

**THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL  
AGRICULTURAL MARKETING COMPANY - FORMERLY)  
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE  
(A Saudi Joint Stock Company)  
RIYADH, SAUDI ARABIA  
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
WITH INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT  
FOR THE THREE AND THE SIX MONTHS PERIODS ENDED 30 JUNE 2021**

**THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL  
MARKETING COMPANY - FORMERLY)  
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE  
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## **Independent Auditor's Report on Review of Condensed Interim Financial Statements**

### **To the Shareholders of**

**Thimar Development Holding Company (Thimar National Agricultural Marketing Company - Formerly)**

### **SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE**

**(A Saudi Joint Stock Company)**

### **Introduction**

We have been assigned to review the accompanying condensed interim statement of financial position of Thimar Development Holding Company (Thimar National Agricultural Marketing Company - Formerly) (A Saudi Joint Stock Company) (the Company), as at 30 June 2021G, and the condensed interim statements of profit or loss and other comprehensive income for the three and the six months periods ended on that date, and the condensed interim statement of changes in equity, and the condensed interim statement of cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. The Company Management is responsible for the preparation of these condensed Interim financial statements in accordance with International Accounting Standard (34), "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements (2410), "Review of condensed consolidated interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. However, due to the importance of the matters described in the section below entitled "Basis for Disclaimer of Conclusion", we were unable to perform sufficient procedures to provide a basis for a conclusion on the review of these interim condensed financial statements.

### **Basis for Disclaimer of conclusion:**

- 1- The company's management did not have the financial documents, accounting records, analytical and detailed data supporting the years and financial periods prior to the date of 01 January 2019G, therefore we were unable to audit the opening balances as at 01 January 2019G, and were unable to verify the accuracy of these balances carried forward at 01 January 2020G as well as 01 January 2021G, and taking into consideration what was stated in our report on the company's financial statements as at 31 December 2019G and 31 December 2020G, which included expressing disclaimer of opinion because of many matters in most of the items of the financial statements related to providing us with sufficient audit evidences, which were considered a major restriction on the scope of our work, as well as related to the non-application of the presentation, disclosure and measurement requirements stipulated in International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (please refer to our report on the financial statements at 31 December 2019G and 31 December 2020G), and accordingly we were not able to determine whether there was a need to make any adjustments to the opening balances of the company, and therefore, any impact that may have on transactions during the period and the balances as at 30 June 2021G.



## **Independent Auditor's Report on Review of Condensed Interim Financial Statements**

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(A Saudi Joint Stock Company)

### **Basis for Disclaimer of Conclusion (continued)**

- 2- The company's management did not have the documents and analytical and detailed data supporting the cash on hand as at 30 June 2021G, which amounted to 89 443 Saudi riyals, (taking into consideration that we were appointed to audit the comparative year 2020G after the count date, therefore we were unable to attend the treasury count as at 31 December 2020G, which amounted to 191 670 Saudi riyals), and we were unable to perform alternative procedures to verify the accuracy, existence and completeness of the transactions and balances of the cash on hand.
- 3- The company's management did not have the documents and analytical and detailed data supporting the inventory balance as at 30 June 2021G, which amounted to 20 654 Saudi riyals (taking into consideration that we were appointed to audit the comparative year 2020G after the count date, therefore we were unable to attend the inventory count as at 31 December 2020G, also, we were not provided with the count sheets, valuation statements and item cards as at 31 December 2020G, which amounted to 20 654 Saudi riyals), and taking into consideration what was mentioned in the qualification paragraph no. (1). we were unable to perform alternative procedures to verify the accuracy, existence and completeness of the inventory transactions and balances, and related transactions and accounts.
- 4- The company's management did not have the documents and analytical and detailed data supporting the bank current account balances as well as loans as at 30 June 2021G, whose debit and credit balances according to the company's books at the same date, respectively, amounted to 2 220 908 Saudi riyals and 32 685 686 Saudi riyals, (Considering that we were not provided with bank confirmations and some bank accounts statements for bank current account balances as well as loans as at 31 December 2020G, whose debit and credit balances, respectively, amounted to 2 220 908 Saudi riyals and 32 685 686 Saudi riyals), and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative procedures to verify the accuracy, existence and completeness of bank and loan transactions and balances.
- 5- We were not provided with a study of the impact of the decline in the value of buildings registered on (farms) lands as at 30 June 2021G, (also, we were not provided with them as at 31 December 2020G), whose book value amounted to 15 849 131 Saudi riyals, (2020 G: 16 225 522 Saudi riyals) as a result of there are a decline indicators in their value, and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative procedures to determine the necessity of adjusting its net recoverable value.



## **Independent Auditor's Report on Review of Condensed Interim Financial Statements** **(continued)**

### **To the Shareholders of**

### **Thimar Development Holding Company (Thimar National Agricultural Marketing Company - Formerly)**

### **SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE**

### **(A Saudi Joint Stock Company)**

### **Basis for Disclaimer of Conclusion (continued)**

- 6- The company's management did not complete the information and data of the property, plant and equipment register that was provided to us for the years 2019 and 2020, with a net book value as at June 30, 2021 amount to 27 267 331 Saudi riyals, and the company's management did not carry out an actual physical count of property, plant and equipment during the previous fiscal years as well as at the end of the current financial period, and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative procedures to verify the accuracy, existence, and completeness of those properties at the same date and their depreciation amounts.
- 7- The accumulated losses as at 30 June 2021G include an amount of 26 026 283 Saudi riyals, which are transactions that were settled on the statement of profit or loss and other comprehensive income in 2020 and 2019, and we were not provided with sufficient supporting documents at the time (please refer to our report on the financial statements as at 31 December 2020G { qualification no. (8), no. (21) within the basis for disclaimer of opinion section}, and our report on the financial statements as at 31 December 2019G {qualification no. (8), no. (9) and no. (26) within the basis for disclaimer of opinion section} to find out the details of the amount and the reasons for the qualification). We were unable to perform alternative procedures to verify the completeness and accuracy of the balance of accumulated losses
- 8- We were not provided with the financial statements of the investee companies (investments in associates) as at 30 June 2021G (also, we did not receive these financial statements and confirmations as at 31 December 2020G), whose balance at the same date amounted to 920 258 Saudi riyals (2020G: 920,258 Saudi riyals). Credit, as the losses of these investments exceeded the cost of the investment) and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative audit procedures to verify the accuracy of the evaluation, existence, and completeness of the balance of those investments, and related transactions and accounts.

## **Independent Auditor's Report on Review of Condensed Interim Financial Statements** **(continued)**

### **To the Shareholders of**

#### **Thimar Development Holding Company (Thimar National Agricultural Marketing Company - Formerly)**

#### **SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE**

(A Saudi Joint Stock Company)

### **Basis for Disclaimer of Conclusion (continued)**

- 9- The company's management did not have the documents and analytical and detailed data supporting the balances of trade receivables as at 30 June 2021G (also, we did not receive these confirmations as at 31 December 2020G), whose net book value amounted to 26 517 Saudi riyals, and we were not provided with a study of the allowance for expected credit losses as at 30 June 2021G (also, we were not provided the study of the provision as at 31 December 2020G), as most of the balances of these receivables have been carried over since several years, and the provision balance as at 30 June 2021G amounted to 13 190 471 riyals (2020G: 13 190 471 Saudi riyals), and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative procedures to verify the accuracy, existence, completeness, and evaluation of these balances and to determine whether any adjustments were necessary to the balances of trade receivables and related transactions and accounts.
- 10- The company's management did not have the documents and analytical and detailed data supporting the balances of due from the related parties as at 30 June 2021G, whose balance amounted to 82 681 535 Saudi riyals (2020G: 82 832 428 Saudi riyals), (also we were not provided with the confirmations of the balances of some of these parties as at 31 December 2020G, which are both of Thimaar and Wasmi Markets Company and Thimar Fresh Company, whose debit balances as at 30 June 2021G, respectively, amounted to 60 498 450 Saudi riyals and 3 920 195 Saudi riyals {2020G: 60 648 343 Saudi riyals and 3 920 195 Saudi riyals respectively}). Also, we were not provided with the study of the provision for expected credit losses for the balances due from related parties as at 30 June 2021G, amounting to 3 920 195 Saudi riyals, (also, we did not receive the study of the provision as at 31 December 2020G amounting to 3 920 195 Saudi riyals), and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative procedures to verify the accuracy, existence and completeness of these balances and determine whether there is a need to make any adjustments to the balances due from related parties, and related transactions and accounts.
- 11- We were not provided with the documents supporting the letters of guarantee as at 30 June 2021G, (also, we were not provided with their bank confirmations as at 31 December 2020G). whose debit balance amounted to 570 000 Saudi riyals (2020 G: 570 000 Saudi riyals) and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative procedures to verify the accuracy, existence, and completeness of this balance.





**Independent Auditor's Report on Review of Condensed Interim Financial Statements**  
**(continued)**

**To the Shareholders of**

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**SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE**

(A Saudi Joint Stock Company)

**Basis for Disclaimer of Conclusion (continued)**

- 12- The company's management did not have the documents and analytical and detailed data for the balance of an advance payment to a supplier as at 30 June 2021G (also, we did not receive it as at 31 December 2020G), whose debit balance amounted to 11 302 209 Saudi riyals (2020G: 11 302 209 Saudi riyals). The company formed a provision for the entire balance during the previous year (we did not satisfy with the basis for its calculation as at 31 December 2020G). As mentioned in note no. (13), this supplier filed a case against the company claiming an amount of 44 398 774 Saudi riyals representing the value of dues for supplies during previous periods according to his claim. A final judgment has been issued in favor of the supplier with the amount claimed, with no outstanding balance established for this supplier for those periods, and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative procedures to verify the accuracy, existence and completeness of this balance, and determining whether there is a need to make any adjustments to the balances of advance payment to suppliers, and their impact on the transactions and accounts related to the financial statements for the current period and the financial statements for previous years.
- 13- The company's management did not have the documents and analytical and detailed data supporting the balances of trade payables as at 30 June 2021G (also, we were not provided with them as at 31 December 2020G), which amounting to 21 338 142 Saudi riyals (2020G :21 270 008 Saudi riyals), and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative procedures to verify the accuracy, existence, and completeness of these balances and to determine whether there is a need to make any adjustments to the balances of trade payables and the related transactions and accounts.
- 14- Based on the information provided to us by the company's management, the bank did not deposit an amount of 468 141 Saudi riyals in the company's bank account, which represents the total sales operations made through points of sale in favor of the company during the previous year 2019G, and by following up on the subsequent period, it became clear to us that to date it has not been recorded in the company's bank account. The company recorded that balance in other debit balances as at 30 June 2021G (2020G: amount of 468 141 Saudi riyals), and we were unable to perform alternative procedures to verify the accuracy, existence and completeness of this balance.



## **Independent Auditor's Report on Review of Condensed Interim Financial Statements** **(continued)**

### **To the Shareholders of**

### **Thimar Development Holding Company (Thimar National Agricultural Marketing Company - Formerly)**

### **SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE**

(A Saudi Joint Stock Company)

### **Basis for Disclaimer of Conclusion (continued)**

- 15- The other debit balances as at 30 June 2021G include an amount of 4 039 199 Saudi riyals (2020G: an amount of 4 039 199 Saudi riyals) registered under the account of the Execution Court in Riyadh, which is represented (according to the company) that the court has seized the company's bank accounts and has withdrawn amounts related to the implementation of judicial rulings against the company. We were not provided with sufficient documents supporting these. The company did not make the necessary provisions for these cases or recording the losses resulting from these cases. We were not able to perform alternative procedures to verify the accuracy, existence, and completeness of this balance and its impact on the related transactions and accounts related in the financial statements for the current period and the financial statements for previous years.
- 16- The company's management did not have the documents and analytical and detailed data supporting the due to related parties balance as at 30 June 2021G (also, we did not receive them, as well as the confirmations as at 31 December 2020G), which amounting to 1 343 412 Saudi riyals (2020G: 1 167 168 Saudi riyals). We were not able to perform alternative procedures to verify the accuracy, existence and completeness of this balance and determine whether there is a need to make any adjustments to the balance due to related parties and the related transactions and accounts.
- 17- The company's management did not have documents and analytical and detailed data supporting the payables and other credit balances as at 30 June 2021G (also, we were not provided with them at 31 December 2020G), whose balance amounted to 12 841 503 Saudi riyals (2020G: 11 837 275 Saudi riyals), and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative procedures to verify the accuracy, existence, and completeness of this balance.
- 18- The company's management did not prepare an estimated actuarial assessment of the employee benefits for the end-of-service benefits for the financial period ending as at 30 June 2021G in accordance with International Financial Reporting Standards, (the end-of-service provision was recorded for previous financial years also without the assistance of an actuarial expert), and we were not provided with the documents supporting the calculation of the end-of-service provision recorded in the company's books, which amounted to 2 784 772 Saudi riyals as at 30 June 2021G. Accordingly, we are unable to implement the procedures that we deem necessary to verify the accuracy of the amounts affected by the financial statements and determine whether there is a need to make any adjustments to the balances of employee benefits obligations for the end of service and their impact on the related transactions and accounts in the financial statements for the current period and the financial statements for previous years.



## **Independent Auditor's Report on Review of Condensed Interim Financial Statements** **(continued)**

### **To the Shareholders of**

### **Thimar Development Holding Company (Thimar National Agricultural Marketing Company - Formerly)**

### **SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE**

(A Saudi Joint Stock Company)

### **Basis for Disclaimer of Conclusion (continued)**

- 19- We were not provided with the current zakat position of the company with the supporting documents as at 30 June 2021G (also, we were not provided with them as at 31 December 2020G), whose balance amounted to 12 438 576 Saudi riyals (2020G: 12 438 576 Saudi riyals). Also, we were not provided with the study of calculating the zakat provision for the period ending as at 30 June 2021G (we were also not provided with the basis for calculating the zakat provision for 2020G and 2019G). We were not able to perform alternative audit procedures to verify the accuracy, existence, and completeness of this balance and the extent of existence of potential zakat obligations and its impact on the related transactions and accounts in the financial statements for the current period and the financial statements for previous years.
- 20- The company's management did not have the analytical and detailed data supporting the items of the income statement for the second quarter of 2021, which explaining any significant deviations between the second quarter of 2021 and the second quarter of 2020 and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative procedures to verify the accuracy, occurrence and completeness of the income statement items.
- 21- The company's management did not process lease contracts in accordance with International Financial Reporting Standards, and therefore we are unable to implement the procedures that we deem necessary to verify the accuracy of the amounts affected by the financial statements and accordingly we were not able to verify the company's commitment to applying the requirements of IFRS No. (16) - Lease contracts, which must be applied from January 1, 2019G in relation to lease contracts.
- 22- These financial statements have been prepared on the basis that the company is a going concern, and with reference to the notes nos. (13), (15) and (16) of the notes supplementing to the interim condensed financial statements, the company has stopped to practice its activities during the period following the date of the financial statements, as well as the company's entry into a proposal and the procedures for its financial reorganization and the presence of a large number of cases brought against the company with the lack of sufficient financial resources to cover these cases and the potential financial obligations resulting from them. The company did not make any provisions during the period as well as the year 2020G for these potential obligations and taking into consideration what was mentioned in the qualification paragraph no. (1). These circumstances and events, among other things, indicate that there is a fundamental doubt about the company's ability to continue in the foreseeable future as a going concern, and accordingly we were not able to determine the appropriateness of management's use of the going concern principle of accounting when preparing these statements financial statements, and the extent of its impact on the balances and amounts included in the financial statements for the current period.

**Independent Auditor's Report on Review of Condensed Interim Financial Statements**  
**(continued)**

**To the Shareholders of**

**Thimar Development Holding Company (Thimar National Agricultural Marketing Company  
- Formerly)**

**SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE**

**(A Saudi Joint Stock Company)**

**Disclaimer of Conclusion**

We do not express any conclusion on the accompanying interim condensed financial statements of the Company. Due to the importance of the matters described in the above section entitled "Basis for Disclaimer of Conclusion", we were unable to perform sufficient procedures to provide a basis for expressing a conclusion on the review of these accompanying interim condensed financial statements as at 30 June 2021G.

**Emphasis of Matter**

We draw attention to note no. (14) of the notes supplementing the financial statements, which indicates that the company incurred a loss of an amount during the financial period ending as at 30 June 2021G amounting to 2 455 268 Saudi riyals, and accumulated losses amounting to 68 950 600 Saudi riyals at the same date, with a percentage of 68.95% from the capital (this also happened at the end of 2020G and 2019G and was referred to by drawing attention in our report on the company's financial statements), which is required, in implementation of Article no. (150) of The Regulations for the Companies, to invite the Extraordinary General Assembly to meet within forty-five days from the date of his knowledge of the losses; to decide either to increase or reduce the company's capital - in accordance with the provisions of the Regulations - to the extent that the percentage of losses drops to less than half of the paid-up capital, or to dissolve the company before the term specified in its articles of association. However, due to the company's entry into the financial reorganization proposal and procedures, and in application of article no. (42) of Chapter Four of the Bankruptcy Law and its Executive Regulations, the company is exempted from applying the provisions of the Companies Law with regard to the debtor's losses reaching the percentage specified in the Regulation. Our opinion is not modified in respect of this matter.

**For / OSAMA A. ELKHEREIJI  
& PARTNERS CO.**

**OSAMA A. ELKHEREIJI**  
**License No. 154**  
**Dated 23/04/1405H**



**Jeddah**  
**22/06/1444H.**  
**15/01/2023G.**

**THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)  
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE  
(A SAUDI JOINT-STOCK COMPANY)  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS OF 30 JUNE 2021  
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

	<u>Note</u>	<u>June 30, 2021</u> (Unaudited)	<u>December 31, 2020</u> (Audited)
<b><u>Assets</u></b>			
<b><u>Non-Current Assets</u></b>			
Investments in associates, net	(6)	-	-
Intangible assets, net	(5)	25 973	25 973
Property, plant and equipment, net		27 267 331	27 820 683
<b>Total Non-Current Assets</b>		<b>27 293 304</b>	<b>27 846 656</b>
<b><u>Current Assets</u></b>			
Inventories, net		20 653	20 653
Accounts Receivable, net		26 517	26 517
Prepaid expenses and other debit balances, net		6 883 396	6 305 950
Due from related parties, net	(7/a)	82 681 535	82 832 428
Cash and cash equivalents		2 358 305	2 459 583
<b>Total Current Assets</b>		<b>91 970 406</b>	<b>91 645 131</b>
<b>Total Assets</b>		<b>119 263 710</b>	<b>119 491 787</b>
<b><u>Shareholders' equity and Liabilities</u></b>			
<b><u>Shareholders' equity</u></b>			
Share capital	(1)	100 000 000	100 000 000
Statutory reserve	(9)	2 883 376	2 883 376
Accumulated (losses)		(68 950 600)	(66 495 332)
<b>Total Shareholders' equity</b>		<b>33 932 776</b>	<b>36 388 044</b>
<b><u>Non-Current Liabilities</u></b>			
Employees' End of Service Benefits		2 784 772	2 784 772
<b>Total Non-Current Liabilities</b>		<b>2 784 772</b>	<b>2 784 772</b>
<b><u>Current Liabilities</u></b>			
Short term loans	(8)	32 685 686	32 685 686
Accruals and other credit balances		13 784 422	11 837 275
Accounts payable		21 338 142	21 270 008
Due to related parties	(7/b)	1 379 078	1 167 168
Zakat provision		12 438 576	12 438 576
Provision for losses of investment in associate companies	(6)	920 258	920 258
<b>Total Current Liabilities</b>		<b>82 546 162</b>	<b>80 318 971</b>
<b>Total Liabilities</b>		<b>85 330 934</b>	<b>83 103 743</b>
<b>Total liabilities and equity</b>		<b>119 263 710</b>	<b>119 491 787</b>

\* The accompanying notes (1) to (18) form an integral part of these condensed interim financial statements.

Chairman

Managing Director

Finance Manager

**THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)**  
**SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE**  
**(A SAUDI JOINT-STOCK COMPANY)**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE THREE AND THE SIX MONTHS PERIODS ENDED 30 JUNE 2021**

**(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

	<u>Note</u>	<u>For the Three-months period ended 30</u>		<u>For the Six-months period ended 30 June</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Activity Revenues		---	370 269	425 304	1 146 748
Activity costs		---	( 374 048)	( 389 989)	(1 100 112)
<b>Gross Profit / (Loss)</b>		<b>---</b>	<b>( 3 779)</b>	<b>35 315</b>	<b>46 636</b>
<b><u>Main Operating Expenses</u></b>					
Selling and marketing expenses		( 10 302)	( 11 529)	( 41 115)	( 34 955)
General and administrative expenses		(1 396 835)	(1 889 482)	(2 959 268)	(3 989 040)
Other revenues		277 814	160 035	509 800	292 572
<b>Operations Income</b>		<b>(1 129 323)</b>	<b>(1 744 755)</b>	<b>(2 455 268)</b>	<b>(3 684 787)</b>
Finance cost		-	---	---	---
<b>Net (Loss) before Zakat</b>		<b>(1 129 323)</b>	<b>(1 744 755)</b>	<b>(2 455 268)</b>	<b>(3 684 787)</b>
Zakat		-	--	-	---
<b>Net (Loss) for the period</b>		<b>(1 129 323)</b>	<b>(1 744 755)</b>	<b>(2 455 268)</b>	<b>(3 684 787)</b>
<b>Other comprehensive income:</b>					
Items that will not subsequently be reclassified to profit or loss					
<b>Total Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive profit for the period</b>		<b>(1 129 323)</b>	<b>(1 744 755)</b>	<b>(2 455 268)</b>	<b>(3 684 787)</b>
<b>( Losses) per share for the period:</b>					
<b>Basic and diluted earning share in net (Loss) for the period</b>	(10)	<b>(0.11)</b>	<b>(0.17)</b>	<b>(0.25)</b>	<b>(0.37)</b>

\* The accompanying notes (1) to (18) form an integral part of these condensed interim financial statements.

Chairman

Managing Director

Finance Manager

**THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)**  
**SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE**  
**(A SAUDI JOINT-STOCK COMPANY)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SIX MONTHS PERIODS ENDED 30 JUNE 2021**  
**(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Accumulated (losses)</u>	<u>Total Shareholders' equity</u>
<b>Balance at January 1, 2020 (Audited)</b>	<b>100 000 000</b>	<b>2 883 376</b>	<b>(54 815 649)</b>	<b>48 067 727</b>
Net (Losses) for the period	---	---	(3 684 787)	(3 684 787)
<b>Balance as at June 30, 2020 (Unaudited)</b>	<b>100 000 000</b>	<b>2 883 376</b>	<b>(58 500 436)</b>	<b>44 382 940</b>
<b>Balance at January 1, 2021 (Audited)</b>	<b>100 000 000</b>	<b>2 883 376</b>	<b>(66 495 332)</b>	<b>36 388 044</b>
Net (Losses) for the period	---	---	(2 455 268)	(2 455 268)
<b>Balance as at June 30, 2021 (Unaudited)</b>	<b>100 000 000</b>	<b>2 883 376</b>	<b>(68 950 600)</b>	<b>33 932 776</b>

\* The accompanying notes (1) to (18) form an integral part of these condensed interim financial statements.

**Chairman**

**Managing Director**

**Finance Manager**



**THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)  
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE  
(A SAUDI JOINT-STOCK COMPANY)**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021  
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

	<u>Note</u>	<u>For the Six-months period ended 30 June</u>	
		<u>2021</u>	<u>2020</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>
<b><u>Operating Activities</u></b>			
Net (Loss) before Zakat		(2 455 268)	(3 684 787)
<b><u>Adjustments</u></b>			
Depreciation of Property, plant and equipment		553 352	858 660
Amortization of Intangible assets		0	1 995
		<u>(1 901 916)</u>	<u>(2 824 132)</u>
<b><u>Changes in Working capital:</u></b>			
Due from related parties		150 893	( 32 182)
Accounts Receivable		---	3 295 068
prepaid expenses and other debit balances		( 577 446)	96 999
Accounts payable		68 134	( 32 701)
Accruals and other credit balances		1 947 147	1 361 318
Due to related parties		211 910	( 63 000)
<b>Net cash (used by)/ provided by operating activities</b>		<u><b>( 101 278)</b></u>	<u><b>1 801 370</b></u>
<b><u>Investing Activities</u></b>			
Purchase of property and equipment		0	( 4 130)
<b>Net cash used by investing activities</b>		<u><b>---</b></u>	<u><b>( 4 130)</b></u>
<b>Net cash flow</b>		<u><b>( 101 278)</b></u>	<u><b>1 797 240</b></u>
<b>Cash and bank balances at the beginning of the period</b>		<u><b>2 459 583</b></u>	<u><b>499 093</b></u>
<b>Cash and bank balances at the end of the period</b>		<u><b>2 358 305</b></u>	<u><b>2 296 333</b></u>

\* The accompanying notes (1) to (18) form an integral part of these condensed interim financial statements.

**Chairman**

**Managing Director**

**Finance Manager**

## **1- SUMMARY FOR THE COMPANY**

- Thimar Development Holding Company (Thimar National Agricultural Marketing Company - Formerly) was registered as a Saudi joint-stock company with Commercial Registration number 1010068222 issued in Riyadh on 17 Jumada al-Awwal 1408H (corresponding to 07 January 1988 G). The Share Capital of the Company is SAR 100,000,000 divided into 10,000,000 shares with a nominal value of SAR 10.
- Based on extraordinary general assembly meeting dated on 12 October 2021, It has been approved on changing the company name to become Thimar Development Holding Company.
- The activities of the company in marketing, wholesale and retail trade of agricultural products, foodstuffs and all kinds of meat, fresh, chilled and frozen. Also providing services in marketing, maintenance and management of agricultural projects, management and operation of central wholesale markets.
- Exporting of foodstuffs and agricultural products, livestock and all kinds of chilled and frozen meat.
- The address of the company's head office is in Riyadh, Al Olaya District, Building No 3549, Al Oroba road, Kingdom of Saudi Arabia.
- The financial statements include the accounts of the company and its branches.

### **Financial reorganization procedures**

In accordance with the ruling issued on Wednesday 25/08/1442H corresponding to 07/04/2021G in Case No. 1970 of 1442H, which judged the financial reorganization of Themar Development Holding Company and appoint Hani bin Saleh Al-Aqili as the company's financial reorganization trustee, and the company was given a period of 150 days to prepare the proposal from the date of opening the procedures, and the deadline was extended at the company's request for a period of 100 days, starting from the date of 25/01/1443H corresponding to 05/10/2021G, and then the court agreed to extend the deadline for 60 days, starting from the date of 06/056/1443H corresponding to 10/12/2021G during the subsequent period of the date of the financial statements, the company submitted the proposal (the financial reorganization plan) to the court through the financial reorganization trustee. The uplodaing of the proposal was accepted by the court, and the dates for the owners and creditors to vote on the proposal were approved. which the shareholders approved the proposal with a percentage of 99.57% of the attendees, as well as the creditors. With a rate of 99.73% of the attendance, the proposal was approved by the court.

Company Financial Reorganization Trustee Information:

Name: Hani bin Saleh bin Abdullah Al-Aqili - the city of Riyadh - license number 142126 - hanialogaili@gmail.com.

## **2- BASIS OF PREPARATION THE CONDENSED INTERIM FINANCIAL STATEMENTS**

### **2-1 ACCOUNTING STANDARDS APPLIED**

- These condensed Interim financial statements have been prepared in accordance with International Accounting Standard "34" "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA. These condensed Interim financial statements should be readed along with the latest financial statements for the year ended 31 December 2020.

- These condensed Interim financial statements do not include all information and disclosures required to issue the complete set of financial statements that prepared in accordance with the International Financial Reporting Standards (IFRS). However, the specified accounting policies and notes are included to explain the significant events and transactions to an understanding of changes in financial position and financial performance since the last annual financial statements. In addition to, the results for the six months period ending 30 June 2020 are not necessarily indicative of the results that can be expected for the year ending 31 December 2021.
- The Capital Market Authority has allowed listed companies to use the fair value model or continue used cost model to measure the property, and investment property Starting from 1 January 2022. It also obligated listed companies to continue to use the cost model to measure the property, plant and equipment, and intangible assets.

## **2-2 ACCOUNTING CONVENTION / BASIS OF MEASUREMENT**

These condensed Interim financial statements have been prepared in accordance with the accrual principle and going concern and on a historical cost convention unless IFRS requires the use of another measurement basis, as indicated in the applied accounting policies (Note 3).

## **2-3 FUNCTIONAL AND PRESENTATION CURRENCY**

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

## **2-4 BASIS OF PREPARATION THE CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements have been prepared in accordance with the accrual principle and going concern and on a historical cost convention.

## **3- SIGNIFICANT ACCOUNTING POLICIES**

### **3-1 New IFRS standards, amendments to standards and interpretations not yet adopted**

- The Company has applied the following amendments to the standards for the first time for their reporting periods commencing on 1 January 2021:

- **Amendments to IFRS 7 and IFRS 16 Interest Rate Measurement Correction - Phase Two**

- The Phase II amendments address issues arising from the implementation of reforms, including the replacement of standard fares with alternative prices. The Stage 2 amendments provide additional temporary exemptions from applying the hedge accounting requirements of IAS 39 and IFRS 9 to hedging relationships directly affected by the interest rate index reform.

- **Amendment to IFRS 16 Leases - Lease Concessions Related to the COVID-19 Pandemic**

As a result of the Coronavirus (COVID-19) pandemic, lease concessions have been granted to tenants. In May 2020, the IASB published an amendment to IFRS 16 that provides an optional, practical way for lessees to assess whether a lease concession related to COVID-19. On March 31, 2021, the IASB published an additional amendment to extend the date from June 30, 2021, to June 30, 2022. Tenants can choose to account for lease concessions in the same way they would if there were no lease adjustments. In many cases, this results in the lease being accounted for as variable lease payments in the period(s) in which the event or circumstance that triggered the reduced payment occurred.

**The application of these amendments does not have any material impact on the financial statements during the year.**

### **3-2 Standards issued that have not yet been applied**

The following are the amendments to the unapplied standards that have been issued and are effective for annual periods starting on or after January 1, 2022G, with early application permitted, but the Company did not apply them when preparing these financial statements. The company does not expect a material impact on the financial statements if the following standards and amendments are applied:

#### **•Classification of Liabilities (Amendments to International Standard 1 “Presentation of Financial Statements”).**

These narrow scope amendments to IAS 1, Presentation of Financial Statements, clarify that liabilities are classified as current or non-current, depending on the rights that exist at the end of the reporting period. The rating is not affected by the entity's expectations or by events after the reporting date (for example, receipt of a waiver or breach of a covenant). The amendment also clarifies what IAS 1 means when it refers to the "settlement" of an obligation.

#### **• Amendments to International Financial Reporting Standard No.3 and International Accounting Standards No. 16 and 37**

- IFRS 3, “Business Combinations” Updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for a business combination.

- IAS 16, “Property, plant and equipment” prohibits a company from deducting from the cost of property, plant and equipment amounts received from the sale of items produced while the company is preparing the asset for its intended use. Instead, the Company will recognize such sales proceeds and related costs in the statement of profit or loss.

- IAS 37, “Provisions, Liabilities and Contingent Assets” specifies costs that a company includes when assessing whether a contract will cause a loss.

#### **•Amendments to International Accounting Standard No. 1, Practice Statement No. 2 and International Accounting Standard No. 8**

The amendments aim to improve accounting policy disclosures and help users of financial statements distinguish between changes in accounting estimates and changes in accounting policies.

#### **• Classification of an amendment to IAS 12 - Deferred Tax relating to assets and liabilities arising from a single transaction**

These amendments require companies to recognize deferred tax on transactions that, on initial recognition, result in equal amounts of deductible and taxable temporary differences.

### **3-3 SIGNIFICANT ACCOUNTING POLICIES APPLIED**

The accounting policies applied in preparing the condensed Interim financial statements aligned with those policies applied in preparing the financial statements for the year ended on 31 December 2021.

#### **4- SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities disclosed and disclosure of contingent liabilities as at the reporting date. Uncertainty about these assumptions and estimates may result in results that may require a material adjustment to the carrying amount of the assets or liabilities that will be affected in future periods.

These estimates and assumptions are based on experience and other factors that are believed to be reasonable under the circumstances and are used to judge the carrying amounts of assets and liabilities that are difficult to obtain from other sources. Core estimates and assumptions are reviewed on an on-going basis. An audit of the accounting estimates is recorded in the period in which the estimates are revised or in the period of the revision and future periods if the revised estimates affect current and future periods.

Significant accounting judgments, estimates and assumptions have been made which have a material impact on the financial statements as following:

##### **4-1 Judgments**

###### **Compliance with performance obligations**

The Company must assess each of its contracts with customers to determine whether performance obligations have been met over time or at a specific time in order to determine the appropriate method of income recognition. The Company assessed this based on the sales and purchase agreements it had entered into with the customers and the provisions of the relevant laws and regulations .

###### **Determine transaction prices**

The Company shall determine transaction prices in respect of each of its contracts with customers. In making such judgment, the Company assesses the impact of any variable price in the contract as a result of discounts or fines, the presence of any material element of the contract and any non-monetary price in the contract.

###### **Corona pandemic (Covid-19)**

The Company has reviewed the main sources of uncertainty estimates that have been disclosed in the latest financial statements regarding the Corona pandemic (Covid-19). Management believes that, other than the expected credit losses on a financial assets, the impairment loss on a non-financial asset and all other sources of uncertainty remain similar to those disclosed in the annual financial statements. Management will continue to monitor the situation and any required changes will be reflected in the future reporting year - note (12).



## **4-2 Assumptions and estimates**

### **Expected credit losses**

Expected credit losses are measured as financial assets measured at amortized cost and requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

There are a number of important judgments that are also required in applying the accounting requirements for measuring expected credit losses, such as: -

Define criteria for substantial increase in credit risk

- 1- Selecting appropriate formats and assumptions to measure expected credit losses
- 2- Determine the number and relative weight of future assumptions for each type of product and market
- 3- Create a pool of potential financial assets to measure air credit losses.

The Company recognizes a provision for expected credit losses on financial instruments that are measured at amortized cost.

The Company measures the loss allowance at an amount equal to the expected credit losses over the useful life of the financial instrument, except for:

- The following financial instruments for which the provision for expected credit losses is measured over a period of 12 months:
- Financial assets with low credit risk at the reporting date and financial instruments where credit risk has not increased significantly since its initial recognition.

### **Provision for slow moving inventory**

Management form provision for slow moving and obsolete inventory items. Inventories are measured at cost or net realizable value, estimates of net realizable value are based on the most reliable evidence at the time the estimates are made. These estimates take into account price fluctuations or costs directly related to events that occur after the date of the financial statements to the extent that those events confirm conditions that exist at the end of the year.

### **Productive useful life of property, plant and equipment**

- The Company determines the estimated useful lives of property, equipment and investment properties for depreciation. This estimate is determined after taking into account the expected period of use of the asset and the natural damage. The management examines the estimated useful lives and the method of depreciation periodically to ensure that the method and duration of depreciation are consistent with the expected model of the economic benefits of these assets.
- and changes in depreciation expense are adjusted in current and future periods, if any,

### **Impairment of non-financial assets.**

- The Company assesses at each reporting date whether there are indications of impairment of the non-financial assets at each reporting date. Non-financial assets are selected to determine impairment in the event of indications that the carrying amounts cannot be recovered .
- When the value in use is calculated, the management estimates the future cash flows of the asset or unit of cash and selects the appropriate discount rate to calculate the present value of these cash flows.

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

**Going concern**

The management of the Company has assessed its ability to continue on the basis of the going concern and has concluded that it has the resources to continue its activity in the foreseeable future. In addition, the management has material uncertainty related to the ability of the Company to continue as a going concern. Therefore, the condensed Interim financial statements are still prepared based on the going concern.

**5- INTANGIBLE ASSETS, NET**

The movement of the intangible assets during the year as following:

<u>Description</u>	<u>Programmes</u>	<u>Total</u>
<u>Cost as at</u>		
As at 01 January 2021	40 000	<b>40 000</b>
Additions during the year	-	-
<b>As at 30 June 2021</b>	<b>40 000</b>	<b>40 000</b>
<u>Accumulated depreciation</u>		
As at 01 January 2021	14 027	14 027
Amortization	-	-
<b>As at 30 June 2021</b>	<b>14 027</b>	<b>14 027</b>
<u>Net book value</u>		
<b>As at 30 June 2021</b>	<b>25 973</b>	<b>25 973</b>
<b>As at 31 December 2020</b>	<b>25 973</b>	<b>25 973</b>

**6- INVESTMENTS IN ASSOCIATES / PROVISION FOR LOSSES OF INVESTMENT IN ASSOCIATES COMPANIES**

Investments in associate companies consist of the following:

<u>Company</u>	<u>Legal entity</u>	<u>Country</u>	<u>Ownership percentage</u>	<u>30 June 2021 (Unaudited) SAR</u>	<u>31 December 2020 (Audited) SAR</u>
* Thimaar and Wasmi Markets Company	Limited liability company	Saudi Arabia	% 30.56	(920 258)	(920 258)
** Thimar Fresh Company	Limited liability company	Saudi Arabia	% 50	---	---
				<b>(920 258)</b>	<b>(920 258)</b>

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

\* Thimaar and Wasmi Markets Company is a limited liability company established in the Kingdom of Saudi Arabia in accordance with the Companies regulation. The main activities of the company are wholesale and retail trade in agricultural, industrial and food products, chilled meats, , cleaning and consumer items and all household items. There is an existing lawsuit to liquidate the company, but it has not yet been decided.

\*\* Thimar Fresh Company is a limited liability company established in the Kingdom of Saudi Arabia in accordance with the Companies regulation. The company's accumulated losses reached to 100% of its capital since previous years, and the company's management decided to stop calculating equity method due to existing a lawsuit to liquidate the company, but it has not yet been decided.

**7- RELATED PARTIES TRANSACTIONS:**

- Following the main transactions during the period and the balances with the related parties as of the ending of financial period:

**7-A Due from related party:**

	Relationship	The nature of the transactions	01/01/2021	Total debit transactions	Total credit transactions	30/06/2021
Thimaar and Wasmi Markets Company	Associate company	Sales	13 008 977	-	-	13 008 977
		Funding	38 568 416	907	151 800	38 417 523
		Payments on behalf	9 070 950	-	-	9 070 950
Thimar Fresh Company	Associate company	Funding	3 920 195	-	-	3 920 195
Prince / Faisal bin Turki	Partner in Associate company	Receivable	22 184 085	-	-	22 184 085
<b>Total</b>			<b>86 752 623</b>			<b>86 601 730</b>
Provision for doubtful debts			<b>(3 920 195)</b>			<b>(3 920 195)</b>
<b>Total</b>			<b>82 832 428</b>			<b>82 681 535</b>

**7-B Due to related party:**

	Relationship	The nature of the transactions	01/01/2021	Total debit transactions	Total credit transactions	30/06/2021
Mr. Sari AL Mayouf	Managing Director (previous)	Funding	811 528		15 666	827 194
Mr. Ibrahim Al Mayouf	Chariman (previous)	Funding	355 640		196 244	551 884
<b>Total</b>			<b>1 167 168</b>			<b>1 379 078</b>

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

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**8- LOANS:**

**Loan from SABB bank:**

- The facilities that the company has received by SABB Bank until June 30, 2021 amounted to 32 685 686 SAR (31 December 2020, an amount of 32 685 686 SAR).

**9- STATUTORY RESERVE:**

In accordance with the Company's Articles of Association and the Companies Law in the Kingdom of Saudi Arabia, the Company must annually transfer 10% of its net income to a statutory reserve until this statutory reserve reaches 30% of its capital. This reserve is not distributable to shareholders.

**10- (LOSS) / PROFIT PER SHARE:**

Basic and diluted (Losses) earnings per share from net (Loss) / income is calculated by dividing the net (Loss) / income for the period by the weighted average number of shares outstanding at the end of the period amounting to 10 000 000 shares (30 June 2020: 10 000 000 shares)

	30 June 2021	30 June 2020
(Loss) of the period	(2 455 268)	(3 684 787)
weighted average number of shares	10 000 000	10 000 000
Basic (Loss) per share	<u>(0.25)</u>	<u>(0.37)</u>

**11- FINANCIAL INSTRUMENTS RISK MANAGEMENT**

- Risks are part of the Company's activities and are managed through a continuous mechanism consisting of risk identification, evaluation and follow-up, in accordance with other approved controls and controls. Risk management is essential to the company's ability to generate profits.
- Every employee in the company is responsible for the management of risks related to the dictates of his job or responsibilities.
- The Company is exposed to market risk, commission rate risk, currency risk, liquidity risk and credit risk.

**Credit risk:**

- Credit risk is the risk that one party to a financial instrument will not be able to meet its obligations, and this will cause the other party to incur a financial loss.
- The Company does not have a significant concentration for credit risk. To reduce exposure of credit risk, the company has set up an approval process that credit limits are applied to customers. The management also continuously monitors the credit risk exposure towards customers and form a provision against doubtful balances, which are based on the customer's file and pre-payment dates. The company monitors the existing accounts on a regular basis.

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

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- The maximum level of credit risk that may the company face is the book values, and its as at the reporting date as following:

	30 June 2021	31 December 2020
Cash at bank	2 358 305	2 459 583
Trade receivables	26 517	26 517
prepaid expenses and other debit balances	6 883 396	6 305 950
Due from related parties	82 681 535	82 832 428

**Liquidity risk:**

- Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments that the Company commits to in the interest of others. Liquidity risk may arise from the inability to sell a financial asset quickly at amount close to its fair value.
- The Company manages liquidity risk on a regular basis and ensures that sufficient funds are available through bank facilities to meet any future obligations.
- The company sales conditions states that the cash payment with delivering the goods or on credit sales basis.

**Market price risk:**

- Market risk is the risk of fluctuation in a financial instrument due to changes in prevailing market prices such as foreign exchange rates, interest rates and stocks prices, which affect the Company's income or the value of its financial instruments.
- Market risk management aims to manage and control market risk exposure within acceptable limits while maximizing returns.

**Interest rate risk (commissions):**

- Interest rate risk (commission) represents the risks related to the effects of fluctuations in interest rates (commissions) prevailing in the market on the Company's financial position and its cash flows.

**Goods prices risk:**

- Goods price risk is the risk associated with changes in the prices of some goods to which the company is exposed to an undesirable impact on the company's costs and cash flows. This goods price risk arises from the expected purchases of certain goods from the raw materials that used by the company.

**Currency risk:**

- Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when future business transactions and recognized assets and liabilities are denominated in currencies different from the Company's currency.



**SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

**(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

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**Capital Management:**

- The policy of the Board of Directors is to maintain an adequate capital base in order to maintain investor, creditor and market confidence and to maintain the future development of its business. The Board of Directors monitors the return on the capital used and the level of dividends distributed to shareholders.
- In managing capital, the company aims to:
  - 1- Protect the entity's ability to continue as a going concern so that it can continue to provide returns to shareholders and interest to other stakeholders.
  - 2- Provide sufficient returns for shareholders.
- The following is an analysis of the net adjusted debt ratios of the Company to the adjusted capital at the end of the financial year:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Total liabilities	85 330 934	83 103 743
Less: cash and bank balances	2 358 305	2 459 583
<b>Net adjusted debt</b>	<b>82 972 629</b>	<b>80 644 160</b>
<b>Shareholders' equity</b>	<b>33 932 776</b>	<b>36 388 044</b>
Debt to equity ratio as at the end of the period	<b>%244.52</b>	<b>%221.62</b>

**12- EFFECT OF CORONAVIRUS (COVID-19):**

In response to the outbreak of the Coronavirus (Covid-19) at the beginning of the year 2020 and spreading in several geographical areas around the world and the resulting disruptions to economic and business activities, the company has formed a working team to assess the expected effects on the company's business inside the Kingdom. The company has also taken a series of preventive measures to ensure the health and safety of its employees, customers and society to ensure the continuing of its operations. The company does not expect material impacts due to the coronavirus (Covid-19) on the statement of financial position and results for the financial period ending on 30 June 2021.

**13- CONTINGENT LIABILITIES:**

The company has contingent liabilities rising from lawsuits filed by third parties against the company, as some suppliers who have old balances from previous years filed lawsuits against the company and gained the status of final enforceable judgments, and as a result of the final enforceable judgments, the company's bank accounts were suspended and the existing amounts were frozen for the account of the Execution Court and then withdrawn to the account of the Execution Court.

#### **14- GOING CONCERN:**

As shown in the financial statements, the company's net loss for the second quarter 2021 of 2 455 268 SAR. and the accumulated losses for the company on 30 June 2021 of 68 950 600 SAR which is exceeded the half of the company capital, which is required to apply the article 150 from The Regulations for the Companies in the Kingdom of Saudi Arabia, which states that if the losses of the joint stock company reached to half of the capital the extraordinary general assembly must be called for a meeting within forty five days from the date of the company's board of directors becoming aware of the losses to decide either to increase or reduce the company's capital - in accordance with the article of association - to the extent that the percentage of losses to less than half of the paid-up capital, or to dissolve the company before the specified date in its articles of association. However, according to the company entered into proposal and procedures of the financial reorganization (Details are found in Note No. 16) and in implementation of Article No. (42) of Chapter Four of the Bankruptcy Law and its Executive Regulations, the company is exempted from applying the Companies regulation with regard to the debtor's losses reaching the specified percentage in the Law.

#### **15- IMPORTANT EVENTS:**

There are some important events during the period which may impact the financial position of the company that presented in these condensed interim financial statements, represented in

- 1- stopping the company's activity (purchase - sale) because the suspension and freezing of accounts, except for the operation in the Azizia market (purchase - sale) in cash.
- 2- On 02/07/2020 a lawsuit was filed against (the debtor) a related party to claim 22 184 million riyals.
- 3- On 03/09/2020 the company obtained the approval of Tadawul and the Capital Market Authority to trade the stock outside of the main platform.
- 4- On 29/11/2020 a adjudication was issued in favor of the company against a related party, obligating him to pay an amount of 22 414 084 SAR to the company.
- 5- Despite the effects of the Corona pandemic and the ban periods, cooperation continued with the external auditor, Al Azem, Al Sudairy and Al Shaikh & Partners Company, and providing him with all his requirements.
- 6- On 06/01/2021 SABB Bank submitted a request to the Commercial Court in Riyadh, the Ninth Circuit, to liquidate the company to obtain his Indebtedness.
- 7- On 14/01/2021, the related party appealed to the decision issued to pay 22 414 084 Riyals to the company.
- 8- On 04/02/2021 the company objected to the liquidation request submitted by SABB Bank.
- 9- On 04/04/2021, a decision was issued to apply the financial reorganization procedures to the company.
- 10- On 18/04/2021, the final decision was approved in favor of the company against a related party and affirm its payment of 22 414 084 Riyals.

## **16- SUBSEQUENT EVENTS:**

There are subsequent events since the ending of the period which may impact the financial position of the company that presented in these condensed interim financial statements, according to the following:

- 1- On 12/10/2021, the Extraordinary General Assembly approved the amendment of the company's articles of association, governance regulations, and changing the external auditor, Al Azem, Al Sudairy and Al Shaikh & Partners Company, and appointing Osama Abdullah El-Khereiji & partner Co., and electing the audit committee.
- 2- On 29/10/2021 the company's name has changed from the Thimar National Agricultural Marketing Company to Thimar Development Holding Company based on the approval of the Extraordinary General Assembly on 12/10/2021 after being approved by the Ministry of Commerce.
- 3- On 16/12/2021, a decision was issued against the related party (Thimaar and Wasmi Markets Company) to liquidate the company.
- 4- On 30/12/2021 the company has announced a board decision to use the fair value or revaluation model to measure properties and investment properties within the first quarter 2022.
- 5- On 11/01/2022 the Executive Committee has approved the selling of refrigerators in the Aziziyah market.
- 6- On 06/02/2022 delivering the proposed financial organization to the Commercial Court in Riyadh.
- 7- On 24/02/2022 the final court approval for the creditors' claims by a final decision and the issuance of a deed.
- 8- On 09/03/2022, the company submitted a request to the liquidator of Thimar Markets Company with a claim.
- 9- On 23/03/2022, the court approved the financial reorganization proposal submitted by the company and set a date 14/04/2022 for voting of the shareholders on it and a date for 18/04/2022 for voting creditors on it.
- 10- On 14/04/2022, 99.57% of the total attendance of shareholders have approved the financial reorganization proposal.
- 11- On 18/04/2022, 99.73% of the total attendance of creditors have approved the financial reorganization proposal.
- 12- On 16/08/2022G, the Ordinary General Assembly of the company was held in attendance and by means of modern technology, through which the company's financial statements for the two fiscal years ending on December 31, 2019G and December 31, 2020G were approved, and the auditor's report on them was approved.
- 13- On 15/09/2022G, the Board of Directors decided to amend the Board of Directors' recommendation issued on 9-4-2019G to increase the company's capital by issuing priority rights shares at a value of 200 million Saudi riyals instead of 150 million Saudi riyals, so that the company's capital after the increase becomes 300 One million riyals, in order to maximize the company's expansion capacity in investments and provide the necessary liquidity to pay part of the financial obligations due according to the announced financial reorganization plan.

- 14- On 25/09/2022G, the company announced that it had submitted a report to the Ministry of Commerce No. 9027 dated 24-2-1444H corresponding to 21-09-2022G against the board of directors of the associate company, Themar and Wasma Agricultural Markets Company, in which Themar Development Holding Company owns thirty shares Percent (30%), which includes an investigation with the Board of Directors of Themar and Wasma Agricultural Markets Company for committing violations of the corporate law, including non-compliance with the issuance of financial statements, and losses exceeding more than half of the company's capital, and charging Themar Development Holding Company with a loss exceeding sixty million (60 million) riyals which is represented in payables for Themar Development Holding Company against the associate company and not informing the partners of the essential facts that occurred in the company. The company does not expect to bear any responsibility as a result of filing the aforementioned communication, and the company has submitted this communication according to the documents available to it and after obtaining legal advice.
- 15- On 26/09/2022G, the Board of Directors invited the company's shareholders to attend the Ordinary General Assembly meeting (the first meeting) scheduled to be held at 7:00 pm on Monday on 21/03/1444H corresponding to 17/10/2022G (in attendance). And by means of modern technology) to vote on authorizing the current Board of Directors to file a liability case against the former members of the Board in the two sessions from 06-03-2017G to 04-07-2021G and to take all the legal and legal measures necessary to proceed with them as requested by the shareholders.
- 16- On 17/10/2022G, the Ordinary General Assembly meeting was held, and it was voted to authorize the current Board of Directors to file a liability case against the former members of the Board in the two sessions from 06-03-2017G to 04-07-2021G and to take all the necessary regulatory and legal measures to proceed with it as shareholders request.

## **17- COMPARATIVE FIGURES**

Some of the comparative figures of the statement of financial position have been reclassified within the annual financial statements as of 31 June 2020.

## **18- APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS:**

These financial statements were approved by the board of directors on 22 /06/1444H (corresponding to 15 /01/ 2023 G).