

**United Gulf Investment Corporation
B.S.C.**

Condensed interim consolidated
financial information for the three
months period ended 31 March 2022
(Unaudited)

United Gulf Investment Corporation B.S.C.
Condensed interim consolidated financial information for the three months period ended
31 March 2022
(Unaudited)

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United Gulf Investment Corporation B.S.C.
Administration and contact details as at 31 March 2022

Commercial registration no.	24377 obtained on 18 February 1991
Board of Directors	Rashed Abdulla Al Suwaiket Al Hajri - Chairman Abdulla Fahad Al-Subaie - Vice - Chairman Qusay Khalil Yusuf Al-Khalili Abdulla Mubarak Abdulla Al-Suwaiket Waleed Fahad Al-Tharman
Authorised persons	Rashed Abdulla Al Suwaiket Al Hajri Qusay Khalil Yusuf Al-Khalili
Chief Executive Officer and Secretary to the Board	Qusay Khalil Yusuf Al-Khalili
Audit Committee	Rashed Abdulla Al Suwaiket Al Hajri - Chairman Waleed Fahad Al-Tharman
Registered office	Office 3202, Building 2504 Road 2832, Block 428 PO Box 10177 Al-Seef District Kingdom of Bahrain
Principal bankers	Ahli United Bank Arab National Bank - Dammam Ithmar Bank Alinma Bank
Auditors	BDO 17 th Floor Diplomat Commercial Offices Tower PO Box 787 Manama Kingdom of Bahrain
Registrars	KFin technologies (Bahrain) W.L.L. PO Box 514 Manama Kingdom of Bahrain Bahrain Clear Bahrain Financial Harbour Harbour Gate - Level 4 PO Box 3203 Manama Kingdom of Bahrain

Review report on the condensed interim consolidated financial information to the Board of Directors of United Gulf Investment Corporation B.S.C.

Introduction

We have reviewed the accompanying condensed interim consolidated financial information of United Gulf Investment Corporation B.S.C. (“the Company”) and its subsidiaries (collectively referred to as “the Group”), which comprise the condensed interim consolidated statement of financial position as at 31 March 2022, the condensed interim consolidated statement of profit or loss and other comprehensive income, the condensed interim consolidated statement of changes in shareholders’ equity and the condensed interim consolidated statement of cash flows for the three months period then ended and selected explanatory notes. The management is responsible for the preparation and presentation of these condensed interim consolidated financial information in accordance with International Accounting Standard 34 - “*Interim financial reporting*”. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 - “*Review of interim financial information performed by the independent auditor of the entity*”. A review of condensed interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information do not present fairly, in all material respects, the condensed interim consolidated financial position of the Group as at 31 March 2022, and its consolidated financial performance and its consolidated cash flows for the three months period then ended in accordance with International Accounting Standard 34 - “*Interim financial reporting*”.

BDO

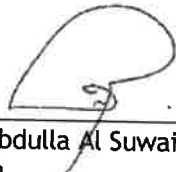
Manama, Kingdom of Bahrain
12 May 2022

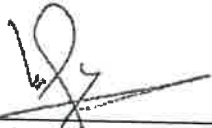


United Gulf Investment Corporation B.S.C.
Condensed interim consolidated statement of financial position as at 31 March 2022
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>31 March 2022</u> (Unaudited)	<u>31 December 2021</u> (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	31,615,199	31,978,155
Investment in an associate	6	2,041,374	1,964,000
Right-of-use assets	7	<u>294,660</u>	<u>308,854</u>
		33,951,233	34,251,009
Current assets			
Financial assets at fair value through profit or loss	8	256,000	256,000
Inventories	9	12,746,830	11,752,218
Trade and other receivables	10	12,153,254	12,072,434
Mudaraba deposits		1,666,399	1,666,399
Cash and bank balances	11	<u>9,064,031</u>	<u>7,145,725</u>
		35,886,514	32,892,776
Total assets		<u>69,837,747</u>	<u>67,143,785</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	20,000,000	20,000,000
Statutory reserve		3,134,426	3,134,426
Share premium		116,328	116,328
Other reserves		<u>6,895,592</u>	<u>3,839,919</u>
Equity attributable to shareholders of the parent company		30,146,346	27,090,673
Non-controlling interest	13	<u>7,479,828</u>	<u>6,499,883</u>
		37,626,174	33,590,556
Non-current liabilities			
Non-current portion of term loans	14	18,939,575	18,939,575
Non-current portion of lease liabilities	15	306,490	320,523
Employees' terminal benefits		<u>709,460</u>	<u>709,455</u>
		19,955,525	19,969,553
Current liabilities			
Current portion of term loans	14	3,990,128	5,584,073
Current portion of lease liabilities	15	242,065	285,991
Trade and other payables	16	<u>8,023,855</u>	<u>7,713,612</u>
		12,256,048	13,583,676
Total equity and liabilities		<u>69,837,747</u>	<u>67,143,785</u>

These unaudited condensed interim consolidated financial information were approved, authorised for issue by the Board of Directors and signed on their behalf by:



Rashed Abdulla Al Suwaiket Al Hajri
Chairman



Abdulla Fahad Al-Subaie
Vice - Chairman

United Gulf Investment Corporation B.S.C.
Condensed interim consolidated statement of profit or loss and other comprehensive income for
the three months period ended 31 March 2022
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	Three months ended 31 March 2022 (Unaudited)	Three months ended 31 March 2021 (Unaudited)
Subsidiary sales		15,238,610	12,936,120
Subsidiary cost of sales		<u>(10,730,867)</u>	<u>(12,319,033)</u>
Subsidiary gross profit		4,507,743	617,087
Other income	17	<u>17,235</u>	<u>35,327</u>
		<u>4,524,978</u>	<u>652,414</u>
Expenses			
General and administrative expenses		(353,236)	(376,486)
Finance costs		<u>(78,517)</u>	<u>(80,175)</u>
		<u>(431,753)</u>	<u>(456,661)</u>
Net profit for the period before Zakat and share of profit from investment in an associate		4,093,225	195,753
Share of profit from investment in an associate	6	<u>48,443</u>	<u>72,629</u>
Net profit for the period before tax		4,141,668	268,382
Provision for Zakat		<u>(106,050)</u>	<u>(115,632)</u>
Net profit and total comprehensive income for the period		<u>4,035,618</u>	<u>152,750</u>
Net profit attributable to:			
Shareholders of the Parent Company		3,055,673	126,742
Non-controlling interest	13	<u>979,945</u>	<u>26,008</u>
		<u>4,035,618</u>	<u>152,750</u>
Basic and diluted earnings per share	18	<u>15.28 fils</u>	<u>0.63 fils</u>
Total comprehensive profit attributable to:			
Shareholders of the Parent Company		3,055,673	126,742
Non-controlling interest	13	<u>979,945</u>	<u>26,008</u>
		<u>4,035,618</u>	<u>152,750</u>

These unaudited condensed interim consolidated financial information were approved, authorised for issue by the Board of Directors and signed on their behalf by:


Rashed Abdulla Al Suwaiket Al Hajri
Chairman


Abdulla Fahad Al-Subaie
Vice - Chairman

United Gulf Investment Corporation B.S.C.
 Condensed interim consolidated statement of changes in shareholders' equity for the three months ended 31 March 2022
 (Unaudited)
 (Expressed in Bahrain Dinars)

	Equity attributable to shareholders of the Parent Company							
	Share capital	Statutory reserve	Share premium	Revaluation reserve	Other reserves	Retained earnings	Non-controlling interest	Total
At 31 December 2020	20,000,000	2,853,603	116,328	4,329,043	(3,016,531)	24,282,443	5,624,067	29,906,510
Total comprehensive income for the period	-	-	-	-	126,742	126,742	26,008	152,750
At 31 March 2021 (Unaudited)	20,000,000	2,853,603	116,328	4,329,043	(2,889,789)	24,409,185	5,650,075	30,059,260
At 31 December 2021	20,000,000	3,134,426	116,328	4,329,043	(489,124)	27,090,673	6,499,883	33,590,556
Total comprehensive income for the period	-	-	-	-	3,055,673	3,055,673	979,945	4,035,618
At 31 March 2022 (Unaudited)	20,000,000	3,134,426	116,328	4,329,043	2,566,549	30,146,346	7,479,828	37,626,174

United Gulf Investment Corporation B.S.C.
Condensed interim consolidated statement of cash flows for the three months period ended
31 March 2022
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	Three months ended 31 March 2022 (Unaudited)	Three months ended 31 March 2021 (Unaudited)
Operating activities			
Net profit for the period		4,035,618	152,750
Adjustments for:			
Depreciation	5	688,089	720,340
Amortisation of right-of-use assets		14,194	14,194
Written-off provision for slow-moving inventories	9	(1,361,842)	-
Reversal of excess provision for impaired trade receivables	17	-	(23,721)
Reversal of excess share of loss from investment in associate	6	(78,973)	-
Net share of profit from investment in associates	6	(48,443)	(72,629)
Bank interest income	17	-	(11,606)
Interest expense on term loans		67,764	67,791
Interest expense on lease liabilities		10,753	12,384
Changes in operating assets and liabilities:			
Inventories		367,230	4,949,689
Trade and other receivables		(80,820)	(420,680)
Trade and other payables		310,243	568,676
Employees' terminal benefits, net		5	5,435
Net cash provided by operating activities		<u>3,923,818</u>	<u>5,962,623</u>
Investing activities			
Purchase of property, plant and equipment	5	(325,133)	(96,681)
Addition to investment in an associate		-	(155,540)
Dividends received during the year		50,042	-
Net movement in Mudaraba deposits		-	42,496
Bank interest income received	17	-	11,606
Net cash used in investing activities		<u>(275,091)</u>	<u>(198,119)</u>
Financing activities			
Interest expense on term loans paid	23	(67,764)	(67,791)
Proceeds from term loans	23	6,631,645	6,580,922
Repayment of term loans	23	(8,225,590)	(8,196,923)
Repayment of lease liability including interest		(68,712)	(70,700)
Net cash used in financing activities		<u>(1,730,421)</u>	<u>(1,754,492)</u>
Net increase in cash and cash equivalents		1,918,306	4,010,012
Cash and cash equivalents, beginning of the period		<u>7,145,725</u>	<u>1,693,571</u>
Cash and cash equivalents, end of the period	11	<u>9,064,031</u>	<u>5,703,583</u>

United Gulf Investment Corporation B.S.C.

Selected explanatory notes to the condensed interim consolidated financial information for the three Months period ended 31 March 2022

(Unaudited)

(Expressed in Bahrain Dinars)

1 Organisation and activities

United Gulf Investment Corporation B.S.C. (“the Company”) and its subsidiaries comprise “the Group.” The Company is a public shareholding company registered with the Ministry of Industry, Commerce and Tourism in the Kingdom of Bahrain and operates under commercial registration number 24377 obtained on 18 February 1991.

According to the terms of its Memorandum and Articles of Association, the duration of the Company is for 50 years, renewable for further similar periods unless terminated earlier by the operation of law or as provided for in the Memorandum and Articles of Association.

The principal activities of the Company include property leasing, buying and selling of properties for the Company, third grade industrial maintenance works, selling and buying of shares and securities for the Company and investment in local industrial projects.

The Company’s registered office is in the Kingdom of Bahrain.

The unaudited condensed interim consolidated financial information, set out on pages 4 to 19, was approved and authorised for issue by the Board of Directors on 12 May 2022.

2 Structure of the Group

The structure of the Group is as follows:

<u>Name of the subsidiary</u>	<u>Country of incorporation</u>	<u>Proportion of ownership interest as at 31 March</u>	<u>Non-controlling interest ownership /voting interest as at 31 March</u>
Gulf Ferro Alloys Company (SABAYEK) W.L.L.	Kingdom of Saudi Arabia	75.68% (31 March 2021: 75.68%)	24.32% (31 March 2021: 24.32%)
United Gulf Trading S.P.C.	Kingdom of Bahrain	100% (31 March 2021: 100%)	- (31 March 2021: Nil)

The Company owns 75.68% (2021: 75.68%) shareholding interest in Gulf Ferro Alloys Company (SABAYEK) W.L.L. and 100% in United Gulf Trading W.L.L (“the subsidiaries”).

The principal activities of SABAYEK include the production and marketing of ferro silicon, ferro manganese, silicon manganese silicon and micro silicate.

The principal activities of UGT are other professional, scientific and technical activities, real estate activities on fee or contract and sale/trading in other industrial products/raw materials.

SABAYEK’s total assets, liabilities and net profit for the year of have been extracted from financial statements prepared as at, and for the three months ended, 31 March 2022 while UGT’s total assets, liabilities and net profit for the year have been extracted from unaudited financial statements prepared as at, and for the three months ended, 31 March 2022.

United Gulf Investment Corporation B.S.C.

Selected explanatory notes to the condensed interim consolidated financial information for the three months period ended 31 March 2022

(Unaudited)

(Expressed in Bahrain Dinars)

3 Basis of preparation

The condensed interim consolidated financial information has been prepared in accordance with International Accounting Standard 34 - “*Interim Financial Reporting*”. The condensed interim consolidated financial information should therefore be read in conjunction with the annual audited consolidated financial statements prepared as at, and for the year ended, 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards. The financial information has been presented in Bahrain Dinars (BD) which is also the functional currency of the Company.

The preparation of condensed interim consolidated financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group’s accounting policies. These consolidated financial statements have been prepared using going concern assumption under the historical cost convention.

Improvements/amendments to IFRS/IAS

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS that the IASB considers non-urgent but necessary. ‘Improvements to IFRS’ comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company’s future accounting year with earlier adoption.

Standards, amendments and interpretations issued and effective in 2022 but not relevant

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting year beginning on or after 1 January 2022 or subsequent years, but is not relevant to the Company’s operations:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IFRS 1	Subsidiary as a first-time adopter	1 January 2022
IFRS 3	Reference to the conceptual framework	1 January 2022
IAS 16	Property, plant and equipment - proceeds before intended use	1 January 2022
IAS 37	Onerous contracts - cost of fulfilling a contract	1 January 2022
IFRS 9	Derecognition of financial liabilities	1 January 2022

Standards, amendments and interpretations issued but not yet effective in 2022

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 31 March 2022. They have not been adopted in preparing the financial statements for the period ended 31 March 2022 and will or may have an effect on the entity’s future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

United Gulf Investment Corporation B.S.C.
 Selected explanatory notes to the condensed interim consolidated financial information for the three months period ended 31 March 2022
 (Unaudited)
 (Expressed in Bahrain Dinars)

3 Basis of preparation (continued)

Standards, amendments and interpretations issued but not yet effective in 2022 (continued)

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 1	Disclosure of accounting policies	1 January 2023
IAS 1	Classification of liabilities as current or non-current	1 January 2023
IAS 8	Definition of accounting estimates	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17	Amendments to IFRS 17	1 January 2023

Early adoption of amendments or standards in 2022

The Company did not early-adopt any new or amended standards in 2022. There would have been no change in the operational results of the Company for the period ended 31 March 2022 had the Company early adopted any of the above standards applicable to the Company.

4 Significant accounting policies

The accounting policies used in the preparation of the condensed interim consolidated financial information are consistent with those used in the annual audited consolidated financial statements of the Group prepared as at, and for the year ended 31 December 2021, as described in those annual audited consolidated financial statements.

5 Property, plant and equipment

Additions to property, plant and equipment during the three-month period ended 31 March 2022 amounted to BD325,133 (31 December 2021: BD750,286). There were no disposals of property, plant and equipment during the three-month period ended 31 March 2022 (31 December 2021: BDNil).

The depreciation charged for the three months ended 31 March 2022 amounted to BD688,089 (31 March 2021: BD720,340)

The Company operates from premises rented at a monthly rent of BD1,707 (2021: BD1,707 per month).

The Group's subsidiary operates from premises rented at a monthly rent of BD7,635 (2021: BD7,635 per month).

The property, plant and equipment are subject to term loans (Note 14).

United Gulf Investment Corporation B.S.C.
 Selected explanatory notes to the condensed interim consolidated financial information for the three
 Months period ended 31 March 2022
 (Unaudited)
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6 Investment in an associate

	31 March 2022 <u>(Unaudited)</u>	31 December 2021 <u>(Audited)</u>
Opening balance	1,964,000	1,056,662
Reversal of excess share of loss from associate	78,973	-
Additions during the period/year	-	909,000
Dividends received during the period/year	(50,042)	(117,421)
Share of profit for the period/year	<u>48,443</u>	<u>115,759</u>
Closing balance	<u>2,041,374</u>	<u>1,964,000</u>

During the year ended 31 December 2021, the subsidiary, Gulf Ferro Alloys Company (“Sabayek”), acquired 40% ownership interest in Rukam Industrial company. An entity set up in the Kingdom of Saudi Arabia. The ownership interest in Rukam has been classified as an associate and the Group has adopted equity accounting for its share in the operational results of the associate.

The investments in associates are held through the Subsidiary Company.

The investment in an associate represents the Group’s 20% ownership interest in Dhahran Chemical Industries Marketing (“DCIM”).

The Group’s share in the net assets and results of operations of the associate has been extracted from the unaudited management accounts of DCIM prepared as at, and for the three months ended 31 March 2022 and year ended 31 December 2021. The carrying value of the investment in associate include the value of goodwill amounting to BD251,111 being excess consideration paid to acquire the associate. In the opinion of the management, the carrying value of goodwill is not impaired as at 31 March 2022.

7 Right-of-use assets

	<u>Leasehold land</u>
Cost	
At 31 December 2020, 31 December 2021 and 31 March 2022	<u>479,181</u>
Accumulated amortisation	
Amortisation charge for the year and at 31 December 2021	170,327
Amortisation charge for the period	<u>14,194</u>
At 31 March 2022	<u>184,521</u>
Carrying value	
At 31 March 2022 (unaudited)	<u>294,660</u>
At 31 December 2021 (audited)	<u>308,854</u>

United Gulf Investment Corporation B.S.C.
Selected explanatory notes to the condensed interim consolidated financial information for the three months period ended 31 March 2022
(Unaudited)
(Expressed in Bahrain Dinars)

8 Financial assets at fair value through profit or loss

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Opening and closing balance	<u>256,000</u>	<u>256,000</u>

Financial assets at fair value through profit or loss are denominated in Bahrain Dinars. These consist of marketable equity securities listed on the Bahrain Bourse and are fair valued annually at the close of business on 31 December. Fair value is determined by reference to stock exchange quoted prices.

In addition, the Company also holds 403,591 unquoted shares in TAB Energy Limited which have been fully impaired. In the opinion of the management, the fair values of the financial assets at fair value through profit or loss are not significantly different from their carrying amount.

9 Inventories

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Raw materials	6,526,454	6,721,225
Finished goods and work-in-process	4,922,487	5,099,211
Consumable spares	<u>2,365,440</u>	<u>2,361,175</u>
	13,814,381	14,181,611
Provision for slow-moving inventories	<u>(1,067,551)</u>	<u>(2,429,393)</u>
	<u>12,746,830</u>	<u>11,752,218</u>

The movement in the provision for slow-moving inventories are as follows:

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance	2,429,393	-
Provision during the year and as at 31 December	-	2,429,393
Written-off during the year	<u>(1,361,842)</u>	<u>-</u>
Closing balance	<u>1,067,551</u>	<u>2,429,393</u>

United Gulf Investment Corporation B.S.C.
Selected explanatory notes to the condensed interim consolidated financial information for the three months period ended 31 March 2022
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10 Trade and other receivables

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Trade receivables	9,273,249	9,462,289
Less: provision for impairment of trade receivables	<u>(261,825)</u>	<u>(261,825)</u>
	9,011,424	9,200,464
Prepayments and other receivables	<u>3,141,830</u>	<u>2,871,970</u>
	<u>12,153,254</u>	<u>12,072,434</u>

Trade receivables are generally on 60 to 180 days credit terms and are primarily denominated in Saudi Riyals.

11 Cash and bank balances

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balances in call and current accounts with banks	9,059,207	7,141,455
Cash on hand	<u>4,824</u>	<u>4,270</u>
	<u>9,064,031</u>	<u>7,145,725</u>

12 Share capital

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Authorised		
400,000,000 (2021: 400,000,000) shares of 100 fils each	<u>40,000,000</u>	<u>40,000,000</u>
Issued and fully paid-up		
200,000,000 (2021: 200,000,000) shares of 100 fils each	<u>20,000,000</u>	<u>20,000,000</u>

13 Non-controlling interest

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance	6,499,883	5,624,067
Share of non-controlling interest in the total comprehensive income of the subsidiary	<u>979,945</u>	<u>875,816</u>
Closing balance	<u>7,479,828</u>	<u>6,499,883</u>

United Gulf Investment Corporation B.S.C.

Selected explanatory notes to the condensed interim consolidated financial information for the three months period ended 31 March 2022

(Unaudited)

(Expressed in Bahrain Dinars)

14 Term loans

	<u>31 March 2022</u> (Unaudited)	<u>31 December 2021</u> (Audited)
Saudi Industrial Development Fund		
In 1996, the subsidiary obtained a long-term loan from SIDF amounting to SAR323 million by pledging the property, plant and equipment of the subsidiary and the guarantee of the subsidiary's shareholders against the loan. The total withdrawal against this loan amounted to SAR319 million.		
The loan agreement initially stated that the loan should be repaid in 16 instalments starting from 28 July 1999 and ended on 8 October 2006.		
Subsequently, the subsidiary negotiated with SIDF for the extension of the repayment schedule of the loan to a later period. SIDF accepted the subsidiary's proposal and extended the loan repayment period to 35 years beginning from 17 April 2008, with half yearly intervals, vide their letter dated 7/11/1427 Hijri (Arabic date).	17,584,100	17,584,100
Saudi Electric Company		
Payable to SEC includes payable towards substation amounting to SAR23 million and payables towards electricity charges amounting to SAR8 million.		
Due to cash shortage, the subsidiary could not pay the dues towards the usage of electricity charges to SEC on time.		
The management re-negotiated with SEC for instalment payments against energy bills to which SEC agreed. At the end of 2016, SABAYEK agreed to make instalment payments for its 2015 and 2016 liabilities where SABAYEK is required to pay SAR 1 million each month 'till October 2017, SAR1.5 million from November 2017 to October 2019, SAR2 million from November 2019 to December 2020, SAR5 million from January 2021 to June 2022 including the final instalment of SAR4.9 million in accordance with the repayment schedule. In addition, a payment of SAR20 million at September 2020 and a further SAR20 million at December 2020.		
The amount payable to SEC as on 1 January 2021 is SAR91.18 million out of which SAR60 million relates to short term payable instalment SAR5 million each month as per agreement for the year 2021 and SAR31.18 million for the year 2022.		
During the year the subsidiary received electricity bill from SEC amounting to SAR109.16 million. The total amount payable to SEC during the year is SAR69 million which includes amount due towards instalment of electricity bills.	<u>5,345,603</u>	<u>6,939,548</u>
	22,929,703	24,523,648
Less: current portion of term loans	<u>(3,990,128)</u>	<u>(5,584,073)</u>
Non-current portion of term loans	<u>18,939,575</u>	<u>18,939,575</u>

That portion of the loans which is repayable within one year from the condensed interim consolidated statement of financial position date is disclosed as current portion of term loans.

United Gulf Investment Corporation B.S.C.
Selected explanatory notes to the condensed interim consolidated financial information for the three months period ended 31 March 2022
(Unaudited)
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15 Lease liabilities

	31 March <u>2022</u> (Unaudited)	31 December <u>2021</u> (Audited)
At 1 January	606,514	648,594
Lease payments	(68,712)	(91,616)
Interest expenses	<u>10,753</u>	<u>49,536</u>
At 31 December	548,555	606,514
Less: current lease liabilities	<u>(242,065)</u>	<u>(285,991)</u>
Non-current lease liabilities	<u>306,490</u>	<u>320,523</u>

Maturity analysis - contractual undiscounted cash flows:

	31 March <u>2022</u> (Unaudited)	31 December <u>2021</u> (Audited)
Less than one year	91,616	91,616
One to five years	<u>381,733</u>	<u>641,311</u>
Total undiscounted lease liabilities	<u>473,349</u>	<u>732,927</u>

16 Trade and other payables

	31 March <u>2022</u> (Unaudited)	31 December <u>2021</u> (Audited)
Trade payables	1,437,206	684,528
Accruals and other payables	<u>6,586,649</u>	<u>7,029,084</u>
	<u>8,023,855</u>	<u>7,713,612</u>

17 Other income

	Three months ended 31 March <u>2022</u> (Unaudited)	Three months ended 31 March <u>2021</u> (Unaudited)
Reversal of excess provision for impaired trade receivables	-	23,721
Bank interest income	-	11,606
Miscellaneous income	<u>17,235</u>	<u>-</u>
	<u>17,235</u>	<u>35,327</u>

United Gulf Investment Corporation B.S.C.

Selected explanatory notes to the condensed interim consolidated financial information for the three Months period ended 31 March 2022

(Unaudited)

(Expressed in Bahrain Dinars)

18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Company and held as treasury shares.

	Three months ended 31 March 2022 (Unaudited)	Three months ended 31 March 2021 (Unaudited)
Net profit attributable to shareholders of the Parent Company	<u>3,055,673</u>	<u>126,742</u>
Weighted average number of ordinary shares in issue during the period	<u>200,000,000</u>	<u>200,000,000</u>
Basic and diluted earnings per share	<u>15.28fils</u>	<u>0.63fils</u>

19 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the shareholders, key management personnel and their close family members and such other companies over which the Group or its shareholders, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. The Group's transactions with related parties are authorised by the management. Further, there are no loans due from any of the Directors of the Group.

Key management personnel compensation

Key management personnel of the Group comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group including the Chief Executive Officer of the Group.

	Three months ended 31 March 2022 (Unaudited)	Three months ended 31 March 2021 (Unaudited)
Remuneration to key management personnel	<u>6,900</u>	<u>6,900</u>

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20 Segmental information

The Group's primary segment reporting format is business segment. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

The Group's primary business segments are:

- smelting;
- investment income-foreign; and
- investment income-domestic

As at and for the three-month period ended 31 March 2022 (unaudited)

	<u>Smelting</u>	<u>Investment activities</u>	<u>Total</u>
Revenue	15,238,610	-	15,238,610
Other income	17,235	-	17,235
Provision for Zakat	(106,050)	-	(106,050)
Operating costs	<u>(10,730,867)</u>	<u>-</u>	<u>(10,730,867)</u>
Segment profit	4,418,928	-	4,418,928
Share of profit from investment in an associate	-	48,443	48,443
Other expenses	<u>(367,124)</u>	<u>(64,629)</u>	<u>(431,753)</u>
Net profit for the period	<u>4,051,804</u>	<u>(16,186)</u>	<u>4,035,618</u>
Assets and liabilities	<u>Smelting</u>	<u>Investment activities</u>	<u>Total</u>
Addition to non-current asset	<u>325,133</u>	<u>-</u>	<u>325,133</u>
Total segment assets	<u>37,606,803</u>	<u>32,230,944</u>	<u>69,837,747</u>
Total segment liabilities	<u>30,419,146</u>	<u>1,792,427</u>	<u>32,211,573</u>

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20 Segmental information (continued)

As at 31 December 2021 (audited) and for the three months period ended 31 March 2021 (unaudited)

	<u>Smelting</u>	<u>Investment activities</u>	<u>Total</u>
Revenue	12,936,120	-	12,936,120
Other income	23,721	11,606	35,327
Provision for Zakat	(115,632)	-	(115,632)
Operating costs	<u>(12,319,033)</u>	<u>-</u>	<u>(12,319,033)</u>
Segment profit	525,176	11,606	536,782
Share of profit from investment in an associate	-	72,629	72,629
Other expenses	<u>(456,661)</u>	<u>-</u>	<u>(456,661)</u>
Net profit for the period	<u>68,515</u>	<u>84,235</u>	<u>152,750</u>
Assets and liabilities	<u>Smelting</u>	<u>Investment activities</u>	<u>Total</u>
Addition to non-current asset	<u>96,681</u>	<u>-</u>	<u>96,681</u>
Total segment assets	<u>58,502,873</u>	<u>8,640,912</u>	<u>67,143,785</u>
Total segment liabilities	<u>31,784,110</u>	<u>1,769,119</u>	<u>33,553,229</u>

The Group's secondary reporting format is geographic segment which is based on the geographical location of the Group's operations. The Group mainly operates in:

- Kingdom of Bahrain; and
- Kingdom of Saudi Arabia.

	<u>Segment assets</u>		<u>Segment liabilities</u>	
	As at 31 March 2022	As at 31 December 2021	As at 31 March 2022	As at 31 December 2021
Kingdom of Bahrain	32,230,944	8,640,912	1,792,427	1,769,119
Kingdom of Saudi Arabia	<u>37,606,803</u>	<u>58,502,873</u>	<u>30,419,146</u>	<u>31,784,110</u>
	<u>69,837,747</u>	<u>67,143,785</u>	<u>32,211,573</u>	<u>33,553,229</u>

21 Dividends

The Board of Directors does not propose to pay any dividends during the period ended 31 March 2022 (31 December 2021: BDNil).

United Gulf Investment Corporation B.S.C.

Selected explanatory notes to the condensed interim consolidated financial information for the three months ended period 31 March 2022

(Unaudited)

(Expressed in Bahrain Dinars)

22 Interim results

The condensed interim consolidated net profit and other comprehensive income for the three months ended 31 March 2022 may not be represent a proportionate share of the annual consolidated net profit and other comprehensive income due to the variability in timing of the receipt of investment income.

23 Notes supporting statement of cash flows

IAS 7 “*Statement of Cash Flows*” requires additional disclosures about changes in an entity’s financing liabilities arising from both cash flow and non-cash flow items.

	<u>1 January 2022</u>	<u>Obtained during the period</u>	<u>Finance cost accrued</u>	<u>Principal repaid during the period</u>	<u>Finance costs paid</u>	<u>31 March 2022</u>
Term loan	<u>24,523,648</u>	<u>6,631,645</u>	<u>67,764</u>	<u>(8,225,590)</u>	<u>(67,764)</u>	<u>22,929,703</u>
	<u>1 January 2021</u>	<u>Obtained during the period</u>	<u>Finance cost accrued</u>	<u>Principal repaid during the period</u>	<u>Finance costs paid</u>	<u>31 March 2021</u>
Term loan	<u>30,774,566</u>	<u>6,580,922</u>	<u>67,791</u>	<u>(8,196,923)</u>	<u>(67,791)</u>	<u>29,158,565</u>

24 Events after the reporting period

There were no events occurring subsequent to 31 March 2022 and before the date of the report that are expected to have a significant impact on this condensed interim consolidated financial information.