIGNIFICANT EVENTS

Pursuant to Royal Decree No. 41355 dated 10 Ramadan 1433H, two plots of land in Riyadh and Jeddah were allocated and transferred from the Ministry of Agriculture to the Company. This transfer is in exchange for an increase in the Public Investment Fund's share in the Company's capital at market value.

The land and building of the Company's current head office in Riyadh, as well as the land in Jeddah, have been provided by the government without any rental payments. In 2022, the legal title for the lands in Riyadh and Jeddah was transferred to the Company. However, as of 30 June 2024, these properties have not been recorded in the Company's books because the transfer of control is contingent on an increase in the Public Investment Fund's share capital. The Company is currently consulting with legal advisors and regulators to complete the necessary legal formalities and determine the method for executing the increase in share capital. Once these conditions are successfully met, the Company will be able to demonstrate control over the properties and record them accordingly.

23. SUBSEQUENT EVENTS

Subsequent to the period end, on 18 August 2024, the Company announced on Tadawul that SALIC, a major shareholder (the "Seller"), accepted a binding offer to complete a special sale and purchase transaction. The Seller intends to sell its entire shareholding of 15,997,003 (representing 39.99% of the Company's shares) in Saudi Fisheries Company, to Mr. Abdulaziz bin Abdullah Al-Humaid (the "Buyer"). This transaction is subject to the completion of legal formalities, including securing the necessary regulatory approval.

24. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 07 Safar 1446H (corresponding to 11 August 2024) by the Audit Committee under the authorization of the Board of Directors of the Company.