

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

Condensed interim consolidated  
financial information for the quarter and  
nine months period ended  
30 September 2022 (Reviewed)

**United Gulf Investment Corporation B.S.C.**  
**Condensed interim consolidated financial information for the quarter and nine months period**  
**ended 30 September 2022**  
**(Reviewed)**

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**United Gulf Investment Corporation B.S.C.**  
**Administration and contact details as at 30 September 2022**

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<b>Commercial registration no.</b>	24377 obtained on 18 February 1991
<b>Board of Directors</b>	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
<b>Authorised persons</b>	Rashed Abdulla Al Suwaiket Al Hajri Qusay Khalil Yusuf Al-Khalili
<b>Chief Executive Officer and Secretary to the Board</b>	Qusay Khalil Yusuf Al-Khalili
<b>Audit Committee</b>	Rashed Abdulla Al Suwaiket Al Hajri - Chairman Waleed Fahad Al-Tharman
<b>Registered office</b>	Office 3202, Building 2504 Road 2832, Block 428 PO Box 10177 Al-Seeef District Kingdom of Bahrain
<b>Principal bankers</b>	Ahli United Bank Arab National Bank - Dammam Ithmar Bank Alinma Bank
<b>Auditors</b>	BDO 17 <sup>th</sup> Floor Diplomat Commercial Offices Tower PO Box 787 Manama Kingdom of Bahrain
<b>Registrars</b>	KFin technologies (Bahrain) W.L.L. PO Box 514 Manama Kingdom of Bahrain  Bahrain Clear B.S.C. (c) 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 30 September 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 quarter and nine 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 30 September 2022, and its consolidated financial performance and its consolidated cash flows for the quarter and nine months period then ended in accordance with International Accounting Standard 34 - “*Interim financial reporting*”.



Manama, Kingdom of Bahrain  
10 November 2022

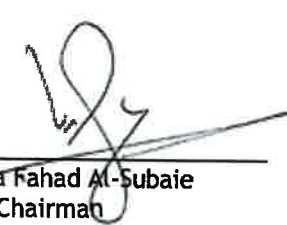


**United Gulf Investment Corporation B.S.C.**  
**Condensed interim consolidated statement of financial position as at 30 September 2022**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	<u>30 September 2022</u> (Reviewed)	<u>31 December 2021</u> (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	30,380,161	31,978,155
Investment in associates	6	2,302,374	1,964,000
Right-of-use assets	7	<u>266,272</u>	<u>308,854</u>
		<u>32,948,807</u>	<u>34,251,009</u>
<b>Current assets</b>			
Financial assets at fair value through profit or loss	8	256,000	256,000
Inventories	9	23,443,521	11,752,218
Trade and other receivables	10	8,722,745	12,072,434
Mudaraba deposits		1,918,876	1,666,399
Cash and bank balances	11	<u>7,995,209</u>	<u>7,145,725</u>
		<u>42,336,351</u>	<u>32,892,776</u>
<b>Total assets</b>		<u>75,285,158</u>	<u>67,143,785</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
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>12,032,621</u>	<u>3,839,919</u>
Equity attributable to shareholders of the parent company		35,283,375	27,090,673
Non-controlling interest	13	<u>9,093,912</u>	<u>6,499,883</u>
		<u>44,377,287</u>	<u>33,590,556</u>
<b>Non-current liabilities</b>			
Non-current portion of term loans	14	18,434,575	18,939,575
Non-current portion of lease liabilities	15	521,713	320,523
Employees' terminal benefits		<u>741,877</u>	<u>709,455</u>
		<u>19,698,165</u>	<u>19,969,553</u>
<b>Current liabilities</b>			
Current portion of term loans	14	1,302,722	5,584,073
Current portion of lease liabilities	15	21,184	285,991
Trade and other payables	16	<u>9,885,800</u>	<u>7,713,612</u>
		<u>11,209,706</u>	<u>13,583,676</u>
<b>Total equity and liabilities</b>		<u>75,285,158</u>	<u>67,143,785</u>

These reviewed 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 quarter and nine months period ended 30 September 2022**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

	Notes	Three months ended 30 September 2022 (Reviewed)	Three months ended 30 September 2021 (Reviewed)	Nine months ended 30 September 2022 (Reviewed)	Nine months ended 30 September 2021 (Reviewed)
Sales		29,579,374	13,704,771	43,284,145	38,962,044
Cost of sales		<u>(20,764,922)</u>	<u>(10,297,568)</u>	<u>(31,062,490)</u>	<u>(33,992,850)</u>
Gross profit		8,814,452	3,407,203	12,221,655	4,969,194
Other income	17	<u>61,542</u>	<u>17,894</u>	<u>79,436</u>	<u>293,481</u>
		<u>8,875,994</u>	<u>3,425,097</u>	<u>12,301,091</u>	<u>5,262,675</u>
<b>Expenses</b>					
Indirect expenses		(687,709)	(400,582)	(1,088,291)	(1,158,592)
Finance costs		<u>(136,214)</u>	<u>(78,547)</u>	<u>(214,761)</u>	<u>(239,608)</u>
		<u>(823,923)</u>	<u>(479,129)</u>	<u>(1,303,052)</u>	<u>(1,398,200)</u>
<b>Net profit for the period before tax and share of profit from investment in associates</b>		8,052,071	2,945,968	10,998,039	3,864,475
Share of profit from investment in associates	6	<u>(27,214)</u>	<u>36,902</u>	<u>9,688</u>	<u>164,389</u>
<b>Net profit for the period before tax</b>		8,024,857	2,982,870	11,007,727	4,028,864
Provision for Zakat		<u>(219,940)</u>	<u>(1,056)</u>	<u>(220,996)</u>	<u>(327,732)</u>
<b>Net profit and other comprehensive income for the period</b>		<u>7,804,917</u>	<u>2,981,814</u>	<u>10,786,731</u>	<u>3,701,132</u>
<b>Net profit attributable to:</b>					
Shareholders of the Company		5,927,877	2,264,825	8,192,702	2,835,803
Non-controlling interest	13	<u>1,877,040</u>	<u>716,989</u>	<u>2,594,029</u>	<u>865,329</u>
		<u>7,804,917</u>	<u>2,981,814</u>	<u>10,786,731</u>	<u>3,701,132</u>
<b>Basic and diluted earnings per share</b>	18	<u>29.64 fils</u>	<u>11.33 fils</u>	<u>40.96 fils</u>	<u>14.18 fils</u>
<b>Total comprehensive income attributable to:</b>					
Shareholders of the Company		5,927,877	2,264,825	8,192,702	2,835,803
Non-controlling interest	13	<u>1,877,040</u>	<u>716,989</u>	<u>2,594,029</u>	<u>865,329</u>
		<u>7,804,917</u>	<u>2,981,814</u>	<u>10,786,731</u>	<u>3,701,132</u>

These reviewed 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 nine months period ended 30 September 2022  
(Reviewed)  
(Expressed in Bahrain Dinars)

	Equity attributable to shareholders of the Parent Company							
	Share capital	Statutory reserve	Share premium	Revaluation reserve	Other reserves (Accumulated losses)/retained earnings	Total	Non-controlling interest	Total
At 31 December 2020 (Audited)	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	-	-	-	-	2,835,803	2,835,803	865,329	3,701,132
At 30 September 2021 (Reviewed)	20,000,000	2,853,603	116,328	4,329,043	(180,728)	27,118,246	6,489,396	33,607,642
At 31 December 2021 (Audited)	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	-	-	-	-	8,192,702	8,192,702	2,594,029	10,786,731
At 30 September 2022 (Reviewed)	20,000,000	3,134,426	116,328	4,329,043	7,703,578	35,283,375	9,093,912	44,377,287

**United Gulf Investment Corporation B.S.C.**  
**Condensed interim consolidated statement of cash flows for nine months period ended**  
**30 September 2022**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

	Notes	Nine months ended 30 September 2022 (Reviewed)	Nine months ended 30 September 2021 (Reviewed)
<b>Operating activities</b>			
Net profit for the period		10,786,731	3,701,132
Adjustments for:			
Depreciation	5	2,013,875	2,077,868
Amortisation of right-of-use assets	7	42,582	42,580
Reversal of excess provision for slow-moving inventories	9	(1,361,842)	-
Provision for impaired trade receivables		-	79,214
Reversal of excess provision for impaired trade receivables	17	-	(206,801)
Impairment of investment in associate	6	24,535	-
Share of profit from investment in associates	6	(9,688)	(164,389)
Bank interest income	17	(51,795)	(81,360)
Interest expense on term loans		209,666	202,456
Interest expense on lease liabilities	15	5,095	37,152
Changes in operating assets and liabilities:			
Inventories		(10,329,461)	3,888,787
Trade and other receivables		3,349,689	(2,707,675)
Trade and other payables		2,172,188	1,621,887
Employees' terminal benefits, net		<u>32,422</u>	<u>33,474</u>
Net cash provided by operating activities		<u>6,883,997</u>	<u>8,524,325</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	5	(415,881)	(676,220)
Advances to investment in associates	6	(444,400)	(504,574)
Dividends received during the period		91,179	117,421
Net movement in mudaraba deposits		(252,477)	260,378
Bank interest income received	17	<u>51,795</u>	<u>81,360</u>
Net cash used in investing activities		<u>(969,784)</u>	<u>(721,635)</u>
<b>Financing activities</b>			
Interest expense on term loans paid		(209,666)	(202,456)
Proceeds from term loans		-	8,369,282
Repayment of term loans		(4,786,351)	(12,558,115)
Repayment of lease liabilities		<u>(68,712)</u>	<u>(183,232)</u>
Net cash used in financing activities		<u>(5,064,729)</u>	<u>(4,574,521)</u>
Net increase in cash and cash equivalents		849,484	3,228,169
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>7,995,209</u>	<u>4,921,740</u>



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

**Selected explanatory notes to the condensed interim consolidated financial information for the nine months ended 30 September 2022**

**(Reviewed)**

**(Expressed in Bahrain Dinars)**

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**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 and Commerce 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 reviewed condensed interim consolidated financial information, set out on pages 4 to 19, was approved and authorised for issue by the Board of Directors on 10 November 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 30 September</u>	<u>Non-controlling interest ownership/ voting interest as at 30 September</u>
Gulf Ferro Alloys Company (SABAYEK) W.L.L.	Kingdom of Saudi Arabia	75.68% (31 December 2021: 75.68%)	24.32% (31 December 2021: 24.32%)
United Gulf Trading W.L.L.	Kingdom of Bahrain	100% (31 December 2021: 100%)	- (31 December 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 period of have been extracted from financial statements prepared as at, and for the nine months period ended, 30 September 2022 while UGT’s total assets, liabilities and net profit for the period have been extracted from reviewed financial statements prepared as at, and for the nine months ended, 30 September 2022.

### 3 Basis of preparation

The condensed interim financial information has been presented in accordance with International Accounting Standard 34 - “*Interim financial reporting*”. The condensed interim financial information should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2021. 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. This condensed interim consolidated financial information has 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 Group’s future accounting year with earlier adoption.

#### ***Standards, amendments and interpretations issued and effective in 2021 but not relevant***

The following new amendments to existing standards and interpretations to published standards are mandatory for accounting period beginning on or after 1 January 2022 or subsequent periods, but are not relevant to the Group’s operations:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
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 30 September 2022. They have not been adopted in preparing the condensed interim financial information for the period ended 30 September 2022 and will or may have an effect on the Group’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 nine months ended 30 September 2022  
(Reviewed)  
(Expressed in Bahrain Dinars)

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**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 4	Extension to temporary exemption from applying IFRS 9	1 January 2023
IFRS 17	Amendments to IFRS 17	1 January 2023

*Early adoption of amendments or standards in 2021*

The Group did not early-adopt any new or amended standards in 2022. There would have been no change in the operational results of the Group for the period ended 30 September 2022 had the Group early adopted any of the above standards applicable to the Group.

**4 Significant accounting policies and critical accounting judgments, estimates and assumptions**

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 nine months period ended 30 September 2022 amounted to BD415,881 (31 December 2021: BD750,286). There were no disposals of property, plant and equipment during the nine months period ended 30 September 2022 (31 December 2021: BDNil).

The depreciation charged for the nine months period ended 30 September 2022 amounted to BD2,013,875 (30 September 2021: BD2,077,868).

The Company operates from premises rented at a monthly rent of BD1,707 (31 December 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 nine months ended 30 September 2022**

**(Reviewed)**

**(Expressed in Bahrain Dinars)**

**6 Investment in associates**

	30 September 2022 <u>(Reviewed)</u>	31 December 2021 <u>(Audited)</u>
Opening balance	1,964,000	1,056,662
Advances during the period (*)	444,400	-
Additions during the period/year	-	909,000
Net impairment of investment in associate	(24,535)	-
Dividends received during the period/year	(91,179)	(117,421)
Share of profit for the period/year	<u>9,688</u>	<u>115,759</u>
Closing balance	<u>2,302,374</u>	<u>1,964,000</u>

The investment in associates represents the Group's 20% ownership interest in Dhahran Chemical Industries Marketing ("DCIM") and 40% ownership in Rukam, held through one of the subsidiaries.

The Group's share in the net assets and results of operations of the associates has been extracted from the unaudited management accounts prepared as at, and for the quarter and nine months period ended 30 September 2022. The carrying value of the investment in associates includes the value of goodwill amounting to BD251,111 being excess consideration paid to acquire one of the associates.

In the opinion of the management, the carrying value of goodwill is not impaired as at 30 September 2022.

(\*) Advances for the period ended 30 September 2022 represents working capital funding.

**7 Right-of-use assets**

	<u>Leasehold land</u>
<b>Cost</b>	
At 31 December 2021 and 30 September 2022	<u>479,181</u>
<b>Accumulated amortisation</b>	
Amortisation charge for the year and at 31 December 2021	170,327
Amortisation charge for the period	<u>42,582</u>
At 30 September 2022	<u>212,909</u>
<b>Carrying value</b>	
At 30 September 2022 (reviewed)	<u>266,272</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 nine months ended 30 September 2022  
(Reviewed)  
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**8 Financial assets at fair value through profit or loss**

	30 September 2022 <u>(Reviewed)</u>	31 December 2021 <u>(Audited)</u>
Opening and closing balance	<u>256,000</u>	<u>256,000</u>

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**

	30 September 2022 <u>(Reviewed)</u>	31 December 2021 <u>(Audited)</u>
Raw materials	15,160,971	6,721,225
Finished goods and work-in-process	6,737,935	5,099,211
Consumable spares	<u>2,612,166</u>	<u>2,361,175</u>
	24,511,072	14,181,611
Provision for slow-moving inventories	<u>(1,067,551)</u>	<u>(2,429,393)</u>
	<u>23,443,521</u>	<u>11,752,218</u>

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

	30 September 2022 <u>(Reviewed)</u>	31 December 2021 <u>(Audited)</u>
Opening balance	2,429,393	-
Provision for the period/year	-	2,429,393
Reversal of excess provision during the period/year	<u>(1,361,842)</u>	<u>-</u>
Closing balance	<u>1,067,551</u>	<u>2,429,393</u>

**10 Trade and other receivables**

	30 September 2022 <u>(Reviewed)</u>	31 December 2021 <u>(Audited)</u>
Trade receivables	6,127,288	9,462,289
Less: provision for impairment of trade receivables	<u>(261,825)</u>	<u>(261,825)</u>
	5,865,463	9,200,464
Prepayments and other receivables	<u>2,857,282</u>	<u>2,871,970</u>
	<u>8,722,745</u>	<u>12,072,434</u>

United Gulf Investment Corporation B.S.C.  
Selected explanatory notes to the condensed interim consolidated financial information for the nine months ended 30 September 2022  
(Reviewed)  
(Expressed in Bahrain Dinars)

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**11 Cash and bank balances**

	30 September <u>2022</u> (Reviewed)	31 December <u>2021</u> (Audited)
Balances in call and current accounts with banks	7,990,329	7,141,455
Cash on hand	<u>4,880</u>	<u>4,270</u>
	<u>7,995,209</u>	<u>7,145,725</u>

**12 Share capital**

	30 September <u>2022</u> (Reviewed)	31 December <u>2021</u> (Audited)
<b>Authorised</b> 400,000,000 (2021: 400,000,000) shares of 100 fils each	<u>40,000,000</u>	<u>40,000,000</u>
<b>Issued and fully paid-up</b> 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**

	30 September <u>2022</u> (Reviewed)	31 December <u>2021</u> (Audited)
Opening balance	6,499,883	5,624,067
Share of non-controlling interest in the total comprehensive income of the subsidiary	<u>2,594,029</u>	<u>875,816</u>
Closing balance	<u>9,093,912</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 nine months ended 30 September 2022  
(Reviewed)  
(Expressed in Bahrain Dinars)

14 Term loans

	30 September <u>2022</u> (Reviewed)	31 December <u>2021</u> (Audited)
<b>Saudi Industrial Development Fund</b>		
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).	17,079,100	17,584,100
<b>Saudi Electric Company</b>		
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.		
	<u>2,658,197</u>	<u>6,939,548</u>
Less: current portion of term loans	<u>19,737,297</u> <u>(1,302,722)</u>	<u>24,523,648</u> <u>(5,584,073)</u>
Non-current portion of term loans	<u>18,434,575</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.

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15 Lease liabilities

	30 September 2022 <u>(Reviewed)</u>	31 December 2021 <u>(Audited)</u>
Opening balance	606,514	648,594
Lease payments	(68,712)	(91,616)
Interest expenses	<u>5,095</u>	<u>49,536</u>
Closing balance	542,897	606,514
Less: current portion of lease liabilities	<u>(21,184)</u>	<u>(285,991)</u>
Non-current portion of lease liabilities	<u>521,713</u>	<u>320,523</u>

Maturity analysis - contractual undiscounted cash flows:

	30 September 2022 <u>(Reviewed)</u>	31 December 2021 <u>(Audited)</u>
Less than one year	85,145	91,616
One to five years	<u>457,752</u>	<u>641,311</u>
Total undiscounted lease liabilities	<u>542,897</u>	<u>732,927</u>

16 Trade and other payables

	30 September 2022 <u>(Reviewed)</u>	31 December 2021 <u>(Audited)</u>
Trade payables	4,399,584	684,528
Accruals and other payables	<u>5,486,216</u>	<u>7,029,084</u>
	<u>9,885,800</u>	<u>7,713,612</u>

17 Other income

	Three months ended 30 September 2022 <u>(Reviewed)</u>	Three months ended 30 September 2021 <u>(Reviewed)</u>	Nine months ended 30 September 2022 <u>(Reviewed)</u>	Nine months ended 30 September 2021 <u>(Reviewed)</u>
Reversal of excess provision for impaired trade receivables	-	-	-	206,801
Bank interest income	-	17,894	51,795	81,360
Miscellaneous income	<u>61,542</u>	<u>-</u>	<u>27,641</u>	<u>5,320</u>
	<u>61,542</u>	<u>17,894</u>	<u>79,436</u>	<u>293,481</u>



**United Gulf Investment Corporation B.S.C.****Selected explanatory notes to the condensed interim consolidated financial information for the nine months ended 30 September 2022****(Reviewed)****(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 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 30 September 2022 (Reviewed)	Three months ended 30 September 2021 (Reviewed)	Nine months ended 30 September 2022 (Reviewed)	Nine months ended 30 September 2021 (Reviewed)
Net profit attributable to shareholders of the Parent Company	<u>5,927,877</u>	<u>2,264,825</u>	<u>8,192,702</u>	<u>2,835,803</u>
Weighted average number of ordinary shares in issue during the period	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>
Basic and diluted earnings per share	<u>29.64 fils</u>	<u>11.33 fils</u>	<u>40.96 fils</u>	<u>14.18 fils</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.

	Nine months ended 30 September 2022 (Reviewed)	Nine months ended 30 September 2021 (Reviewed)
Remuneration to key management personnel	<u>70,200</u>	<u>93,600</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 quarter and nine months period ended 30 September 2022 (Reviewed)*

	<u>Smelting</u>	<u>Investment activities</u>	<u>Total</u>
Revenue	43,284,145	-	43,284,145
Other income	27,641	51,795	79,436
Provision for Zakat	(220,996)	-	(220,996)
Operating costs	<u>(31,062,490)</u>	<u>-</u>	<u>(31,062,490)</u>
<b>Segment profit</b>	<b><u>12,028,300</u></b>	<b><u>51,795</u></b>	<b><u>12,080,095</u></b>
Share of (loss)/profit from investment in associates	(106,953)	116,641	9,688
Other expenses	<u>(1,255,108)</u>	<u>(47,944)</u>	<u>(1,303,052)</u>
Net profit for the period	<u>10,666,239</u>	<u>120,492</u>	<u>10,786,731</u>
<b>Assets and liabilities</b>	<b><u>Smelting</u></b>	<b><u>Investment activities</u></b>	<b><u>Total</u></b>
Addition to non-current asset	<u>406,177</u>	<u>444,400</u>	<u>850,577</u>
<b>Total segment assets</b>	<b><u>67,650,153</u></b>	<b><u>7,635,005</u></b>	<b><u>75,285,158</u></b>
<b>Total segment liabilities</b>	<b><u>29,114,429</u></b>	<b><u>1,793,442</u></b>	<b><u>30,907,871</u></b>

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Selected explanatory notes to the condensed interim consolidated financial information for the nine months ended 30 September 2022

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20 Segmental information (continued)

For the nine months ended 30 September 2021 (Reviewed), and as at 31 December 2021 (Audited)

	<u>Smelting</u>	<u>Investment activities</u>	<u>Total</u>
Revenue	38,962,044	-	38,962,044
Other income	212,121	81,360	293,481
Provision for Zakat	(327,732)	-	(327,732)
Operating costs	<u>(33,992,850)</u>	<u>-</u>	<u>(33,992,850)</u>
<b>Segment profit</b>	<b><u>4,853,583</u></b>	<b><u>81,360</u></b>	<b><u>4,934,943</u></b>
Share of profit from investment in an associate	-	164,389	164,389
Other expenses	<u>(1,295,485)</u>	<u>(102,715)</u>	<u>(1,398,200)</u>
Net profit for the period	<u>3,558,098</u>	<u>143,034</u>	<u>3,701,132</u>
<b>Assets and liabilities</b>	<b><u>Smelting</u></b>	<b><u>Investment activities</u></b>	<b><u>Total</u></b>
Addition to non-current asset	<u>750,286</u>	<u>909,000</u>	<u>1,659,286</u>
<b>Total segment assets</b>	<b><u>58,502,873</u></b>	<b><u>8,640,912</u></b>	<b><u>67,143,785</u></b>
<b>Total segment liabilities</b>	<b><u>31,784,110</u></b>	<b><u>1,769,119</u></b>	<b><u>33,553,229</u></b>

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>	
	<u>As at 30 September 2022</u>	<u>As at 31 December 2021</u>	<u>As at 30 September 2022</u>	<u>As at 31 December 2021</u>
Kingdom of Bahrain	7,635,005	8,640,912	1,793,442	1,769,119
Kingdom of Saudi Arabia	<u>67,650,153</u>	<u>58,502,873</u>	<u>29,114,429</u>	<u>31,784,110</u>
	<u>75,285,158</u>	<u>67,143,785</u>	<u>30,907,871</u>	<u>33,553,229</u>

21 Dividends

No dividends have been declared or paid during the nine months period ended 30 September 2022 (31 December 2021: BDNil).

**United Gulf Investment Corporation B.S.C.**  
**Selected explanatory notes to the condensed interim consolidated financial information for the nine months ended 30 September 2022**  
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**22 Interim results**

The interim consolidated net profit and other comprehensive income for the nine months period ended 30 September 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.

	1 January <u>2022</u>	Obtained during the <u>period</u>	Finance cost <u>accrued</u>	Principal repaid during the <u>period</u>	Finance costs <u>paid</u>	30 September <u>2022</u>
Term loans	<u>24,523,648</u>	<u>-</u>	<u>209,666</u>	<u>(4,786,351)</u>	<u>(209,666)</u>	<u>19,737,297</u>
	1 January <u>2021</u>	Obtained during the <u>period</u>	Finance cost <u>accrued</u>	Principal repaid during the <u>period</u>	Finance costs <u>paid</u>	30 September <u>2021</u>
Term loans	<u>30,774,566</u>	<u>8,369,282</u>	<u>202,456</u>	<u>(12,558,115)</u>	<u>(202,456)</u>	<u>26,585,733</u>

**24 Events after the reporting period**

There were no events occurring subsequent to 30 September 2022 and before the date of the report that are expected to have a significant impact on this condensed interim consolidated financial information.