



THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANISATION PROCEDURE)
(Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
Together with the Independent Auditor's Report

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANISATION PROCEDURE)
(Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
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For the year ended 31 December 2023

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INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF THEMAR DEVELOPMENT HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

RIYADH-KINGDOM OF SAUDI ARABIA

(1/7)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Thimar Development Holding Company (the "Company") and its subsidiary (collectively referred to as the "Group") as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the consolidated financial statements of the Company, which comprise of the following:

- The consolidated statement of financial position as at 31 December 2023;
- The consolidated statements of profit or loss and other comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended, and;
- The notes to the consolidated financial statements, including a material accounting policies / policy information and another explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent from the Group in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We would like to draw the attention to note no. (4-1) accompanying the consolidated financial statements. Which indicates that the Group incurred accumulated losses of (6,530,218) SR during the year ending on 31 December 2023, and as of that date. it also achieved accumulated losses on 31 December 2023 by an amount of (259,886,534) SR as it exceeded the entire capital at the end of the years 2023, 2022 and 2021 respectively. which requires in implementation of Article No. of the companies law, that the extraordinary general assembly be called for a meeting within one hundred and eighty (132) days from the date of knowledge of this to consider the continuity of the Group taking any of the necessary actions to remedy or resolve such losses; However, due to the Group's entry into the proposal and procedures for financial reorganization, which clarified in note (1) and in application of article No. (45) of chapter four of the Bankruptcy Law and its implementing regulations, the Group is exempted from applying the provisions of the companies law regarding achieving the Group's losses relative to the law

**PKF**Ibrahim Ahmed Al-Bassam
& Co. Certified Public Accountants**INDEPENDENT AUDITOR'S REPORT****TO THE SHAREHOLDERS OF THEMAR DEVELOPMENT HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)****RIYADH-KINGDOM OF SAUDI ARABIA****(2/7)****REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS****MATERIAL UNCERTAINTY RELATED TO GOING CONCERN(Continued)**

Also, the continuity of the Group as a going concern is depended to the implementation of the financial reorganization proposal, which depends on increasing the Group's capital. On June 19, 2023, the group's board of directors recommended an increase in capital through offering priority rights shares at a value of 150 million SR, so that the capital becomes after the increase of 250 million SR and the number of its shares is 25 million ordinary shares, in order to maximize the group's expansion capacity in investments and provide the necessary liquidity to pay part of the financial liabilities due according to the announced financial reorganization plan, and As mentioned in Note No. 13, the group announced on October 9, 2023 corresponding to Rabi' al-Awwal 24, 1445H. Regarding the result of the extraordinary general assembly meeting, which included approving an increase in the company's capital. During the fourth quarter of 2023, the issuance of shares to shareholders was completed, and thus the number of ordinary shares issued to the company increased from)“10,000,000”(ordinary shares to)“25,000,000”(ordinary shares.

As mentioned in Note (4-1), these events, or conditions, together with other matters described in Note 1, indicate the existence of a material uncertainty that may cast significant doubts about the Group's ability to continue as a going concern. Our opinion has been unmodified in respect of this matter.

EMPHASIS OF MATTER

We would like to draw attention to note No. (1) and No. (25) attached to the consolidated financial statements, which indicates that the Group is subject to a financial reorganization procedure in accordance with the judgment issued on April (corresponding to Shaaban 25, 1442 H) in case no. 1970 of 1442 H, which judged the financial reorganization 2021 ,7 of the Company and the appointment of Mr. Hani bin Saleh Al-Aqili as the Trustee of the Financial Reorganization. As a result, the Board of directors announced on March 8, 2023, corresponding to Shaaban 16, 1444 AH, the approval of the commercial court in Riyadh to amend the proposal for the financial reorganization of the Group.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THEMAR DEVELOPMENT HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)

RIYADH-KINGDOM OF SAUDI ARABIA

(3/7)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matters	How our audit addressed the key audit matter
Land Revaluation	
<ul style="list-style-type: none"> As at December 31, 2023, the Group holds land under property, plant and equipment with a fair value of SAR 44,347,610 (December 31, 2022, SAR 37,890,337). Land is measured using the revaluation model by revaluing to measure the lands owned by the group, and the management determines the fair value of its lands for the purposes of valuing them at the fair value on the date of the financial report. The evaluations were conducted by independent external evaluators appointed by the management, and the lower evaluation was taken based on the regulatory instructions issued in this regard. Land valuation is a key audit matter because it is a substantive area of judgment underpinned by a range of assumptions and involves a high degree of estimation uncertainty with a potentially substantial range of plausible outcomes. The lands were valued using the market method (comparison method). 	<ul style="list-style-type: none"> Evaluating the competence, capabilities and objectivity of evaluation experts. Gain an understanding of the work of evaluation experts. Evaluating the suitability of the experts' work as audit evidence for the relevant representations. Evaluating the suitability of information and disclosures related to the revaluation of lands, as indicated in Notes No. (3-2) and (6). Verifying the calculation method through which the administration took the lesser of the two evaluations of the fair value of each land in accordance with the requirements of the Capital Market Authority. Evaluate the valuation methodology and determine whether important assumptions, including market comparability of land, are within an acceptable range. Seeking the assistance of an external expert and evaluating his competence, capabilities and objectivity for the purposes under review. Evaluating the appropriateness and reasonableness of the results or conclusions of the expert who was used and their consistency with other audit evidence.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF THEMAR DEVELOPMENT HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

RIYADH-KINGDOM OF SAUDI ARABIA

(4/7)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OTHER MATTER

The financial statements of the Group for the year ending on December 31, 2022 and the period ending on March 31, 2023 were audited and reviewed by another auditor who expressed a modified opinion and conclusion on those financial statements, dated 28 March 2023 and 23 May 2023 respectively .

The qualified conclusion of the predecessor auditor for the year ending on 31 December 2022 included the following qualifications :

1 -The first qualification of the predecessor auditor related to his inability to verify the accuracy, evaluation, existence, and completeness of the investment balance in the National Company for Fresh Fruit Products. The management provided us with an extract from the Ministry of Commerce in addition to the articles of association, which shows the capital of the associate company and the partners, as it states that the ownership of the Company is in The National Company for Fresh Fruit Products by 50%, and we were provided with a letter from the legal advisor of the Group about National Company for Fresh Fruit Products, which clarifies the legal and financial situation. In addition, the Bankruptcy Committee announced the judgment issued by the Fifth Appeal Chamber in the Commercial Court in Riyadh in case no. (59) of 1444 H on 08/04/1444 H, which includes the opening of the administrative liquidation procedure for the National Company for Fresh Fruit Products, as on the date of the report The administrative liquidation is still under consideration of the judiciary, and no final judgment has been issued regarding it. These events indicates objective evidence of impairment in the value of the investment balance ("loss event") in accordance with International Accounting Standard No. 28 ("Investment in Associates and Joint Ventures") paragraph 41A, and accordingly, the management previously provided the impairment in the value of the investment balance, and the management also provided us with all the partners' resolutions of National Company for Fresh Fruit Products through the Ministry of Commerce, which shows that the partners have not previously taken a decision to support the continuity of the National Company for Fresh Fruit Products, and therefore the Group has not recognize a provision for additional losses, if any, and the Group's management stated that it had never incurred legal or constructive obligations on behalf of the associate company in accordance with the requirements of International Standard no. 28 paragraph 39 (Note No. 7). Therefore, the qualification related to this matter has been removed.

2- The second qualification of the predecessor auditor related to his inability to verify the accuracy, existence, and completeness of suppliers' balances amounting to 2,318,021 as at December 31, 2022 ("With reference to that this qualification related to these amounts was removed in the first quarter of 2023, and amount remained 336,228 Saudi riyals. The Group's management disclosed the existence uncertainty of these obligations due to the suppliers' lack of response and provided explanatory information in the financial statements about the uncertainties related to compliance according to Conceptual Framework for Financial Reporting (Note No. 16). Therefore, the qualification related to this matter has been removed.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF THEMAR DEVELOPMENT HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

RIYADH-KINGDOM OF SAUDI ARABIA

(5/7)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OTHER MATTER (CONTINUED)

3 -The third qualification of the predecessor auditor related to his inability to verify completeness and accuracy of a balance due in the amount of 1,765,958 Saudi riyals within the accrued expenses and other credit balances related to the General Organization for Social Insurance ("With reference to that this qualification related to these amounts was removed in the first quarter of 2023). The group's management obtained A certified certificate from Social Insurance in exchange for full payment of its dues. Therefore, the qualification related to this matter has been removed.

4- The fourth qualification of the predecessor auditor related to his inability to verify the completeness and accuracy of a balance amounting to 40,817,863 Saudi riyals within the accumulated losses resulting from adjustments in previous years. The Group's management disclosed the settlements that led to a cumulative effect on the balance of accumulated losses in the amount of 40,817,863 Saudi riyals (Note No. 1) in accordance with the requirements of the International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). Therefore, the qualification related to this matter has been removed.

OTHER INFORMATION

The other information consists of the information included in the Group's 2023 annual report, other than the consolidated financial statements and the auditor's report thereon. Management is responsible for the other information in the annual report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated .

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF THEMAR DEVELOPMENT HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

RIYADH-KINGDOM OF SAUDI ARABIA

(6/7)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so .

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's to cease to continue as a going concern.

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANISATION PROCEDURE)
(SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023
(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

	Note	31 December 2023	31 December 2022 (Restated Note 29)	1 January 2022 (Restated Note 29)
Assets				
Non-Current Assets				
Property, plant, and equipment, net	6	48,436,478	43,318,376	11,713,391
Investments in associates, net	7	-	-	-
Total Non-Current Assets		48,436,478	43,318,376	11,713,391
Current Assets				
Assets available for sale		-	580,000	780,000
Trade Receivables, net	8	-	-	-
Prepaid expenses and other debit balances, net	9	1,410,841	110,165	930,227
Due from related parties, net	10-2	-	-	-
Investments at FVTPL	11	6,000,000	-	-
Cash and cash equivalents	12	47,107,031	212,201	623,303
Total Current Assets		54,517,872	902,366	2,333,530
Total Assets		102,954,350	44,220,742	14,046,921
Equity and Liabilities				
Equity				
Share capital	13	250,000,000	100,000,000	100,000,000
Statutory reserve		2,883,376	2,883,376	2,883,376
Actuarial gains / (loss) on end of service benefits	14	26,673	(34,303)	(155,283)
Revaluation surplus	6	38,115,834	31,658,561	-
Accumulated (losses)		(259,886,534)	(235,014,776)	(232,059,175)
Total Equity		31,139,349	(100,507,142)	(129,331,082)
Liabilities				
Non-Current Liabilities				
Employee's end of service benefits	14	118,163	84,810	856,066
Islamic Loans	15	14,121,289	-	-
Trade payables	16	28,031,577	-	-
Accrued expenses and other credit balances	17	4,130,579	-	-
Due to related parties	10-3	602,472	-	-
Zakat payable	18	3,724,677	-	-
Total Non-Current Liabilities		50,728,757	84,810	856,066
Current Liabilities				
Islamic Loans	15	-	32,033,389	32,024,465
Trade payables	16	4,141,560	69,578,556	69,680,793
Accrued expenses and other credit balances	17	8,279,593	25,875,110	23,660,660
Due to related parties	10-3	657,042	1,379,078	1,379,078
Zakat payable	18	8,008,049	15,776,941	15,776,941
Total Current Liabilities		21,086,244	144,643,074	142,521,937
Total Liabilities		71,815,001	144,727,884	143,378,003
Total Equity and Liabilities		102,954,350	44,220,742	14,046,921
Contingent Liabilities and Capital Commitments	28			

Chairman of Board

Chief Executive Officer

Chief Financial Officer

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANISATION PROCEDURE)
(SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2023
(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

	<u>Note</u>	<u>31 December 2023</u>	<u>31 December 2022</u> (Restated Note 29)
Revenue		-	-
Cost of revenue		-	-
Gross profit		-	-
General and administrative expenses	19	(15,719,161)	(6,412,734)
General and administrative expenses – financial reorganizational procedure	20	(100,000)	(550,000)
Provision for legal suits	17	(275,000)	-
(Impairment) / reversal of impairment in property, plant, and equipment	6	(974,008)	341,652
Operational losses from operations		(17,068,169)	(6,621,082)
Impairment provision in prepayments and other receivables	9	(74,422)	(256,988)
Reversal of Expected Credit Losses	8	-	107,969
Impact of cash flow's modifications for financial liabilities	21	7,312,523	-
Other Revenues	22	3,299,850	3,814,500
Net (loss) for the year before zakat		(6,530,218)	(2,955,601)
Zakat	18	-	-
Net (loss) for the year		(6,530,218)	(2,955,601)
<u>Basic and diluted (loss) per share:</u>			
Basic and diluted (loss) per share of net (loss) for the year attributable to shareholders of the Company	23	(0.53)	(0.30)
<u>Other comprehensive income:</u>			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation surplus	6	6,457,273	31,658,561
Actuarial gains from remeasurements of employees defined benefit obligations	14	60,976	120,980
Total other comprehensive income		6,518,249	31,779,541
Total comprehensive (loss) / income for the year		(11,969)	28,823,940

Chairman of Board

Chief Executive Officer

Chief Financial Officer

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANISATION PROCEDURE)
(SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023
(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

	Note	Share Capital	Statutory Reserve	Actuarial Gains / (Loss) for End Of Service Benefits	Revaluation Surplus	Accumulated)Losses(Total
Balance as at 1 January 2022 - Before Adjustment		100,000,000	2,883,376	(155,283)	-	(228,946,726)	(126,218,633)
Prior years adjustments	28	-	-	-	-	(3,112,449)	(3,112,449)
Balance as at 1 January 2022 - After Adjustment		100,000,000	2,883,376	(155,283)	-	(232,059,175)	(129,331,082)
Net (loss) for the year - Before Adjustment		-	-	-	-	(4,705,412)	(4,705,412)
Adjustments		-	-	-	-	1,749,811	1,749,811
Net (loss) for the year - After Adjustment		-	-	-	-	(2,955,601)	(2,955,601)
Other comprehensive income for the year		-	-	120,980	31,658,561	-	31,779,541
Total comprehensive income for the year		-	-	120,980	31,658,561	(2,955,601)	28,823,940
Balance as at 31 December 2022		100,000,000	2,883,376	(34,303)	31,658,561	(235,014,776)	(100,507,142)
Balance as at 1 January 2023	28	100,000,000	2,883,376	(34,303)	31,658,561	(235,014,776)	(100,507,142)
Net (loss) for the year		-	-	-	-	(6,530,218)	(6,530,218)
Other comprehensive income for the year		-	-	60,976	6,457,273	-	6,518,249
Total comprehensive (loss) for the year		-	-	60,976	6,457,273	(6,530,218)	(11,969)
Share capital increasing		150,000,000	-	-	-	-	150,000,000
Flotation costs paid		-	-	-	-	(18,341,540)	(18,341,540)
Balance as at 31 December 2023		250,000,000	2,883,376	26,673	38,115,834	(259,886,534)	31,139,349

Chairman of Board

Chief Executive Officer

Chief Financial Officer

The accompanying notes from 1 to 31 form an integral part of these consolidated financial statements.

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANISATION PROCEDURE)
(SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023
(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

	31 December 2023	31 December 2022 (Restated Note 29)
Cash Flows From Operating Activities		
Net (loss) for the year before zakat	(6,530,218)	(2,955,601)
Adjustments to reconcile net (loss) for the year before zakat to net cash flows generated from operating activities:		
Depreciation of property ,plant and equipment	377,404	421,576
Employee benefit obligations	117,991	58,976
Gains on sale of property ,plant and equipment	(251,144)	(14,500)
Gains on sale of assets available for sale	(19,124)	-
Loss /(reversal) of impairment in property, plant, and equipment	974,008	(341,652)
Impact of cash flow's modifications for financial liabilities	(7,312,523)	-
	(12,643,606)	(2,831,201)
Changes in assets and liabilities:		
Prepaid expenses and other debit balances, net	(1,300,676)	820,062
Trade payables	(33,354,371)	(102,237)
Accrued expenses and other credit balances	(12,691,068)	2,214,450
Cash (used in) / generated from operating activities	(59,989,721)	101,074
End of service benefits paid	(23,662)	(709,252)
Zakat paid	(3,543,546)	-
Net cash (used in) operating activities	(63,556,929)	(608,178)
Cash Flows From Investing Activities		
Paid for purchasing of property, plant and equipment	(13,597)	(26,348)
Proceeds from sale of property, plant and equipment	252,500	14,500
Proceeds from sale of assets available for sale	599,124	200,000
Paid for investments	(6,000,000)	-
Net cash (used in) / generated from investing activities	(5,161,973)	188,152
cash flows from financing activities		
Due to related parties	(32,496)	-
Proceeds from Capital increasing	150,000,000	-
Islamic Loans (paid) / received	(16,012,232)	8,924
Flotation costs paid	(18,341,540)	-
Net cash generated from financing activities	115,613,732	8,924
Net change in cash and cash equivalents	46,894,830	(411,102)
Cash and cash equivalents at beginning of the year	212,201	623,303
Cash and cash equivalents at end of the year	47,107,031	212,201

Chairman of Board

Chief Executive Officer

Chief Financial Officer

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANISATION PROCEDURE)
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

1. LEGAL STATUS AND OPERATIONS

Thimar Development Holding Company (Formerly, National Agricultural Marketing Co.) was registered as a Joint-Stock Company under CR No. 1010068222 issued in Riyadh on 17 Jumada I 1408 AH (corresponding to 07 January 1988). As of 31 December 2023, the Group's share capital of SAR 250,000,000 is divided into 25,000,000 stock of SAR 10 each, (As of 31 December 2022: it amounted to SAR 100,000,000 divided into 10,000,000 stock of SAR 10 each)

Extraordinary General Assembly approval has been obtained to change the name of the Company to Thimar Development Holding Company, dated 12 October 2021.

The Group is engaged in the following:

- Management of subsidiaries of the Holding Companies
- Investment of funds attributable to subsidiaries of the Holding Companies
- Holding the underlying real estate and movable properties for the Holding Companies
- Providing subsidiaries of the Holding Companies with borrowings, guarantees and funds

The Group's Board approved to incorporate Wasmi and Thimar Meat Company ("Saudi Single-Member Limited Liability Company") in its meeting dated 19 September 2022, corresponding to 23 Safar 1444 AH, whose capital amounted to SAR 100,000. The company has been incorporated on 20 December 2022

Thimar Development Holding Company (the "Holding Company") will have control over Wasmi and Thimar Meat Company which will be accounted for as a subsidiary.

The consolidated financial statements include the accounts of Thimar Development Holding Company (the "Holding Company"), and the company directly owned by it ("referred to as a subsidiary"):

<u>Subsidiary</u>	<u>Incorporation Country</u>	<u>Legal Form</u>	<u>Effective Ownership Percentage(Direct)</u>
Wasmi and Thimar Meat Company (1)	KSA	LLC	100%

(1) Wasmi and Thimar Meat Company (the "Company") is Single-Member Limited Liability Company, incorporated in KSA under CR No. 1010848794 issued in Riyadh on 27/05/1444 AH (corresponding to 21/12/2022).

The authorized capital amounted to SAR 100,000 which has not been deposited to date. The Company has not operated to date.

the Company is principally engaged in fresh meat production, wholesale and retail of meat and meat products. Certain activities require licenses from the Ministry of Industry and Mineral Resources.

Financial Reorganisation Procedures

In accordance with the ruling handed down on Wednesday, 7 April 2021, corresponding to 25 Shaaban 1442 AH, in Case (1970), which ordered the financial reorganisation of the company and the appointment of Mr. Hani bin Saleh Al-Uqaili as Trustee of the Company's Financial Reorganisation, in accordance with the following events:

The group was given 150 days to prepare the proposal from the date the procedure was opened.

The deadline was extended at the group's request for a period of 100days, starting from the date of October 5, 2021, corresponding to 25 Muharram 1443H.

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1. LEGAL STATUS AND OPERATIONS (CONTINUED)

Financial Reorganization Procedures (Continued)

The court agreed to extend the deadline by 60days, starting from December 10, ,2021 corresponding to 6 Jumada Al-Awwal 1443H.

- On 6 February 2022, corresponding to 5 Rajab 1443H, the company submitted the proposal (the financial reorganization plan) to the court through the Financial Reorganization Trustee
- The filing of the proposal has been accepted by the court and the dates for shareholders and creditors voting on the proposal have been approved.
- On 14 April 2022 corresponding to Ramadan 13, 1443H, the shareholders approved the proposal with a percentage of 99.57% of the attendance.
- On 18 April 2022, corresponding to 17 Ramadan 1443H, the creditors agreed with a percentage of 99.73% of the attendance.
- The proposal was ratified by the court on 14 August 2022, corresponding to 16 Muharram 1444H.
- On 19 October 2022 corresponding to 21 Rabi` al-Awwal 1444AH, the company submitted a request to the Financial Reorganization Trustee to postpone the payment of creditors for a period of 11months, in accordance with the requirements of the financial regulation This comes to give the company sufficient time to prepare everything necessary to implement the approved financial reorganization plan.
- On 16 November 2022 corresponding to 22 Rabi` al-Thani 1444H, the Commercial Court in Riyadh approved the company proposal to reschedule the creditors' payment in the previously approved financial regulation plan.
- On 11 December 2022 corresponding to Jumada 17 Al-Awwal 1444H, the shareholders approved the proposal to reschedule the payment of creditors in the financial regulation, with a percentage of 99.77% of the attendance.
- On 12 December 2022 corresponding to 18 Jumada Al-Awwal 1444H, the creditors approved a proposal to reschedule the creditors' payment in the financial regulation, with an attendance rate of .82.92%
- On 8 March 2023 corresponding to 16 Shaaban 1444H, the company's management announced the approval of the Commercial Court in Riyadh to amend the proposal for the financial reorganization of Thimar Development Holding Company.

Company Financial Reorganisation Trustee Information:

Name: Hani bin Saleh bin Abdullah Al-Aqili

City of Riyadh

License number 142126

Summary of the financial Reorganization proposal:

The group prepared a proposal for financial regulation and submitted it to the ninth circuit in the commercial court in the city of Riyadh. The proposal included information about the group, its activity, its financial situation, the economic situation, a list of debts and potential claims, how to deal with it, the method of its activity during the validity period of the procedure, and its next strategy.

The group plan is divided into two parts:

The first section: entering into existing companies that achieve sustainable returns.

The second section: Benefiting from the assets of the group by entering in-kind shares in the investments in the food field.

Sources of financing the plan: Through increasing the capital in several stages, according to future opportunities for the group's activity

List of debts owed by the group: The total claims accepted in the proposal amounted to 117,039,035 SAR as follows:

<u>Category*</u>	<u>Total SAR</u>
Labor claims	6,685,913
Suppliers	66,183,040
Financing entities	32,024,465
Government agencies	12,145,617
	<u>117,039,035</u>

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1. LEGAL STATUS AND OPERATIONS (CONTINUED)

Financial Reorganization Procedures (Continued)

*These categories have been classified according to the financial regulation proposal. Please refer to Note 26 for clarification of the classification of the condensed consolidated interim financial statements.

The group's management has included its strategic plan within the financial regulation proposal, through which it aims to provide sufficient liquidity to carry out the normal activity of the company.

Plan implementation schedule:

The plan is executable if the group obtains the approval of the Capital Market Authority on the request to increase the capital and then the approval of the shareholders. The plan will also be implemented, and the creditors will be paid according to the following:

Pay 50% of the total debt during the next month after obtaining the capital increase.

Pay off 16% of the total debts after two years.

Pay off 13% of the total debts after 3years.

Paying 13% of the total debts after 4years.

Pay off 4% of the total debts after 5years.

Pay off 4% of the total debts after 6years.

*As in Note 25, on 13 December 2023, the company announced the payment of 95% of the first installment, which is ("50% of the value of the company's receivables stipulated in the financial regulations") related to creditors' claims according to the plan. The company's management is still following up on the remaining payment procedures once the documents are completed according to regulations.

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1. LEGAL STATUS AND OPERATIONS (CONTINUED)

In previous years, the Group had several settlements that resulted in the impact of accumulated losses of SAR 40,817,863. The amounts included the following details:

Ending year	Details	Current situation	Reference according to international standards
2021	The group's management recorded a impairment in the value of the buildings on 31 December 2021 by an amount of 12,672,951 SAR, based on the evaluations received from the independent real estate evaluator.	Due to what the company was going through in terms of losing documents and records related to asset register and others, and as it turned to a financial reorganization procedure, and accordingly the company's assets were counted and evaluated and the results were reflected in the previous financial statements, and the management made every effort in cooperation with an accounting expert to limit the financial effects of The loss of previous documents and errors, and it filed a liability case (referred to in Note No. 27) against the former members of the Board in the two sessions from 6 March to 4 July 2017 and took all the necessary legal and legal measures to proceed with it as requested by the shareholders	After relying on paragraph 60 of International Accounting Standard 36 "Impairment of Assets" which states: The impairment loss must be recognized immediately in profit or loss, unless the asset is recorded at a revaluation amount in accordance with another standard, for example according to the revaluation form contained in IAS 16. An impairment loss on a revalued asset shall be treated as a revaluation write down in accordance with that other Standard.
2021	The Group's management has disposed of property plant and equipment with a net book value of SAR 2,335,640 on 31 December 2021 resulting in capital losses of 1,548,629 SAR		After relying on Paragraph 67 of International Accounting Standard 16 "Property Plant and Equipment" which states: The book amount of an item of property, plant and equipment must be derecognized (a) when it is excluded; or (b) no future economic benefits are expected from its use or disposal
2021	The absence of supporting documents for the letters of guarantee account, as it was proven within the general and administrative expenses in the year 2021, and its debit balance amounted to 570,000 SAR	The amount of the guarantee represents proven balances since 2015. Note that the guarantee did not mention bank approvals for the year 2022	Invoking paragraph 3.2.3 of IFRS 9 Financial Instruments, an entity shall derecognize a financial asset when: and only when: (a) the contractual rights to the cash flows from the financial asset expire; or (b) it transfers the financial asset as described in paragraphs 3.2.4 and 3.2.5 and the transfer qualifies for derecognition in accordance with paragraph 3.2.6

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1. LEGAL STATUS AND OPERATIONS (CONTINUED)

Ending year	Details	Current situation	Reference according to international standards
2020	The absence of documents supporting the closing of the balances of the inventory differences within the selling and marketing expenses during the year in the amount of 2020 3,740,271 SAR	The current management searched for supporting documents to find out the reasons for closing the stock differences. Regarding the year 2020, it was confirmed that there is a decision approved by the previous board of directors stating that these differences are closed	After relying on paragraphs 9, 28 and 34 of the ,International Accounting Standard 2 Inventory which states: 9: Inventory must be measured at cost or net realizable value, whichever is less. 28: The cost of inventory may not be recovered if that inventory is damaged, or if it becomes obsolete - in .whole or in part - or if its selling price decreases The cost of inventory may also not be recoverable if the estimated costs of completion or the costs estimated to be incurred to enforce the sale increase. The practice of writing down inventory below cost to net realizable value is consistent with the view that assets should not be recorded in excess of the amounts expected to be realized from their sale or use. 34 When inventory is sold, the carrying amount of that inventory must be recognized as an expense in the period in which the related revenue is recognized. The amount of any writedown of inventory to net realizable value, and all losses of inventory, must also be recognized as an expense in the period in which the writedown or loss occurs. The amount of any reversal of any reduction in the value of inventories arising from an increase in net realizable value shall be recognized as an expense in the period in which the reduction in the amount of inventories is .established
2019	The management of the group has eliminated ,some items of property plant and equipment with a cost of SAR and a 14,392,008 net book value of 1,041,174 SAR and recognized the net book value as a depreciation expense during the year ending on 31 December 2019	The previous managementexcluded assets in which resulted in capital losses ,2019 :amounting to 1,041,174 riyals The company's management is following up the situation related to the loss of documents and records related to asset records resulting from previous years, and the current board of directors has filed a liability case (referred to in Note No. 27) against the previous board members in the two sessions from 6 March to 4 July 2021 to 2017 take all necessary legal procedures and regulatory requirements for them	After relying on Paragraph 67 of International Accounting Standard 16“ Property, Plant and Equipment” which states: The book value of an item of property, plant and equipment must be derecognised Upon its disposal; or no future economic benefits are expected from its use or disposal

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1. LEGAL STATUS AND OPERATIONS (CONTINUED)

Ending year	Details	Current situation	Reference according to international standards
2019	The absence of documents supporting analytical statements Balances Capital business in progress and supporting documents as at 1 January 2019 amounting to 15,125,115 Where the Group management settled the balance in full during the current year by recording SAR 15,125,115 as losses on the statement of profit or loss and other comprehensive income for the year,	The Group's management is following up on the situation related to the loss of documents and records related to asset records resulting from previous years, and the current Board of Directors filed a liability lawsuit (referred to above) against the former members of the Board in the two sessions from 06 March 2017 to 4 July 2021 to take all necessary legal and regular measures against them.	After relying on Paragraph 67 of International Accounting Standard 16 "Property, Plant and Equipment", which states: The book value of an item of property, plant and equipment must :be derecognised Upon its disposal; or no future economic benefits are expected from its use or disposal
2019	The Group's management amended the opening balances of property, plant and equipment and retained earnings and the net effect of these adjustments was a decrease in the value of property, plant and equipment by 6,119,723 SAR and a decrease in retained earnings by 6,119,723 SAR.	When valuing the Company's assets in 2018, the previous management did not recognize the results of these valuations in the financial statements for the year ended 31 December 2018. Adjustments are recognized under property, plant and equipment and retained earnings in the opening balances for the year 2019.	

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2. BASIS OF PREPARATION

2-1 Statement of compliance

These consolidated financial statements "Financial Statements" have been prepared in accordance with International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Auditors and Accountants (together referred to as "International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia", which includes the financial reporting standard during the bankruptcy procedure: preventive settlement or financial reorganization approved in the Kingdom of Saudi Arabia, which requires presenting the impact of the financial reorganization procedure on the financial statements and disclosing additional information due to entering the procedure.

The financial statements show the impact of transactions and events directly related to financial restructuring procedures independently of the company's business activities.

The principal accounting policies applied in the preparation of these consolidated financial statements have been applied consistently to all periods presented, unless otherwise stated.

2-2 Basis of Consolidation

The consolidated financial statements consist of the financial statements of the holding company and its subsidiary as of 31 December 2023. As mentioned in note No. (1). Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has a right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee only when the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over an investee to affect its returns and when the Group holds less than a majority of the voting or similar rights of an investee, the Group considers all relevant information and circumstances when assessing the extent of its power over an investee, including:
 - The existing contractual arrangement with the other vote holders of the investee company
 - Rights arising from other contractual arrangements.
 - The Group's voting rights and potential voting rights.

The Group reassesses the extent of its control over an investee if information and circumstances indicate that there are changes in one or more of the three factors of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, revenues and expenses related to the subsidiary that were acquired or sold during the year are included in the consolidated financial statements from the date the Group obtained control until the date the Group ceased to control the subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributed to the shareholders of the parent of the Group and the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Adjustments are made when necessary to the financial statements of subsidiaries in order to bring the accounting policies in line with the accounting policies of the group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to intra-group transactions are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control of a subsidiary, it:

- The assets (including goodwill) and liabilities of the subsidiary are excluded.
- Excludes the carrying value of any non-controlling interests.
- Excludes accumulated foreign exchange differences recorded in equity.
- Verify the fair value of the consideration received.
- It works to establish the fair value of any investment held.
- Checks for any surplus or deficit in the consolidated statement of profit or loss.
- Reclassifies the holding company's share of items previously recorded in comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, and as necessary if the Group directly sells the related assets or liabilities.

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2. BASIS OF PREPARATION (CONTINUED)

2-3 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, with the exception of the employees' end of service benefits obligation, which is measured according to the present value of the defined benefit obligations, and land that has been classified under Property, plant and equipment which is measured according to the revaluation model, using the accrual accounting principle and the going concern concept.

2-4 Presentation and Functional Currency

These consolidated financial statements have been presented in SAR, which is the Company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group has applied the following accounting policies consistently to all periods presented in these consolidated financial statements, unless otherwise stated. In addition, the Group approved the disclosure of accounting policies (amendments to IAS 1) effective 1 January 2023. The amendments require the disclosure of accounting policies ("that are significant") instead of accounting policies that are ("significant") and although the amendments It did not result in any changes in the accounting policy itself, but it affects the accounting policy information that is disclosed in some cases. Below is a summary of the accounting policies applied by the group.

3-1 Current and non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- It is held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current liabilities.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-2 Property, Plant and Equipment

During the year ending 31 December 2022, the company's management decided to change the accounting policy related to measuring items of property, machinery and equipment in accordance with the requirements of International Accounting Standard No. (16), where the revaluation model was applied instead of the cost model used to record the land item. In accordance with the requirements of the standard, the new policy was adopted with future effect, and accordingly the revaluation surplus was applied.

New accounting policy	Previously followed accounting policy
<p>The initial recognition is at cost, except for land, which is measured using the revaluation model based on fair value, as assessed periodically by qualified professional appraisers. These revaluations are conducted regularly enough to ensure that the carrying amount does not materially differ from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognized in other comprehensive income and presented in the statement of financial position under the heading "Revaluation surplus," except to the extent that a decrease in value exceeds any previously recognized surplus or reversal thereof, which is not amortized. Land and buildings are revalued annually by qualified professional appraisers.</p> <p>When an asset is derecognized, any revaluation surplus balance is transferred to retained earnings.</p>	<p>Property, plant, and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land and capital work in progress are carried at cost less impairment losses, if any.</p> <p>The historical cost includes directly attributable expenses related to the acquisition of an asset, with subsequent costs being included in the carrying amount of the assets or recognized as a separate asset, as appropriate, only when it is probable that economic benefits associated with the asset will flow to the Group and the cost can be measured reliably.</p> <p>Depreciation is recognized to write off the cost of assets less their residual values over their useful lives using the straight-line method.</p> <p>An asset is derecognized upon disposal or when there are no future economic benefits expected from its use or disposal. Any gain or loss arising from the derecognition of an item of property, plant, and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.</p>

The change in accounting policy resulted in the following financial impact:

- **Consolidated statement of financial position**

<u>Item</u>	<u>2023</u>	<u>2022</u>
An increase in the property, plant, and equipment item due to the profit resulting from the fair value exceeding the carrying amount of the land item	6,457,273	31,658,561
Recognition of a separate item under equity titled 'Revaluation surplus'	38,115,834	31,658,561

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-2 Property, Plant and Equipment (continued)

- Consolidated statement of profit or loss and other comprehensive income

A new item has been added under the name "Surplus of Revaluation of Property, Plant and Equipment" in the amount of 6,457,273 SAR for the year 2023, and the amount of 31,658,561 SAR for the year 2022 for the items of comprehensive income that are not later re-included in profit or loss.

- Consolidated statement of changes in equity

A new item has been added under the name "Revaluation surplus" as at 31 December 2023: Balance of 38,115,834 SAR for the year 2023 (as at 31 December 2022: Balance of 31,658,561 SAR).

- Consolidated statement of cash flows

The consolidated statement of cash flows was not affected by this change in accounting policy.

Clarification number (6) includes information about the carrying amount and fair value of property, plant, and equipment items based on the revaluation model.

Recognition and measurement:

As previously detailed, property, plant, and equipment items, excluding land, are measured at cost less accumulated depreciation and impairment losses, if any. This includes the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to be used as intended by management. If significant components of property, plant, and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. All costs of repairs and other maintenance are recognized in the statement of profit or loss and other comprehensive income when incurred. The current cost of the expected dismantling of the asset after use is included in the carrying amount of the original asset if the recognition criteria for the provision are met.

Land is included in the statement of financial position at revaluation amounts representing fair value at the revaluation date. The valuations are conducted with sufficient frequency to ensure that the carrying amount of the revalued land does not materially differ from its fair value.

Revaluation surplus is recorded in other comprehensive income and added to the revaluation surplus in equity. However, to the extent that the revaluation surplus reverses a previously recognized deficit for the same asset in profit or loss, the increase in profit or loss is recognized. Any revaluation deficit is recognized in profit or loss, except to the extent that it offsets the current surplus on the same asset recognized in the revaluation surplus of assets.

Accruals are recognized only if it is probable that future economic benefits associated with these expenses will flow to the company.

When major components of property, plant, and equipment have different useful lives, they are accounted for as separate items of property and equipment. Depreciation expense is charged to the consolidated statement of profit or loss and is calculated using the straight-line method to allocate the costs of related assets after deducting residual values over the estimated useful lives of each item of property and equipment. The estimated depreciation rates for assets are as follows:

Item	Years
Wells	25
Buildings	15.2
Furniture, Fixtures, Office Equipment, and Decorations	10
Vehicles	13.3-5
Electrical Appliances and Computers	5

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-3 Investments in Associate Companies

The associate company is a company over which the group has significant influence but not control or joint control. Significant influence is the ability of the group to participate in the financial and operating policies of the investee company but does not constitute control or joint control over those policies.

Considerations in determining significant influence include holding, directly or indirectly, an interest in the voting rights of the investee company, representation on the board of directors or similar governance bodies, participation in making policies including decisions related to dividend distributions or other distributions, significant transactions, exchange of key management personnel, or provision of fundamental technical information.

Investments in associate companies or joint ventures are accounted for in the group's consolidated financial statements using the equity method.

Initially, investments in associate companies or joint ventures are recognized at cost and subsequently adjusted to recognize the group's share of the associate company's or joint venture's profits or losses and other comprehensive income, deducting any impairment losses on the investments.

Recognition of additional losses and their impairment is recognized only to the extent that the group has legal or constructive obligations or has made payments on behalf of associate companies.

Unrealized gains or losses resulting from transactions between the group and the associate company are eliminated to the extent of the group's interest in the associate company. Investments are accounted for using the equity method from the date the investee company becomes an associate. Upon acquisition of the investment, any increase in the investment cost over the group's share of the fair value of the identifiable net assets is recognized as goodwill, included within the carrying amount of the investment.

The group's share of the net assets of the associate company is adjusted directly to the consolidated statement of profit or loss in the year of acquisition.

The requirements of International Financial Reporting Standards adopted in the Kingdom are applied to determine whether it is necessary to recognize any impairment loss regarding the group's investment in an associate company.

The group ceases to use the equity method from the date the investment ceases to be an associate or when the investment is classified as held for sale. When the group reduces its ownership interest in an associate company while continuing to use the equity method, the group reclassifies previously recognized gains or losses within other comprehensive income related to that decrease in ownership interest to the consolidated statement of profit or loss if the gain or loss includes the derecognition of related assets or liabilities.

When any entity within the group transacts with an associate company of the group, gains and losses arising from transactions with the associate company are recognized in the group's consolidated financial statements only to the extent of the non-controlling interests held by the group.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-4 Financial instruments

Classification and Measurement of Financial Assets and Financial Liabilities

During initial recognition, financial assets are classified as financial assets measured at amortized cost, or at fair value through other comprehensive income (FVOCI) - debt instruments, or at fair value through other comprehensive income (FVOCI) - equity instruments, or at fair value through profit or loss.

Financial assets are measured at amortized cost if they meet both of the following conditions and are not classified at fair value through profit or loss

- They are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- Their contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments are measured at fair value through other comprehensive income (FVOCI) if they meet both of the following conditions and are not classified at fair value through profit or loss:

- They are held within a business model whose objective is to both collect contractual cash flows and to sell financial assets, and
- Their contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

During initial recognition of investments in equity instruments that are not held for trading, the group has the irrevocable option to present subsequent changes in the fair value of the investment within other comprehensive income. This option is exercised on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income as outlined above are measured at fair value through profit or loss, including all derivative financial assets. During initial recognition, the group has the option to irrevocably designate such financial assets

Otherwise meeting the requirements for measurement at amortized cost or at fair value through other comprehensive income, as financial assets at fair value through profit or loss, and if it does so, eliminates or significantly reduces an accounting mismatch that may otherwise arise or reduces significantly.

Financial assets (unless they are trade receivables without a significant financing component) are initially measured at fair value, plus transaction costs directly attributable to the acquisition for items not measured at fair value through profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-4 Financial instruments (Continued)

The following accounting policies are applied to the subsequent measurement of financial assets.

Financial Assets at Fair Value through Profit or Loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the consolidated statement of profit or loss.
Financial assets at amortized cost	The subsequent measurement of these assets is carried out at fair value. Interest income calculated using the effective interest method, as well as foreign exchange gains and losses and impairments are recognized in the consolidated statement of profit or loss. Other net profit and loss are recognized within comprehensive income. Upon cessation of recognition, the profit and loss accumulated in consolidated comprehensive income is reclassified to the consolidated statement of profit or loss.
Investments in equity instruments at fair value through other comprehensive income	The subsequent measurement of these assets is done at fair value. Interest income calculated using the effective interest method, as well as gains and losses from foreign currency translation and impairment, are recognized in the consolidated statement of profit or loss. Net gains and losses from other comprehensive income are also recognized. Upon discontinuation of recognition, accumulated gains and losses in other comprehensive income are reclassified to the consolidated statement of profit or loss.
Investments in equity instruments measured at fair value through other comprehensive income	The subsequent measurement of these assets is at fair value. Dividend distributions are recognized as revenue in the unified profit or loss unless they represent a clear return of a portion of the investment cost. Other gains and losses are recognized within the unified other comprehensive income and are never reclassified to the unified profit or loss.

3-4-1 Exclusion

Financial assets

Financial assets are primarily derecognized (or excluded from the consolidated financial statements of the group) in the following cases:

- Expiry of the rights to receive cash flows from the asset.
- Group transferring its rights to receive cash flows from the asset or assumes an obligation to pay the received cash flows in full without delay to a third party under a "pass-through" arrangement; and (a) the group transferring substantially all risks and rewards of the asset, or (b) the group transferring control over the asset and not retaining substantially all risks and rewards of the financial asset.

Financial liabilities

The group derecognizes financial liabilities when they are fulfilled, cancelled, or expired. The group also derecognizes financial liabilities when their terms are substantially modified, and the cash flows of the modified liability are significantly different. In this case, a new financial liability is recognized at fair value based on the modified terms.

Upon derecognition of the financial liability, the difference between the carrying amount extinguished and the amount paid) including any non-cash assets transferred or liabilities assumed(is recognized in the consolidated statement of profit or loss

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-4 Financial instruments (continued)

3-4-1 Exclusion

Impairment of financial assets

The financial assets carried at amortized cost consist of receivables, prepaid expenses, other current assets, amounts due from related parties, cash, and cash equivalents.

Provisions for losses are measured based on expected credit losses over the lifetime of the financial instrument which are the credit losses that result from all possible default events over the expected life of the financial instrument.

The Group measures provisions for losses at an amount equal to the expected credit losses over the lifetime of the financial instrument.

When assessing whether credit risks for a financial asset have increased significantly since initial recognition and estimating expected credit losses, the Group considers relevant and available reasonable and supportive information without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's prior experience and informed credit assessment, including forward-looking information

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Measuring expected credit losses

Expected credit losses (ECL) are a potential weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the group according to the contract and the cash flows that the group expects to receive) Expected credit losses are discounted at the effective interest rate of the financial asset.

Financial assets that are credit-impaired

On each financial statement date, the group evaluates whether the financial assets carried at amortized cost and the financial liabilities carried at fair value through other comprehensive income are credit-impaired. An asset is considered credit-impaired when one or more events have occurred that have a detrimental impact on the estimated future cash flows of that financial asset.

Presentation of impairment in value

Provisions for impairment losses are deducted from the carrying amount of financial assets measured at amortized cost

Write-off

The total carrying value of a financial asset is written off (either partially or in full) to the extent there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor has no assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, the written-off financial assets may remain subject to enforcement activities to comply with the team's procedures for recovering the amounts due.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the standalone statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis of assets and liabilities simultaneously.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-5 Investment at cost

Investments in subsidiaries are initially recognized at cost, including any directly attributable costs of acquisition. These assets are subsequently measured at cost less any accumulated impairment losses, if applicable

3-6 Assets held for sale

The classification of non-current assets (and the disposal group) as held for sale is based on either their carrying value or their fair value, whichever is lower. Non-current assets and the disposal group are classified as held for sale if their book value can be recovered through a sale transaction rather than continuous use. This condition is met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its current condition. Management must commit to selling the asset that is expected to qualify as a completed sale within one year from the classification date.

3-7 Trade Receivables

Trade receivables represent amounts due from customers in the private and public sectors for supplies, within the normal course of the group's activities, and do not bear interest. If credit terms exceed normal credit terms, trade receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade receivables and other debtors are reviewed to determine whether there is any objective evidence that amounts are not recoverable. In such cases, a loss due to impairment is recognized directly in the consolidated statement of profit or loss.

3-8 Cash and cash equivalents

Cash and cash equivalents include balances with banks and bank deposits maturing in three months or less, if any. It also includes overdrafts from banks that form an integral part of the group's cash management and are likely to fluctuate from overdraft to positive balances.

3-9 Benefits for employees

3-9-1 Short-term liabilities

The liabilities related to wages and salaries, including non-cash benefits, accrued leave, and expected travel expenses, which are expected to be fully settled within twelve months after the end of the period in which employees render the related services, are recognized based on the services provided by the employees until the end of the period of preparation of the consolidated financial statements and are measured at the amounts expected to be paid upon settlement of the obligations. These obligations are presented as current employee benefit obligations within accrued expenses in the consolidated statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-9 Benefits for employees (Continued)

3-9-2 Other long-term employee benefit liabilities

The liability or asset related to defined benefits is recognized in the consolidated statement of financial position. The liability for employee end of service benefits represent the present value of the defined benefit liability as of the financial reporting year. The liability for defined benefits is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit liability is determined by discounting the estimated future cash outflows using discount rates based on yields of high-quality corporate bonds denominated in the currency in which the benefits will be settled. These discount rates are matched to the terms of the related liability

Costs of defined benefits are classified as follows:

The cost of service

The service costs include both the current service cost and the past service cost, which are recognized directly in the consolidated statement of profit or loss.

Changes in the current value of defined benefit liabilities resulting from plan amendments or curtailments are recognized immediately in the profit or loss statement as expenses for employee end of service benefits.

Interest cost

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit liability. This cost is then included in financing costs in the consolidated statement of profit or loss.

3-10 Loans

The recognition of loans initially occurs at fair value (as receivables received), net of transaction costs if any. Subsequently, long-term loans are measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the consolidated statement of profit or loss over the period of the loan using the effective interest rate method. Fees paid on loan facilities are recognized within loan transaction costs to the extent that it is probable that some or all of the facility will be drawn down. In such cases, the fees are deferred until the facility is drawn down and amortized over the period of the related facility.

Recognition of loans in the consolidated statement of financial position ceases when the obligation is settled, cancelled, or expired. The difference between the carrying amount of the financial liabilities that have been extinguished or transferred to another party and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of profit or loss other income or finance costs.

Loans are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Cost of Islamic Loans:

Islamic Loans costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets during the period of time that is required to complete and prepare the asset for its intended use or sale, as appropriate. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other Islamic Loans costs are recognized as expenses in the period in which they are incurred in the consolidated statement of profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-11 Trade payable and other accrued expenses

Trade payable and other accrued expenses are recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

3-12 Provisions

Provisions are recognized in the consolidated financial statements when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount. When the impact is significant, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The discounting effect is recognized as a financing cost in the consolidated statement of profit or loss.

3-13 Zakat payable

The Group is subject to zakat in accordance with the regulations of the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia "the Authority". Zakat liability is recognized and charged to the consolidated statement of profit or loss for the current period. Additional zakat liabilities, if any, related to adjustments on prior years by the Authority are accounted for in the period when final adjustments are issued.

The Group qualifies primarily for zakat payment only. Since the timing differences, if any, are not expected to have a significant impact on the amount of zakat in the foreseeable future, no deferred tax liability or asset has been recognized in these consolidated financial statements.

3-14 Value added tax (VAT)

Expenses and assets are stated net of (VAT) except in the following cases:

- When the incurred VAT on purchases of assets or services is non-recoverable from tax authorities. In this case, the VAT is recognized as part of the cost of the asset purchase or as part of the expense item, where applicable
- When presenting both accounts receivable and accounts payable inclusive of VAT

The net amount of VAT recoverable from/to the tax authority is included either as part of prepaid expenses and other current assets or as part of accrued expenses and other current liabilities in the consolidated financial statements.

3-15 Re-measurement gains or losses

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

3-16 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

All Contingencies and Capital commitments arise from past events that will only be confirmed through the occurrence or non-occurrence of one or more future uncertain events that are not fully within the control of the Group or all current liabilities arising from past events but not recognized for the following reasons:

- (1) There is no probability that an outflow of economic resources embodying benefits will be required to settle the obligation.
- (2) The amount of the liability cannot be reliably measured; all such liabilities are assessed at each financial reporting date and disclosed in the consolidated financial statements of the Group within Contingencies

3-17 Short-term leases and leases of low-value assets

The group applies the exemption from recognizing short-term lease contracts to leases of its short-term leased properties (i.e., leases with a lease term of 12 months or less from the commencement date of the lease and that do not include a purchase option). It also applies the exemption from recognizing leases of low-value assets. Payments related to short-term lease contracts and leases of low-value assets are recognized as expenses using the straight-line method over the lease term.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-18 Revenue recognition

Revenue consists of the fair value of consideration received or receivable for services provided in the ordinary course of the Group's activities, net of trade discounts, rebates, and allowances.

The Group recognizes revenue when it is probable that economic benefits will flow to the Group and the amount of revenue can be reliably measured, and specific criteria have been met for each of the Group's activities, as outlined below.

The Group recognizes revenue under International Financial Reporting Standard 15 using the five-step model:

Step 1: Identify the contract with the customer	The contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and specifies the criteria for each contract that must be fulfilled
Step 2: Identify the performance obligations.	Performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determining the Transaction Price	The transaction price is the amount of consideration that an entity expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties
Step 4: Distribute or allocate the transaction price	For contracts containing multiple performance obligations, the entity allocates the transaction price to each performance obligation by an amount that reflects the consideration the entity expects to be entitled to in exchange for satisfying each performance obligation
Step 5: Revenue Recognition	The group recognizes revenue whenever (or when) it satisfies a performance obligation by transferring a promised good or service to the customer under the contract

As in Note 1, the company's commercial activities have been amended. Given that the company underwent financial restructuring and ceased its operational activities since 2019, the group management is following the procedures typically adopted in resuming its business operations.

3-19 Cost of revenue

All expenses are recognized on an accrual basis. Operating costs are recognized on a historical cost basis. There is no cost of revenues during the year ended 31 December 2023, due to the cessation of the Group's operational activities since 2019 and its undergoing financial restructuring.

3-20 General and administrative expenses

General and administrative expenses include both direct and indirect costs that are not specifically attributable to the cost of revenues. Allocation between cost of revenues and general and administrative expenses, if necessary, is done on a consistent basis.

3-21 General and administrative expenses - Financial Restructuring

General and administrative expenses include fees payable to the financial controller.

3-22 Earnings per share

The group presents earnings per share (if applicable) alongside basic earnings per ordinary share. Basic earnings per share are calculated by dividing the net profit or loss attributable to holders of ordinary shares of the group by the weighted average number of ordinary shares outstanding during the year, adjusted for the weighted average number of ordinary shares repurchased or issued during the year. Diluted earnings per share are adjusted for the profit or loss attributable to holders of ordinary shares of the group and the weighted average number of ordinary shares outstanding during the year, considering the impact of all potentially issuable ordinary shares.

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4. ACCOUNTING POLICES, JUDGMENTS, AND ESTIMATES

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

The critical estimates and assumptions are reviewed on an ongoing basis. Recognition of revised accounting estimates occurs in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In the context of applying accounting policies for the Group, management has made the following significant judgments, which have a material impact on the amounts recognized in the consolidated financial statements.

4-1 Going concern

As indicated in the consolidated financial statements, the group achieved a net loss for the third quarter of the year 2023 in the amount of (6,530,218) Saudi Riyals, and the Accumulated (losses) of the group as on 31 December 2023 amounted to (259,886,534) Saudi Riyals, which exceeds all of the group's capital, which requires In implementation of Article No. (132) of the Companies Law, the Extraordinary General Assembly is called for a meeting within one hundred and eighty days from the date of knowledge of this to consider the continuity of the group while taking any of the necessary procedures to treat or resolve these losses; However, due to the group's entry into the financial reorganization proposal and procedures (Note 1) and in application of article No. (42) of Chapter Four of the Bankruptcy Law and its Implementing Regulations, the group is exempted from applying the provisions of the Companies Law with regard to the debtor's losses reaching the percentage specified in the Law.

The Group's continuity as a going concern is linked to the implementation of the Group's financial restructuring proposal, which is mainly based on the Group's capital increase. On 19 June 2023, the Group's Board of Directors submitted its recommendation regarding the capital increase through the rights issue of SAR 150 million, bringing the capital after the increase to SAR 250 million, in order to maximize the Group's expansion capacity in investments and provide the necessary liquidity to pay part of the outstanding financial obligations according to the announced financial restructuring plan. As disclosed in Note (13), the Group announced on 9 October 2023 corresponding to 24 Rabi' al-Awwal 1445 AH. announced the results of the Extraordinary General Assembly, which included the approval of the company's capital increase, which was increased during the year 2023.

*As in disclosed in Note 27, the Board of Directors has recommended to the Extraordinary General Assembly a reduction of the company's capital from 250,000,000 SAR to 65,000,000, SAR representing a reduction in capital of 74%. The recommendation also includes an increase in capital after the reduction to SAR 260,000,000, representing an increase of 300%, through the issuance of priority shares worth 195 million SAR. The number of shares before the reduction is 25,000,000 shares, after the reduction it will be 6,500,000 shares, and after the increase, it will be 26,000,000 shares.

4-2 Unconfirmed estimates and assumption

The following are the estimates made by management in the process of applying the company's accounting policies, which have a significant impact on the amounts recognized in the financial statements.

4-2-1 Depreciation of property, plant, and equipment

The company's assets are depreciated on a straight-line method over their estimated economic productive life.

4. ACCOUNTING POLICES, JUDGMENTS, AND ESTIMATES (CONTINUED)

4-2 Unconfirmed estimates and assumption (Continued)

4-2-2 Actuarial evaluation of end of service benefits

The present value of defined benefit obligations is calculated using actuarial valuations based on assumptions. The discount rate is one of the assumptions used to determine the net cost (income) of retirement, and Any changes in these assumptions will have an impact on the carrying amount of the end-of-service obligations.

The Group determines the appropriate discount rate at the end of each year, this is the interest rate used to determine the present value of estimated future cash outflows expected to be required to settle end-of-service obligations. In determining the appropriate discount rate, the Group considers the interest rates on high quality corporate bond with the term of the bonds being consistent with the estimated period of end-of-service benefit liabilities.

4-2-3 Useful lives of property, plant, and equipment

The useful lives of property and equipment are estimated for calculating depreciation expense. This estimate is prepared based on the expected useful lives of the relevant assets.

The useful lives of the company's assets are determined by management based on the technical evaluation purchase asset and are reviewed annually to ensure their suitability. Useful lives are based on historical experience with similar assets, as well as expectations of future events that may impact the lives of assets.

4-2-4 Expected Credit Losses (ECL)

The Group uses a model to estimate lifetime ECL not credit impaired and lifetime ECL credit impaired based on the change in credit risk for the financial instrument. The Group uses the simplified approach using a provision matrix to measure ECL for trade receivables. To measure ECL, receivables are grouped based on common credit risk characteristics and the periods in which they fall due. Historical loss rates are adjusted to reflect current and future information according to indications of macroeconomic activity that affect the ability of customers to settle receivables.

4-2-5 Zakat Accrued

The Group assessed the zakat and income tax status having regard to the local zakat and income tax legislation, decrees issued periodically and conventions. Interpretation of such legislative decrees and conventions are not always clear and entail the completion of assessment by ZATCA.

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5. NEW AMENDMENTS TO STANDARDS ISSUED

5-1 New amendments to standards issued and applied effective 1, January 2023

The following amendments to the Group's relevant standards are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has adopted these standards and/or amendments, but they do not have a material impact on the financial statements:

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 9 (Amendments to IFRS 4)	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	January 1, 2023	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.
IFRS 17	Insurance Contracts and its amendments	January 1, 2023	This is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. Once effective, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023	This amendment deals with assisting entities to decide which accounting policies to disclose in their financial statements.
IAS 8	Amendment to definition of accounting estimate	January 1, 2023	This amendments regarding the definition of accounting estimates to help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023	These amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
IAS 12	International tax reform (pillar two model rules)	January 1, 2023	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

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5. NEW AMENDMENTS TO STANDARDS ISSUED(CONTINUED)

5-2 New standards, amendments and revised IFRS issued but not yet effective

The Group has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
IAS 21	Lack of Exchangeability	January 1, 2024	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Management anticipates that these new standards interpretations and amendments will be adopted in the company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Fund in the period of initial application.

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.6 PROPERTY ,PLANT ,AND EQUIPMENT ,NET

6-1 Property, plant, and equipment as at 31 December 2023:

	Land	Buildings	Vehicles	Furniture, Fixtures, Office Supplies & Decorations	Devices	Electrical Equipment & Computers	Total
<u>Cost or Revaluation</u>							
Balance on 1 January 2023	37,890,337	25,300,697	199,333	24,218	100,359	2,130	63,517,074
Additions	-	-	-	-	-	13,597	13,597
Disposals	-	-	(161,700)	-	-	-	(161,700)
Revaluation surplus during the year	6,457,273	-	-	-	-	-	6,457,273
Balance as at 31 December 2023	44,347,610	25,300,697	37,633	24,218	100,359	15,727	69,826,244
<u>Accumulated Impairment Losses:</u>							
Balance on 1 January 2023	-	12,331,299	-	-	-	-	12,331,299
Impairment losses for the year	-	974,008	-	-	-	-	974,008
Balance as at 31 December 2023	-	13,305,307	-	-	-	-	13,305,307
<u>Accumulated Depreciation:</u>							
Balance on 1 January 2023	-	7,586,968	177,752	2,142	100,359	178	7,867,399
Depreciation for the year	-	353,922	20,225	2,419	-	838	377,404
Disposals during the year	-	-	(160,344)	-	-	-	(160,344)
Balance as at 31 December 2023	-	7,940,890	37,633	4,561	100,359	1,016	8,084,459
Net book value as at 31 December 2023	44,347,610	4,054,500	-	19,657	-	14,711	48,436,478

Depreciation expense for the year is allocated as follows:

	31 December 2023	31 December 2022
General and administrative expenses (Note 19)	377,404	421,576
	377,404	421,576

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6. PROPERTY, PLANT, AND EQUIPMENT, NET (CONTINUED)

6-2 Property, plant, and equipment as at 31 December 2022

	Land	Buildings	Vehicles	Furniture, Fixtures, Office Supplies & Decorations	Devices	Electrical Equipment & Computers	Total
<u>Cost or Revaluation:</u>							
Balance on 1 January 2022	6,231,776	25,300,697	312,193	-	100,359	-	31,945,025
Additions	-	-	-	24,218	-	2,130	26,348
Disposals	-	-	(112,860)	-	-	-	(112,860)
Revaluation surplus during the year	31,658,561	-	-	-	-	-	31,658,561
Balance as at 31 December 2022	<u>37,890,337</u>	<u>25,300,697</u>	<u>199,333</u>	<u>24,218</u>	<u>100,359</u>	<u>2,130</u>	<u>63,517,074</u>
<u>Accumulated Impairment Losses:</u>							
Balance on 1 January 2022	-	12,672,951	-	-	-	-	12,672,951
Reversal of impairment losses for the year	-	(341,652)	-	-	-	-	(341,652)
Balance as at 31 December 2022	-	<u>12,331,299</u>	-	-	-	-	<u>12,331,299</u>
<u>Accumulated Depreciation:</u>							
Balance on 1 January 2022	-	7,208,136	250,188	-	100,359	-	7,558,683
Depreciation for the year	-	378,832	40,424	2,142	-	178	421,576
Disposals during the year	-	-	(112,860)	-	-	-	(112,860)
Balance as at 31 December 2022	-	<u>7,586,968</u>	<u>177,752</u>	<u>2,142</u>	<u>100,359</u>	<u>178</u>	<u>7,867,399</u>
Net book value as at 31 December 2022	<u>37,890,337</u>	<u>5,382,430</u>	<u>21,581</u>	<u>22,076</u>	<u>-</u>	<u>1,952</u>	<u>43,318,376</u>
Net book value as at 31 December 2021	<u>6,231,776</u>	<u>5,419,610</u>	<u>62,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,713,391</u>

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6. PROPERTY, PLANT, AND EQUIPMENT, NET (CONTINUED)

Property, plant, and equipment comprises of land at cost of SAR 2,246,176 and fair value of SAR 39,508,593. The Group doesn't have updated title deeds to these lands; however, the management is actively working to secure the updated copies.

The Group's management is confident in its rights, control, and ability to derive economic benefits from these lands. Nevertheless, due to the ongoing financial restructuring procedures and existing enforcement rulings against the Group, its capacity to dispose of these lands is currently limited."

Information on fair valuation of property, plant and equipment items recognised under revaluation model:

The Group applied the revaluation model in 2022 by revaluing its lands, as a result, there was an increase in the value of those lands amounting to SAR 31,658,561 to be recorded in OCI under revaluation surplus. The Company's management has adopted the lower valuation.

The Group revalued its lands as of 31 December 2023, resulting in a surplus of SAR 6,457,273.

Lands fair value is determined by two independent valuers, "Edarah Property Valuation" and "Middle East Real Estate Appraisal". Both valuers are certified by Saudi Authority of Accredited Valuers (Taqeem

As at 31 December 2023, lands and buildings revaluation was as follows:

Valuer1

("Adaa Edarah Co. for Real Estate Valuation")

Property	Description	Valuation Technique / Method	Fair value 31 December 2023
A land and building - New Industrial Cities in Riyadh	Land Building	Market Technique - Comparison Method Cost Technique - Replacement Method	4,839,017 2,060,500
Agricultural land with buildings - Riyadh – Al-Kharj Road	Land Building	Market Method - Comparison Method Cost Technique - Replacement Method	34,482,593 330,000
Land plot divided into 14 part of Lands and a building - Riyadh - Al-kharj	Land Building	Market Method - Comparison Method Cost Technique - Replacement Method	5,026,000 1,664,000
Total Lands			44,347,610
Total Buildings			4,054,500

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6. PROPERTY, PLANT, AND EQUIPMENT, NET (CONTINUED)

Information on fair valuation of property, plant and equipment items recognised under revaluation model (Continued):

Valuer 2

(“Middle East.Co Real Estate Valuation”)

Property	Description	Valuation Technique / Method	Fair Value 31 December 2023
A land and building - New Industrial Cities in Riyadh	Land Building	Market Technique - Comparison Method Cost Technique - Replacement Method	5,548,952 1,971,386
Agricultural land with buildings - Riyadh – Al Kharj Road	Land Building	Market Method - Comparison Method Cost Technique - Replacement Method	35,276,000 125,000
Land plot divided into 14 part of Lands and a building - Riyadh – Al kharj	Land Building	Market Method - Comparison Method Cost Technique - Replacement Method	6,264,000 337,500
Total Lands			47,088,952
Total Buildings			2,433,886

7. INVESTMENTS IN ASSOCIATES, NET

Name	Legal Form	Ownership Percentage	31 December 2023	31 December 2022	1 January 2022
Thimar and Wasmi Agricultural Markets	Limited liability	30%	3,000,000	3,000,000	3,000,000
National Fresh Fruits Products Company	Limited liability	50%	250,000	250,000	250,000
Total			3,250,000	3,250,000	3,250,000
Impairment losses *			(3,250,000)	(3,250,000)	(3,250,000)
Net investments			-	-	-

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7. INVESTMENTS IN ASSOCIATES, NET (CONTINUED)

(1) Thimar and Wasmi Agricultural Markets

It is a limited liability company incorporated in Kingdom of Saudi Arabia in accordance with the Regulations for Companies. The company is engaged in wholesale and retail of agricultural, industrial and food materials and supplies, refrigerated meat, sanitary and cleaning products, consumables and all household wares.

During 2021, the Ninth Circuit of the Commercial Court in Riyadh has submitted its ruling that orders the opening of a liquidation procedure to Thimar and Wasmi Agricultural Markets. As a result of liquidation, the company went bankrupt, therefore no outstanding balances with the company have been recognized in the consolidated financial statements.

The Group received SAR 847,395 during the year ended 31 December 2023, as its interest in Thimar and Wasmi Agricultural Markets ("the associate") after liquidation (Note 22).

(2) National Fresh Fruits Products Company

It is a limited liability company incorporated in Kingdom of Saudi Arabia in accordance with the Regulations for Companies. The company's Accumulated (losses) amounted to 100% of its capital along prior years and the company's management resolved to cease calculating the equity. The balance due from the associate has been written off, therefore no outstanding balances with the company have been recognized in the consolidated financial statements.

On 24 January 2023 corresponding to 2 Rajab 1444 AH, the Fifth Appeal Circuit of the Commercial Court in Riyadh has submitted its ruling that orders the opening of a liquidation procedure to National Fresh Fruits Products Company, according to the Group's legal counsel, this company is still under judicial review. regarding administrative liquidation, since no final ruling has been submitted to date.

*These events indicate objective evidence of impairment on the investment (a "loss event") in accordance with IAS 28 Investment in Associates and Joint Ventures Paragraph. (41-a), therefore management has previously recognized impairment on the investments

The Group's management isn't aware of any Thimar Development Holding Company's contingencies that require outflows embedding economic resources, nor can the Group's management make a reliable estimate of the amount, however, it is in communication with the relevant entities.

8. TRADE RECEIVABLES, NET

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Trade receivables	13,109,019	13,109,019	13,216,988
Expected Credit Losses	(13,109,019)	(13,109,019)	(13,216,988)
	<u>-</u>	<u>-</u>	<u>-</u>

* During the year ended 31 December 2023, aging receivables was with above 360 days.

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8. TRADE RECEIVABLES, NET (CONTINUED)

Movement in Expected Credit Losses during the year is as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Balance on 1 January	13,109,019	13,216,988	13,190,471
(Reversal) / carried during the year	-	(107,969)	26,517
Balance as at 31 December	<u>13,109,019</u>	<u>13,109,019</u>	<u>13,216,988</u>

9. PREPAID EXPENSES AND OTHER DEBIT BALANCES, NET

	<u>31 December 2023</u>	<u>31 December 2022</u> (Restated)	<u>1 January 2022</u> (Restated)
Employee receivables	91,934	77,487	127,504
Short-term leases	32,488	32,488	32,573
Prepaid insurance for others	60,000	-	-
Prepaid legal and professional fees	1,389,026	256,988	-
Others	168,803	190	770,150
Less:			
Provision for impairment in prepayments and other receivables	(331,410)	(256,988)	-
	<u>1,410,841</u>	<u>110,165</u>	<u>930,227</u>

10. RELATED-PARTIES TRANSACTIONS

Related parties are principal stockholders and key management personnel of the Group, affiliates owned or managed by these parties and those entities where they have joint control or significant influence.

Related-party transactions are carried out in the normal course of business on the same other transaction terms with other parties through contracts approved by management.

Significant related-party transactions during the period, and resulting balances at year-end are set out below:

10-1 Related-Parties Transactions

<u>Related parties</u>	<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>For the year ended 31 December 2023</u>	<u>For the year ended 31 December 2022</u>
Board Members	Current Board of Directors	Finance	(985,933)	-

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10. RELATED-PARTY TRANSACTIONS (CONTINUED)

10-2 Due from Related Party, Net

*During 2021, The Group's management has resolved to Increase ECL on related-party balances by SAR 22,184,085, due to non-recoverability of these receivables. Management monitors enforcement procedures to recover these balances.

<u>Related party</u>	<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Related party	Shareholder of an associate.	Receivables	22,184,085	22,184,085	22,184,085
Less: Expected Credit Losses on related party.			(22,184,085)	(22,184,085)	(22,184,085)
Net Due from related-party			-	-	-

10-3 Due to related parties

<u>Related party</u>	<u>Nature of Relationship</u>	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Mr. Sari Al-Mayouf	Board member (Former)	794,698	827,194	827,194
Mr. Ibrahim Al-Mayouf	Chairman (Former)	551,884	551,884	551,884
Impact of cash flow's modifications for financial liabilities (Note 21)		(87,068)	-	-
		1,259,514	1,379,078	1,379,078
Divided into:				
Current		657,042	1,379,078	1,379,078
Non-Current		602,472	-	-

As part of the Financial Reorganisation Procedure, the related parties claimed amounts total SAR 1,379,078 from Trustee of the Company's Financial Reorganisation, which were accepted in full. The Ninth Circuit of Commercial Court in Riyadh has approved the list of claims under the Company's Financial Reorganisation Procedures on 23 February 2022, corresponding to 22 Rajab 1443 AH

10-4 Compensations to Key Management Personnel

	<u>31 December 2023</u>	<u>31 December 2022</u>
Board of Directors and committees' fees (Note19)	9,321,442	2,054,500
Salaries and benefits of key management personnel	1,926,693	550,000
	11,248,135	2,604,500

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11. INVESTMENTS AT FVTPL

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Business Square Development Fund	<u>6,000,000</u>	-	-
	<u>6,000,000</u>	-	-

The Group's management invested in the Business Square Development Fund ("the Fund") during the year ended 31 December 2023, which is a closed real estate investment fund formed under the Investment Funds Regulations issued by the Capital Market Authority, to develop a construction project on a land plot located in, Al-Nakheel dist., Riyadh which is a leased land for 32 years.

The Fund aims to invest in real estate by establishing a home offices project to achieve periodic returns for its unitholders over the medium term by leasing the project units after completion.

12. CASH AND CASH EQUIVALENTS

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Cash at bank	47,107,031	211,504	605,628
Cash on hand	-	697	17,675
	<u>47,107,031</u>	<u>212,201</u>	<u>623,303</u>

13. SHARE CAPITAL

On 19 June 2023, the Board amended its prior recommendation to the Extraordinary General Assembly of increasing share capital via rights-issue and recommended increasing capital via rights-issue of SAR 150,000,000 to SAR 250,000,000 consisting of 25,000,000 common stocks.

On 11 September 2023, the Capital Market Authority announced its resolution approving Thimar Development Holding Company's request to increase its capital via rights-issue of SAR 150,000,000.

On 9 October 2023, corresponding to 24 Rabi' I 1445 AH, the Company declared the Extraordinary General Assembly findings, which contained the approval of Board's recommendation to increase share capital via rights-issue of SAR 150,000,000 to SAR 250,000,000 consisting of 25,000,000 common stocks.

The Company has completed the relevant procedures and regulations, including capital update in CR, and amendment of the Company's articles of association.

During 2023, the Company received SAR 150,000,000 after completion of rights-issue proceedings, so that share capital increased to SAR 250,000,000 and consisted of 25,000,000 common stocks.

14. ACTUARIAL GAINS / (LOSSES) ON END OF SERVICE BENEFITS

The scheme provides for end of service benefits for all employees who complete the qualifying service period and are entitled to the amounts specified under the labor law for each year / period of such service.

The annual provision is based on actuarial valuation. Group's management has conducted the valuation as of 31 December 2023, and 31 December 2022, using the projected unit credit method.

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14. ACTUARIAL GAINS / (LOSSES) ON END OF SERVICE BENEFITS (CONTINUED)

The actuarial assumptions used in calculating employee end of service benefits are as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
Discount rate (% per annum)	4.60%	5.25%
Salary increasing rate (% per annum)	5%	5%

14-1 Movement in the present value of defined benefit obligations:

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Present value at beginning of the year	84,810	856,066	2,784,772
Current service cost	114,160	58,976	62,276
Interest cost	3,831	-	18,296
Paid during the year	(23,662)	(657,129)	-
Actuarial losses	(60,976)	(120,980)	155,283
Transferred to other payables	-	(52,123)	(2,164,561)
Present value at end of the year	118,163	84,810	856,066

14-2 Sensitivity of the defined benefit obligations to changes in the weighted average of the principal assumptions:

<u>Factor</u>	<u>Changes in Assumption</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Discount rate	+1%	112,280	61,964
	-1%	124,715	66,175
Salary increasing rate	+1%	125,156	66,223
	-1%	111,772	61,879

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. Practically, this is unlikely to occur as certain assumptions may be correlated with each other. When calculating the sensitivity of the employee end of service benefits to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at end of the reporting period) has been applied as when calculating the liability of all schemes recognized within the consolidated statement of financial position.

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15. ISLAMIC LOANS

	31 December 2023	31 December 2022 (Restated)	1 January 2022 (Restated)
Islamic Loans	16,021,157	32,033,389	32,024,465
Impact of cash flow's modifications for financial liabilities (Note 21)	(1,899,868)	-	-
Net Islamic Loans	14,121,289	32,033,389	32,024,465

*As part of the Financial Reorganisation Procedure, a local bank claimed amounts totaling SAR 37,071,930 from Trustee of the Company's Financial Reorganisation SAR 32,024,465 was accepted and amount of SAR 5,047,465 was rejected. The Ninth Circuit of Commercial Court in Riyadh has approved the list of claims under the Company's Financial Reorganisation Procedures on 23 February 2022, corresponding to 22 Rajab 1443 AH

As of 31 December 2023, the Group has classified all borrowing balances as non-current. The Group has paid SAR 16,012,232 of its commitments to the local bank.

16. TRADE PAYABLES

	31 December 2023	31 December 2022 (Restated)	1 January 2022 (Restated)
Trade Payables	36,224,185	69,578,556	69,680,793
Impact of cash flow's modifications for financial liabilities (Note 21)	(4,051,048)	-	-
Net Trade Payables	32,173,137	69,578,556	69,680,793

Divided into:

Current	4,141,560	69,578,556	69,680,793
Non-Current	28,031,577	-	-

The historical details of outstanding trade payables are as follows:

	31 December 2023	31 December 2022 (Restated)	1 January 2022 (Restated)
Accounts payable due to creditors who submitted their claims to the Financial Reorganization Trustee	32,290,625	64,165,250	64,165,250
Accounts payable due to creditors who did not submit their claim to the Financial Reorganization Trustee	3,933,560	5,413,306	5,515,543
Impact of cash flow's modifications for financial liabilities (Note 21)	(4,051,048)	-	-
	32,173,137	69,578,556	69,680,793

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16. TRADE PAYABLES (CONTINUED)

As part of the Financial Reorganisation Procedure, the creditors claimed amounts totaling SAR 68,529,529 from Trustee of the Company's Financial Reorganisation, SAR 64,165,250 was accepted, and remaining claims of SAR 4,517,279 were rejected. The Ninth Circuit of Commercial Court in Riyadh has approved the list of claims under the Group's Financial Reorganisation Procedures on 23 February 2022, corresponding to 22 Rajab 1443 AH.

During 2023, the Group paid its creditors' claims submitted to Trustee of the Financial Reorganisation partially in accordance with the court ruling ordered SAR 31,874,625 in favor of them.

As at 31 December 2023, the Group's management has uncertainties about obligations of SAR 336,228 recognized in the consolidated financial statements as suppliers' outstanding balances from prior years transactions. The management has attempted to communicate with the suppliers, and it believes that there could be a change in that amount or an impact on the probability of required outflows embedding economic benefits.

The Group's management wouldn't write off these balances until it became satisfied that those obligations would be unlikely to be claim in the future.

17. ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	31 December 2023	31 December 2022 (Restated)	31 December 2021 (Restated)
Salaries and employee benefits accruals	6,955,379	8,961,194	9,157,344
Other accrued expenses	4,001,257	8,216,343	7,346,330
Due Remuneration - Board of Directors and Committees	489,999	3,676,000	1,943,000
End of service benefits for terminated employees	2,670,838	2,670,838	2,624,680
Value added tax	2,516,525	7,376,762	7,418,509
legal suits's provision*	275,000	-	-
credit balances of Stock offerings surplus**	1,301,071	-	-
Amounts Withdrawn - Execution Court***	(5,026,027)	(5,026,027)	(4,829,203)
Impact of cash flow's modifications for financial liabilities (Note 21)	(773,870)	-	-
Net Accrued expenses and other credit balances	12,410,172	25,875,110	23,660,660
Divided into:			
Current	8,279,593	25,875,110	23,660,660
Non-Current	4,130,579	-	-

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17. ACCRUED EXPENSES AND OTHER CREDIT BALANCES (CONTINUED)

Historical details of outstanding Accrued expenses and other credit balances are as follows:

	31 December 2023	31 December 2022 (Restated)	1 January 2022 (Restated)
Accrued expenses and other credit balances who submitted their claims to the Financial Reorganization Trustee	5,821,226	11,019,549	11,019,549
Accrued expenses and other credit balances who did not submitted their claims to the Financial Reorganization Trustee	7,362,816	14,855,561	12,641,111
Impact of cash flow's modifications for financial liabilities (Note 21)	(773,870)	-	-
	<u>12,410,172</u>	<u>25,875,110</u>	<u>23,660,660</u>

As part of the Financial Reorganisation Procedure, other creditors (labor and employees - other payables - government agencies) claimed amounts totaling SAR 16,583,646 from Trustee of the Group's Financial Reorganisation. SAR 11,019,550 was accepted, and remaining claims of SAR 5,564,096 were rejected. The Ninth Circuit of Commercial Court in Riyadh has approved the list of claims under the Group's Financial Reorganisation Procedures on 23 February 2022, corresponding to 22 Rajab 1443 AH.

As at 31 December 2023, employee salaries and benefits payable item comprises of salaries and benefits to former and current executive director of SAR 5,155,452 (as at 31 December 2022, SAR 5,387,760) (Related Parties, Note 10).

During 2023, the Group paid its creditors' claims submitted to Trustee of the Financial Reorganisation partially in accordance with the court ruling ordered SAR 5,198,324 in favor of them.

*As at 31, December 2023, the Company's management made a provision for Legal suits related to enforcement orders against the Company ("enforcement orders of checks payable"). The Company's management has no significant information about supporting documents to those enforcement orders, Due to documents loss over the prior years. As a result of these events ("court enforcement orders"), management determined the weighted probability of required cash outflows embedding economic benefits and made a reliable estimate of the amount (checks filed with the court).

**This amount is total compensations payable for unsubscribed rights issue holders.

***It is withdrawals with the Group's bank accounts by order of Enforcement Court for suits against the Group. The management has no sufficient information about those suits however, it is following up with the relevant entities.

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18. ZAKAT PAYABLE

18-1 Zakat and Tax Status

18-1-1 Zakat Status

From the inception of the Company until 31 December 2005:

The Company received a final zakat assessment of SAR 1,440,098 for the years up to 31 December 2005, settled during 2023.

From 2006 to 2019

The company filed its zakat returns for the years 2006 to 2019. Total Zakat liability amounted to SAR 13,452,152 according to the information provided at the ZATCA portal. During 2023, SAR 2,103,448 was paid of Zakat liability. The net amounts payable during those years equal to SAR 11,348,706.

2020

ZATCA raised an electronic zakat assessment with the Company amounting to SAR 25,219, and then the Company filed its zakat return for the year ended 31 December 2020, which resulted in zakat payable of SAR 884,690 to date.

2021

The Company filed its zakat return for 2021 with ZATCA. Total Zakat liability amounted to SAR 62,486 according to the information provided at the ZATCA portal. No payment was made to date.

2022

The Company filed its zakat return for the year is zero SAR.

There was no a reassessment conducted by ZATCA with additional information.

As part of the Financial Reorganization Procedure, ZATCA claimed amounts totaling SAR 17,199,377 from Trustee of the Company's Financial Reorganization. SAR 8,450,692 was accepted, and remaining claims of SAR 8,748,685 were rejected. The Ninth Circuit of Commercial Court in Riyadh has approved the list of claims under the Company's Financial Reorganization Procedures on 22/07/1443 AH corresponding to 23 February 2022, and they were included in the amount payable.

(a) Zakat Calculation

	<u>31 December 2023</u>	<u>31 December 2022</u>
Total zakat items	226,536,384	223,032,915
Less: Total non-zakat items	(315,016,322)	(272,265,102)
Zakat Base	<u>(88,479,938)</u>	<u>(49,232,187)</u>
Zakat (2.5%) of zakat base	<u>-</u>	<u>-</u>

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18. ZAKAT PAYABLE (CONTINUED)

18-1 Zakat and Tax Status (Continued)

18-1-1 Zakat Status (Continued)

(b) Movement in Zakat Payable

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Balance at beginning of the year	15,776,941	15,776,941	12,438,576
Paid during the year	(3,543,546)	-	-
Carried during the year	-	-	3,338,365
Impact of cash flow's modifications for financial liabilities (Note 21)	(500,669)	-	-
Balance at end of the year	11,732,726	15,776,941	15,776,941
Divided into:			
Current	8,008,049	15,776,941	15,776,941
Non-Current	3,724,677	-	-

19. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>31 December 2023</u>	<u>31 December 2022</u>
Salaries, wages and equivalents	2,948,535	2,261,141
Remuneration - Board of Directors and Committees (Note 10-4)	9,321,442	2,054,500
Rentals	236,500	238,012
Consulting and Professional fees	1,660,139	664,574
Government fees and subscriptions	691,779	259,917
Depreciation of property, plant and equipment (Note 6-1)	377,404	421,576
Maintenance and repairs	122,008	213,760
Others	361,354	299,254
	15,719,161	6,412,734

20. GENERAL AND ADMINISTRATIVE EXPENSES - FINANCIAL REORGANIZATION

	<u>31 December 2023</u>	<u>31 December 2022</u>
Professional fees	100,000	550,000
	100,000	550,000

Trustee of the Company's Financial Reorganisation appointed by The Ninth Circuit of Commercial Court in Riyadh order charges professional fees of SAR 1,100,000. 1st payment of SAR 275,000 was incurred and paid during 2021. 2nd payment of SAR 550,000 was recognized and paid during the year ended 31 December 2022. During the year ended 31 December 2023, the Company recognized and paid SAR 100,000, and there remains amounts payable of SAR 175,000 upon completion of financial reorganisation procedures.

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21. IMPACT OF CASH FLOW'S MODIFICATIONS FOR FINANCIAL LIABILITIES

During 2023, the Company's management remeasured its financial liabilities due to modifications of their terms by rescheduling the payments made to creditors subject to the Financial Reorganisation and with the extraordinary general assembly approval to increase the share capital. Accordingly, the present value of those obligations was recalculated, resulting in a modification impact of the contractual cash flows amounting to 7.3 million recognized in the statement of profit or loss in accordance with the financial instruments IFRS.

	<u>31 December 2023</u>	<u>31 December 2022</u>
Islamic Loans (Note 15)	1,899,868	-
Trade payables (Note 16)	4,051,048	-
Accrued expenses and other credit balances (Note 17)	773,870	-
Due to related parties (Note 10-3)	87,068	-
Zakat payable (Note 18)	500,669	-
	<u>7,312,523</u>	<u>-</u>

22. OTHER INCOME

	<u>31 December 2023</u>	<u>31 December 2022</u>
Revenue from liquidation of associate companies *	847,395	3,800,000
Refundable payroll Revenues	437,500	-
Capital gains from the sale of property, plant and equipment **	251,144	14,500
Bank interest returns ***	478,116	-
Fines exemption gains ****	1,234,909	-
Other income	50,786	-
	<u>3,299,850</u>	<u>3,814,500</u>

* The Group received an amount of 847,395 SAR represented by its share of the indebtedness owed by Thimar Wasmi Agricultural Markets Company)“Associate Company”(as a result of its liquidation (Note 7).

**The group's management sold part of its assets ("cars") at a value of 252,500 SAR, Resulting in capital gains amounting to 251,144. the net book value of these assets is equal to 1,356 SAR.

***The Group received bank interest returns of SAR 478,116 from a local bank.

****The Group has an exemption from prior years fines payable to a government entity, which resulted in offsetting and writing back those amounts as income for the year.

23. BASIC AND DILUTED (LOSS) PER SHARE

	<u>31 December 2023</u>	<u>31 December 2022</u>
Net (loss) for the year	(6,530,218)	(2,955,601)
Weighted average number of shares	12,266,000	10,000,000
Basic (loss) per share	<u>(0.53)</u>	<u>(0.30)</u>

The basic and diluted (loss) per share is calculated by dividing the net (loss) for the year by the weighted average number of shares outstanding of 12,266,000 shares as at year-end, resulting in the net (loss) per common stock.

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24. FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible by the Group, the fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement is based on the presumption that the Group is going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3:** Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

At each reporting date, the Group analyses the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The management believes that the fair values of assets and liabilities are an approximation of carrying value; this is largely due to the short-term nature of these financial instruments.

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25. CURRENT AND NON-CURRENT LIABILITIES RELATED TO THE CLAIMS ACCEPTED IN THE COMPANY'S FINANCIAL REORGANISATION PROPOSAL:

Based on the Financial Reorganisation Proposal (Note 1) and based on Commercial Court in Riyadh approval to amend the Financial Reorganisation Proposal for Thimar Development Holding Company and whereas the proposal included the scheduling for implementing its plan and based mainly on the Group's capital increase and then starting to implement that plan and pay the creditors from November 2023 until March end 2029, this is in regard of total claims of SAR 117,039,035 accepted in the proposal, and since the proposal is based on forecasts and a plan and expected cash flows during the repayment period to the creditors, and for the purpose of disclosing the obligations expected to be settled within above 12 months according to the accepted claims, in the statement of financial position as of 31 December 2022, those liabilities are as follows:

Scheduling the adjustment of accepted financial claims in accordance with the financial reorganization proposal plan	The value of claims accepted	It is expected to be readjusted within one year	It is expected to be readjusted within more than a year
<i>Claims for the statement of financial position items:</i>			
Islamic Loans	32,024,465	16,012,233	16,012,232
Accrued expenses and other credit balances	11,019,550	5,509,775	5,509,775
Trade payables	64,165,250	32,082,625	32,082,625
Due to related parties	1,379,078	689,539	689,539
Zakat payable	8,450,692	4,225,346	4,225,346
Total	117,039,035	58,519,518	58,519,517

As at 31 December 2023, the Group's management paid outstanding claims for the year, which were as follows:

Scheduling the adjustment of accepted financial claims in accordance with the financial reorganization proposal plan	The value of claims accepted	Claims adjusted during the year ended 31 December 2023	outstanding claims
<i>Claims for the statement of financial position items:</i>			
Islamic Loans	32,024,465	16,012,232	16,012,233
Accrued expenses and other credit balances	11,019,550	5,198,324	5,821,226
Trade payables	64,165,250	31,874,625	32,290,625
Due to related parties	1,379,078	32,496	1,346,582
Zakat payable	8,450,692	3,543,543	4,907,149
Total	117,039,035	56,661,220	60,377,815

As at 31 December 2023 the Group's management has classified the outstanding claims as follows:

	The value of claims accepted	Current	Non-Current
<i>Claims for the statement of financial position items:</i>			
Claims	60,377,815	3,423,079	56,954,736
	60,377,815	3,423,079	56,954,736

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's principal financial liabilities include Islamic Loans, trade payables, Accrued expenses and other credit balances, and due to related parties.

The Group's principal financial assets consist of trade receivables, prepayments and other receivables, due from related parties, and Cash and cash equivalents.

The main financial risks arising from the Group's financial instruments are market risk (including interest rate risk and foreign exchange risk), credit risk and liquidity risk. Management reviews and aligns policies to manage those risks.

26-1 Market Risk

It is the risk of fluctuation in a financial instrument due to changes in prices prevailing in the market, such as foreign exchange rates and interest rates, which affect the Group's income or the value of its financial instruments. Market risk management aims to manage and control market risk exposures within acceptable parameters, while maximizing returns. There has been no change in the Group's market exposures or the way they are managed and measured.

26-1-1 Interest Rate Risk

Interest rate risk is exposure to the effects of various risks associated with fluctuations in the prevailing levels of market interest rates on the Group's financial position and cash flows. The Group's assets and liabilities are not subject to interest rate risk. Management monitors and controls interest rate fluctuations. Management monitors changes in interest rates and believes that cash flow and interest rate exposures for the fair value of the Group aren't material.

The Group's trade receivables and payables measured at amortized cost are not subject to interest rate risk as defined in the IFRS 7 as market interest rate fluctuations wouldn't affect the carrying value or future cash flows. Therefore, the Group is not exposed to fair value interest rate risk.

26-1-2 Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when future transactions, assets and liabilities are recognized in a currency other than SAR. The Group's management believes that it is not exposed to foreign currency risk because most of the Group's transactions are in SAR and the Group believes that its foreign currency exposures are minimal as the SAR is pegged to the US dollar. The management closely monitors exposures for exchange rate fluctuations on an ongoing basis, and based on its experience and market impacts, the management does not believe that it is necessary to hedge against foreign currency risk as most of the foreign currency exposures are relatively minimal over the medium term.

26-2 Credit Risk

It is the risk that one party will not be able to fulfill its obligations, causing financial losses to the other party. The Group does not have a significant concentration of credit risk. Cash and cash equivalents are deposited with local banks with high credit ratings. Accounts receivable and other receivables are mainly due from customers in the local market and are stated at their estimated recoverable amount. The Group has policies in place to reduce its exposure to credit risk. The carrying amounts of the financial assets represent the maximum credit risk.

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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

26-2 Credit Risk (Continued)

26-2-1 The following is the bank credit rating and balances at the banks that the Group transacts with as of 31 December 2023:

	<u>31 December 2023</u>	<u>31 December 2022</u>
A1	-	18,678
A2	1,728	7,740
A3	47,105,303	185,086
	<u>47,107,031</u>	<u>211,504</u>

26-2-2 Credit risk on trade receivables is as follows:

<u>31 December 2023</u>	<u>Gross receivables</u>	<u>Expected Credit Losses</u>	<u>Expected Credit Losses rate</u>
One year and less than two years	-	-	-
2 years and onwards	13,109,019	(13,109,019)	100%
Total	<u>13,109,019</u>	<u>(13,109,019)</u>	<u>100%</u>

<u>31 December 2022</u>	<u>Gross receivables</u>	<u>Expected Credit Losses</u>	<u>Expected Credit Losses rate</u>
One year and less than two years	-	-	-
2 years and onwards	13,109,019	(13,109,019)	100%
Total	<u>13,109,019</u>	<u>(13,109,019)</u>	<u>100%</u>

- Trade receivables are stated net of expected credit loss allowance in accordance with the simplified approach prescribed by IFRS9 "Financial Instruments".
- Default in the consolidated financial statements is when the counterparty fails to make contractual payments within 2 years past due

As described in Note 1, the Company is subject to financial reorganisation, where the Trustee of the Financial Reorganisation's role is to supervise the debtor's activity from the date of his appointment until the completion of the procedure. Therefore, the Group's management encounters challenges related to its inability to achieve sufficient cash flows in order to fulfill its obligations under the financial reorganisation. This will negatively affect the Company's operations and financial position.

When calculating Expected Credit Losses provision on trade receivables, a provision matrix is used based on historical loss rates over the expected life of the trade receivables adjusted for future estimates.

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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

26-2 Credit Risk (Continued)

26-2-2 Credit risk on trade receivables is as follows (Continued):

The Group is exposed to credit risk related to late payment by customers, as trade receivables 360 days past due, which led to an allowance for expected credit losses in 2019 of SAR 13.19 million. This allowance was also increased in 2021 based on the Board of Directors' Decision by an amount of SAR 26,517 to become SAR 13.21 million due to late payment of the amounts payable, and in 2022, a part of the allowance was returned by SAR 107,969 against the amount collected executively from one of the former clients, making the allowance SAR 13.11 million representing 100% of the total remaining trade receivables..

There is no guarantee that the company will be able to receive amounts due from these customers, which may result in the receivables balances being written off in full in case of non-recoverability of the receivables. The Group's management follows up on the amounts due in order to obtain supporting documents and file its financial claims.

31 December 2023	Gross receivables	Expected Credit Losses	Expected Credit Losses rate
One year and less than two years	-	-	-
2 years and onwards	22,184,085	(22,184,085)	100%
Total	22,184,085	(22,184,085)	100%

31 December 2022	Gross receivables	Expected Credit Losses	Expected Credit Losses rate
One year and less than two years	-	-	-
2 years and onwards	22,184,085	(22,184,085)	100%
Total	22,184,085	(22,184,085)	100%

The Group is also exposed to credit risk on amounts SAR 22,184,085 due from a related party. The management made provision for expected credit losses on the outstanding amount in full during 2021. It is important to draw attention to the fact that a lawsuit was filed, and a final ruling was obtained in its favor and during 2021 the ruling was enforced on the related party and the amount has not been collected yet.

26-3 Liquidity Risk

It is the risk that the Group will encounter difficulty in obtaining the financing necessary to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at a value close to its fair value. Liquidity risk is managed by regularly monitoring the adequacy of liquidity available to meet the Group's financial obligations. The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and established conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

26-3 Liquidity Risk (Continued)

The following table summarizes the Group's financial liabilities into relevant maturity profile based on the remaining period from the consolidated statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

31 December 2023	Undiscounted value	Less than one year	1 - 5 years	Carrying amount
Islamic Loans	16,021,157	-	16,021,157	14,121,289
Trade payables	36,224,185	4,141,560	32,082,625	32,173,137
Accrued expenses and other credit balances	13,184,042	8,279,593	4,904,449	12,410,172
Due to related parties	1,346,582	657,042	689,540	1,259,514
Zakat payables	12,233,395	8,008,049	4,225,346	11,732,726
	<u>79,009,361</u>	<u>21,086,244</u>	<u>57,923,117</u>	<u>71,696,838</u>

As described in Note 1, the Group's management encounters risks related to business interruption since 2019. Due to its exposure to operating losses that resulted in a lack of liquidity and failure to pay its financial obligations, which led to a freeze in its bank accounts and curtailment of its operations. During 2021 the Financial Reorganisation Procedure was opened and enforce the Company to the supervision of the Trustee of the Financial Reorganisation in the financial operations and actions and the focus on limiting the creditors' claims to business interruption. The Group's management follows its strategic plan related to the Financial Reorganisation to achieve its goals.

Accordingly, the Company does not currently incur any expenses related to the food activity, and it does not currently have operating activities that generate income for it, and the previous executive seizure and the opening of Financial Reorganisation Procedure and the leasing of the counters and the refrigerators later led to the absence of operating cash flows.

The Company intends to resume its operating activities in accordance with the strategic plan announced in the Financial Reorganisation proposal and has allocated a portion of the proceeds from real estate investment offerings.

The Group's failure to obtain an investment with the same specifications or to achieve the required return to finance the Company's self-sufficiently expansionary and administrative policy, will negatively and materially affect the Company's ability to continue as a going concern. The Group's management is satisfied with its strategic plan. It also invested in one of the close-ended real estate funds with low risk, Note 11.

The Company's management also encounters risks of the lawsuit and the claims that were not filed with the Trustee of the Financial Reorganisation and other obligations or costs related to the Company's operations. If they occur, they will negatively affect the Company's financial position, operating results, and future forecasts. It is important to draw attention to the fact that any lawsuits or financial claims that are not included in the Financial Reorganisation ruling or any financial claim ordered by the ruling issued after the Financial Reorganisation ruling, are enforceable and may negatively affect the Company's operations if the Company does not comply with them.

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27. SIGNIFICANT EVENTS

The significant events during the year that may have an impact on the financial statements are as follows:

Cease of Group's operations (purchasing - selling)

On 11 January 2022, the Executive Committee approved to lease the counters and the refrigerators in Aziziyah markets.

The Group used the revaluation model to measure the properties during the first quarter of 2022 (Note 6).

On 9 March 2022, the Group filed a financial claim with the Trustee of Thimar Markets Co. Liquidation (Note 7).

On 25 September 2022, the Group declared that it had filed a complaint with the Ministry of Commerce under number 9027 dated 21 September 2022, corresponding to 24 Safar 1444 AH, against BOD of the associate "Thimar and Wasmi Agricultural Markets", in which Thimar Development Holding owns interest of 30%, including an investigation with the BOD of Thimar and Wasmi Agricultural Markets for committing violations of the Regulations For Companies, such as non-compliance with issuing the financial statements, exceeding the losses more than half of the company's capital, and charging Thimar Development Holding a loss of more than SAR 60 million as receivables from the associate in favor of Thimar Development Holding and not informing the shareholders of the significant facts that occurred to the Company. The Group does not expect to take any responsibility due to filing the aforementioned complaint, and the Group filed this complaint according to the existing documents after obtaining legal advisory.

On 26 September 2022, BOD invited the Group's shareholders to attend the ordinary general assembly meeting for voting on authorizing the current BOD to file a liability lawsuit against the former Board Members in the two sessions from 6 March 2017 to 4 July 2021 and to take all the legal and regulatory procedures necessary for the business as claimed by the shareholders.

On 17 October 2022, the ordinary general assembly meeting was held, and the vote was taken to authorize the current BOD to file a liability lawsuit against the former Board Members in the two sessions from 6 March 2017 to 4 July 2021 and to take all the legal and regulatory procedures necessary for the business as claimed by the shareholders.

On 1 March 2023, the Group declared the cease of trading its shares from 2 March 2023, in order that there are no reasons for trading outside the platform.

On 8 March 2023, the Commercial Court approved the amendment of the Financial Reorganisation Proposal.

On 14 March 2023, the Group filed a complaint with the Capital Market Authority against the Board Members of Thimar Development Holding Company in its previous two sessions as mentioned above, including a claim of SAR 230 million as compensations and any claims for the resulting litigation damages. The liability lawsuit included the following violations:

- (1) Non-compliance with the principles of honesty, integrity and loyalty, by not performing the duties and responsibilities mentioned in the regulations for companies and the capital market regulations, and not exerting the necessary care and attention for the benefit of the company and all shareholders.
- (2) Giving priority to the personal interest of the CEO over the interests of the Company and exploiting his position to achieve private interests.
- (3) Using the Company's funds and authorities that he has and exploiting the Company's assets in a way that he knows is against the Company's benefits to achieve personal gains and benefits from deals he has a direct benefit in.
- (4) Not verifying the accuracy and integrity of the Company's financial statements and information, and engaging in activities that would mismanage the Company, and not setting out systems and controls for internal audit and general supervision to ensure the soundness of the financial and accounting systems, including the systems related to the preparation of the financial statements (not preparing and paying the zakat and tax returns for the years 2019 and 2020 to ZATCA, and not paying the General Organization for Social Insurance its accruals).

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27. SIGNIFICANT EVENTS (CONTINUED)

- (5) Intentionally recording false data and information in the Company's financial statements and in the reports and data that are made to the partners, shareholders and the general assembly in accordance with the system, with the intention of stating the Company's financial position in a false manner.
- (6) Failure to conduct bookkeeping and hold supporting documents to explain its contracts and financial statements.

On 7 May 2023, corresponding to 17 Shawwal 1444 AH, the General Secretariat of Committees for Resolution of Securities Disputes announced the issuance of a definitive resolution by the Securities Disputes Appeal Committee in the public criminal case filed by the Public Prosecution (and referred to it by the Capital Market Authority) against several Board Members and the Executive Director of Thimar Development Holding Company (former) and one of the employees of the Company's former external auditor in prior years. The verdict concluded with their conviction - each according to his position - of providing false information in the financial statements that impacted the Company's assets and caused misrepresentation of its financial statements in a misleading manner related to the Company's securities. It resulted in overstatement in the net income for the year ended 31 December 2015 and included misrepresentation of gains on disposal of investments in associates of SAR 35 million. The resolution also encompasses several other matters related to the former Board Members.

On 17 May 2023, corresponding to 27 Shawwal 1444 AH, the General Secretariat of Committees for Resolution of Securities Disputes announced the issuance of a definitive resolution by the Securities Disputes Appeal Committee, in the public lawsuit filed by the Capital Market Authority against several Board Members and the Executive Director of Thimar Development Holding Company (former). The verdict concluded with their conviction of violating Article 44 of the Registration Rules and Article 66 of the Securities Offering Rules and the Continuing Obligations for not exercising their powers and performing their duties as the Company's Board Members in a way that achieves the Company's benefit, for not taking the necessary legal procedures to claim the remaining amount from the sale of part of the Company's interest in Thimar and Wasmi Agricultural Markets Co. from the buyer of the interest..

The resolution also encompassed the conviction of three former Board Members of violating Article 67 the Securities Offering Rules and the Continuing Obligations, for not providing the Capital Market Authority with a copy of the documents related to documenting the procedures for selling part of the Company's interest in Thimar and Wasmi Agricultural Markets Co.

On 15 June 2023, corresponding to 26 Dhu al-Qi'dah 1444 AH, General Secretariat of Committees for Resolution of Securities Disputes announced the issuance of a definitive resolution by the Securities Disputes Appeal Committee, in the public lawsuit filed by the Capital Market Authority against several Board members and the Executive Director of the Thimar Development Holding Company (former). The verdict concluded with their conviction of violating Article 44 of the Registration Rules and Article 22 (2) (b) of the Regulations for Corporate Governance, for not exercising their powers and performing their duties as the Company's Board Members in a way that achieves the Company's benefit, for disposing of the Company's properties, which resulted in the cease of some operations due to their non-compliance with the Company's articles of association under a resolution that encompassed the approval of the offer submitted by an investor to buy (20%) of the Company's interest in Thimar and Wasmi Markets Agricultural Co., and one of the contract clauses included the Company's commitment to transfer all its assets and also its branches' assets to Thimar and Wasmi Agricultural Markets Co., however, they didn't comply with the Company's articles of association. That was through signing an investment and leasing contract for a site to construct a commercial complex, without engaging in any commercial activity related to the construction of commercial complexes under the Company's articles of association. The resolution also included convicting them of violating Article 22 (2) (b) of the Regulations for Corporate Governance for not performing the main BOD functions, which are to set out systems and controls for internal control and general supervision, and to ensure the soundness of the financial and accounting systems, including those related to preparing financial reports, through the absence of the fixed assets register in the Company and the minutes of count from the year ended 31 December 2014, to the year ended 31 December 2018, which indicates their non-compliance with the Company's fixed assets policy, which requires conducting an annual count of the Company's fixed assets, and they didn't express any opinion or comments in this regard.

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27. SIGNIFICANT EVENTS (CONTINUED)

On 7 July 2023, the Group's management filed a request of approval to increase the Group's capital via rights-issue of SAR 150,000,000 with the Capital Market Authority.

On 30 November 2023, the Board recommended to the Extraordinary General Assembly to decrease the Company's capital from SAR ("250,000,000") to SAR ("65,000,000"), at a decrease rate of 74%. It further recommended increasing the capital after the decrease to SAR ("260,000,000"), at an increase rate of 300%, via rights-issue of SAR 195 million. The number of shares before the decrease is ("25,000,000") shares, after the decrease it will be ("6,500,000") shares, and after the increase it will become ("26,000,000") shares.

The Company aims via this increase to maximize its investment expansionary capacity and support its activities in accordance with the financial reorganisation plan. For implementation of this resolution the Extraordinary General Assembly must approve the proposed capital decrease and increase via rights-issue.

On 13 December 2023, the Company announced that it has made a payment of 95% of 1st installment, which equal to ("50% of the amounts claimed from the Company under the Financial Reorganisation") and related to the creditors' claims according to the plan. The Company's management is still following up on the procedures for remaining payments once the documents are completed in accordance with the regulations.

28. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group has legal commitments for balances that were rejected in the Financial Reorganisation Proposal. The Group's management believes that these claims are unlikely to require an outflow embedding economic resources, and the management will follow up on those claims and any updating.

As described in Note 7 regarding the investment in the National Fresh Fruits Products Company, the Group is not aware of any obligations on Thimar Development Holding Company, which require an outflow embedding economic resources, and the Group's management cannot make a reliable estimate of the amount. The management are in communication with the relevant entities in this regard.

The Group encounters legal procedures, lawsuits, and other claims, that are expected to have no material impact on the Group's financial position or operating results, as reflected in these consolidated financial statements.

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29. RESTATEMENT

The Group's management reflects the impact of prior years adjustments due to actual obligations not previously recognized, in the consolidated financial statements as follows:

Statement of Financial Position	As at 31 December 2022 Before Adjustment	Adjustment	As at 31 December 2022 After Adjustment	As of 1 January 2022 Before Adjustment	Adjustment	As at 1 January 2022 After Adjustment
ASSETS						
Non-Current Assets						
Property, plant, and equipment, net	43,318,376	-	43,318,376	11,713,391	-	11,713,391
Total Non-Current Assets	43,318,376	-	43,318,376	11,713,391	-	11,713,391
Current Assets						
Assets available for sale	580,000	-	580,000	780,000	-	780,000
Trade Receivables ,net	-	-	-	-	-	-
Prepaid expenses and other debit balances, net (*1*)	35,743	74,422	110,165	930,227	-	930,227
Due from related parties ,net	-	-	-	-	-	-
Investments at FVTPL	-	-	-	-	-	-
Cash and cash equivalents	212,201	-	212,201	623,303	-	623,303
Total Current Assets	827,944	74,422	902,366	2,333,530	-	2,333,530
TOTAL ASSETS	44,146,320	74,422	44,220,742	14,046,921	-	14,046,921
EQUITY AND LIABILITIES						
EQUITY						
Share capital	100,000,000	-	100,000,000	100,000,000	-	100,000,000
Statutory reserve	2,883,376	-	2,883,376	2,883,376	-	2,883,376
Actuarial gains / (loss) on end of service benefits	(34,303)	-	(34,303)	(155,283)	-	(155,283)
Revaluation surplus	31,658,561	-	31,658,561	-	-	-
Accumulated (Losses)	(233,652,138)	(1,362,638)	(235,014,776)	(228,946,726)	(3,112,449)	(232,059,175)
TOTAL EQUITY	(99,144,504)	(1,362,638)	(100,507,142)	(126,218,633)	(3,112,449)	(129,331,082)
LIABILITIES						
Non-Current Liabilities						
Employee Benefit obligation	64,025	20,785	84,810	856,066	-	856,066
Total Non-Current Liabilities	64,025	20,785	84,810	856,066	-	856,066
Current Liabilities						
Islamic Loans	32,033,389	-	32,033,389	32,024,465	-	32,024,465
Trade payables (*2*)	66,380,936	3,197,620	69,578,556	66,483,175	3,197,618	69,680,793
Accrued expenses and other credit balances (*3*)	23,533,384	2,341,726	25,875,110	20,558,049	3,102,611	23,660,660
Due to related parties (*4*)	1,570,078	(191,000)	1,379,078	1,379,078	-	1,379,078
Provision for Claims (*5*)	3,932,071	(3,932,071)	-	3,187,780	(3,187,780)	-
Zakat payable	15,776,941	-	15,776,941	15,776,941	-	15,776,941
Total Current Liabilities	143,226,799	1,416,275	144,643,074	139,409,488	3,112,449	142,521,937
TOTAL LIABILITIES	143,290,824	1,437,060	144,727,884	140,265,554	3,112,449	143,378,003
TOTAL EQUITY AND LIABILITIES	44,146,320	74,422	44,220,742	14,046,921	-	14,046,921

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29. RESTATEMENT (CONTINUED)

- (1) The differences are reclassification of prepayments that were previously classified as accruals. This requires the impact of the actual prior years adjustment amounting to SAR 74,422 to be reflected in the opening balances presented in the consolidated statement of financial position as at 1 January 2022.
- (2) The differences are prior years adjustments to Group's payables until 2022 which were not previously adjusted in prior years. This requires the impact of the actual prior years adjustment amounting to 3,197,620 SAR to be reflected in the opening balances presented in the consolidated statement of financial position as at 1 January 2021.
- (3) The differences are prior years adjustments to Group's accruals. until 2022 which were not previously adjusted in prior years. It also includes derecognition of the provision for enforcement Court balances deducted from receivables, which was previously made in 2021 due to withdrawals with the Group at that time and due to the inability to allocate them despite the fact that these withdrawn amounts are related to accounts payable and have not been limited until now. This requires reflecting the provision and presenting the amounts receivable and withdrawn with the bank to be enforced to the receivables as a credit balance. This resulted in an impact of the actual prior year adjustments amounting to SAR 3,102,611 as liabilities reflected in the opening balances presented in the consolidated statement of financial position as at 1 January 2022 and SAR 2,341,726 as accrued liabilities reflected in 2022 and presented in the consolidated statement of financial position as at 31 December 2022.
- (4) The differences are reclassifications of SAR 191,000 from dues to related parties to accrued expenses and other credit balances.
- (5) The item represents a provision for outstanding claims, the impact of which has been reflected on the outstanding balances due to the presence of unrecorded obligations in prior years.

<u>Statement of Profit or Loss and Other Comprehensive Income</u>	<u>As at 31 December 2022 Before Adjustment</u>	<u>Adjustment</u>	<u>As at 31 December 2022 After Adjustment</u>
Revenue	-	-	-
Cost of revenue	-	-	-
Gross profit	-	-	-
<u>Main Operating Expenses:</u>			
General and administrative expenses	(7,122,001)	709,267	(6,412,734)
General and administrative expenses - financial restructuring	(550,000)	-	(550,000)
legal suits's provision	-	-	-
Reversal of impairment in property, plant and equipment	341,652	-	341,652
Operating loss	(7,330,349)	709,267	(6,621,082)
Expected Credit Losses	(256,988)	-	(256,988)
Reversal of Expected Credit Losses	107,969	-	107,969
Provision for receivable s- Enforcement Court	(196,824)	196,824	-
Provision for contingencies	(843,720)	843,720	-
Income from financial liabilities modification and its cash flow	-	-	-
Other income	3,814,500	-	3,814,500
Net (loss) before zakat	(4,705,412)	1,749,811	(2,955,601)
Zakat	-	-	-
Net (loss) for the year	(4,705,412)	1,749,811	(2,955,601)
<u>Basic and diluted (loss) per share:</u>			
Basic and diluted (loss) per share of net (loss) for the year attributable to shareholders of the Company	(0.47)	0.17	(0.30)

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29. RESTATEMENT (CONTINUED)

Statement of Cash Flows	As at 31 December 2022 Before Adjustment	Adjustment	As at 31 December 2022 After Adjustment
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) for the year before zakat	(4,705,412)	1,749,811	(2,955,601)
Adjustments to reconcile net (loss) for the year before zakat to net cash flows generated from operating activities:			
Depreciation of property, plant and equipment	421,576	-	421,576
Expected Credit Losses	256,988	(256,988)	-
Reversal of Expected Credit Losses	(107,969)	107,969	-
Provision for receivables - Enforcement Court	196,824	(196,824)	-
Provision for contingencies	843,720	(843,720)	-
Employee benefit obligations	38,191	20,785	58,976
Gains on sale of property, plants, and equipment	(14,500)	-	(14,500)
Impairment of assets	(341,652)	-	(341,652)
	<u>(3,412,234)</u>	<u>581,033</u>	<u>(2,831,201)</u>
Movement in assets and liabilities:			
Trade receivables	107,969	(107,969)	-
Prepayments and other debit balances	440,670	379,392	820,062
Trade payables	(102,237)	-	(102,237)
Accrued expenses and other credit balances	<u>2,923,212</u>	<u>(708,762)</u>	<u>2,214,450</u>
Cash (used in) / generated from operating activities	<u>(42,620)</u>	<u>143,694</u>	<u>101,074</u>
End of service benefits paid	(657,129)	(52,123)	(709,252)
Provision for claims used	(99,429)	99,429	-
Net cash used in operating activities	<u>(799,178)</u>	<u>191,000</u>	<u>(608,178)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant, and equipment	(26,348)	-	(26,348)
Proceeds from sale of property, plant and equipment	14,500	-	14,500
Proceeds from sale of assets and property available for sale	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Net cash generated from investing activities	<u>188,152</u>	<u>-</u>	<u>188,152</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Due to related parties	191,000	(191,000)	-
Islamic Loans received	<u>8,924</u>	<u>-</u>	<u>8,924</u>
Net cash generated from financing activities	<u>199,924</u>	<u>(191,000)</u>	<u>8,924</u>
Net change in cash and cash equivalents	<u>(411,102)</u>	<u>-</u>	<u>(411,102)</u>
Cash and cash equivalent at beginning of the year	<u>623,303</u>	<u>-</u>	<u>623,303</u>
Cash and cash equivalents at end of the year	<u><u>212,201</u></u>	<u><u>-</u></u>	<u><u>212,201</u></u>

30. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation in the current year.

31. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved for the year ended 31 December 2023, on 25, Shaaban 1445 AH, corresponding to 6, March 2024.