

**Tourism Enterprise Company (Shams)**

**(A Saudi Joint Stock Company)**

**INTERIM CONDENSED FINANCIAL STATEMENTS**

**(UNAUDITED)**

**AND INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023**

**Tourism Enterprise Company (Shams)**  
**(A Saudi Joint Stock Company)**

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**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**AND INDEPENDENT AUDITOR'S REVIEW REPORT**

For the three-month and six-month periods ended 30 June 2023

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS  
TO THE SHAREHOLDERS OF TOURISM ENTERPRISE COMPANY (SHAMS)  
(A SAUDI JOINT STOCK COMPANY)**

1/1

**Introduction**

We have reviewed the accompanying interim condensed statement of financial position of Tourism Enterprise Company (Shams) (a Saudi joint stock company) as at 30 June 2023, and the related interim condensed statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2023, the interim condensed statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of Review**

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

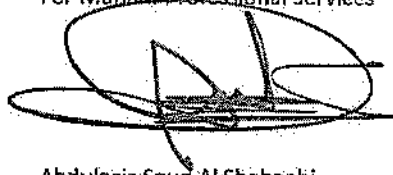
**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

**Other matter**

The interim condensed financial statements of the Company for the three-month and six-month period ended 30 June 2022, and three-month period ended 31 March 2023 were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed financial statements on 23 Muharram 1444H corresponding to 21 August 2022G and 25 Shawwal 1444H corresponding to 15 May 2023, respectively. Further, the Company's financial statements for the year ended 31 December 2022 were audited by the same auditor who issued unmodified opinion on these financial statements dated 12 Ramadan 1444H corresponding 3 April 2023.

For Maham Professional Services



Abdulaziz Saud Al Shabeebi  
Certified Public Accountant  
License no. (339)

Date: 23 Muharram 1445H  
10 August 2023



Maham Company for Professional Services (A single shareholder LLC)

Owned by Certified Public Accountant: Abdulaziz Saud Al Shabeebi (License No. 339)

CR: 2050240744 Capital: S.R. 1,000,000

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Ash Shamaliyah, Dammam 32232 - 6140, Kingdom of Saudi Arabia  
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مملوكة للمحاسب القانوني عبدالعزيز سعود الشببيبي (ترخيص رقم 339)  
السجل التجاري: ٢٠٥٠٢٤٠٧٤٤ رأس المال: ١٠٠٠٠٠٠٠ ريال سعودي  
٤٢٩٢ طريق الملك فهد - حي الخيرية - الدمام الشمالية  
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Tourism Enterprise Company (Shams)  
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2023

		30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
	Note		
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Accounts receivable		375,711	4,808,260
Prepayments and other debit balances		2,721,043	1,155,008
Cash and cash equivalents	4	506,906,232	509,695,719
<b>TOTAL CURRENT ASSETS</b>		<b>510,002,986</b>	<b>515,658,987</b>
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	49,147,633	48,741,893
Investment properties	6	6,212,589	6,314,924
<b>TOTAL NON-CURRENT ASSETS</b>		<b>55,360,222</b>	<b>55,056,817</b>
<b>TOTAL ASSETS</b>		<b>565,363,208</b>	<b>570,715,804</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	7	578,236,230	578,236,230
Statutory reserve		2,913,121	2,913,121
Accumulated losses		(27,338,226)	(30,339,502)
<b>TOTAL EQUITY</b>		<b>553,811,125</b>	<b>550,809,849</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable		594,891	825,499
Accrued expenses and other current liabilities		2,869,438	11,316,518
Provision for claims	11	5,792,707	5,792,707
Zakat provision	8	785,479	717,581
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,042,515</b>	<b>18,652,305</b>
<b>NON-CURRENT LIABILITY</b>			
Employees' defined benefits liabilities		1,509,568	1,253,650
<b>TOTAL NON CURRENT LIABILITY</b>		<b>1,509,568</b>	<b>1,253,650</b>
<b>TOTAL LIABILITIES</b>		<b>11,552,083</b>	<b>19,905,955</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>565,363,208</b>	<b>570,715,804</b>

Chief Financial Officer

Ahmed Mohamed Soliman

Chief Executive Officer

Mohammad Saleh Al Onaizan

Deputy Chairman -Executive

Abdullah Omar Al Suwailem

The attached notes 1 to 16 form part of these interim condensed financial statements.

Tourism Enterprise Company (Shams)  
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UNAUDITED)

For the three-month and six-month periods ended 30 June 2023

		For the three-month period ended 30 June		For the six-month period ended 30 June	
		2023	2022	2023	2022
		SR	SR	SR	SR
Note		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	10	2,946,395	2,479,989	4,680,573	4,730,343
Cost of revenue		(3,546,241)	(2,442,910)	(5,729,359)	(4,460,663)
<b>GROSS LOSS</b>		<b>(599,846)</b>	<b>37,079</b>	<b>(1,048,786)</b>	<b>269,680</b>
<b>EXPENSES</b>					
Selling and marketing		(337,710)	(309,022)	(645,605)	(582,280)
General and administration		(2,262,793)	(2,719,047)	(4,161,526)	(4,523,668)
<b>OPERATING LOSS</b>		<b>(3,200,349)</b>	<b>(2,990,990)</b>	<b>(5,855,917)</b>	<b>(4,836,268)</b>
Other income, net		-	10,000	5,000	10,000
Reversal of provision for claims		-	-	-	1,972,827
(Provision)/reversal for expected credit losses		(4,520,265)	3,118,949	(4,520,265)	3,118,949
Interest income	4	8,833,958	-	13,567,458	-
<b>PROFIT BEFORE ZAKAT</b>		<b>1,113,344</b>	<b>137,959</b>	<b>3,196,276</b>	<b>265,508</b>
Zakat	8	(100,000)	(70,000)	(130,000)	(110,000)
<b>NET PROFIT FOR THE PERIOD</b>		<b>1,013,344</b>	<b>67,959</b>	<b>3,066,276</b>	<b>155,508</b>
<b>OTHER COMPREHENSIVE LOSS</b>					
<i>Other comprehensive loss not to be reclassified to profit or loss in subsequent periods</i>					
Remeasurement losses on employee benefits		(30,000)	(20,000)	(65,000)	(61,710)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>983,344</b>	<b>47,959</b>	<b>3,001,276</b>	<b>93,798</b>
<b>EARNINGS PER SHARE</b>					
Basic and diluted earnings per share from profit before zakat for the period attributable to shareholders of the Company	9	0.001	0.001	0.003	0.003
Basic and diluted earnings per share from net profit for the period attributable to shareholders of the Company	9	0.001	0.001	0.003	0.001

Chief Financial Officer  
Ahmed Mohamed Soliman

Chief Executive Officer  
Mohannad Saleh Al Owaizan

Deputy Chairman -Executive  
Abdullah Omar Al Suwailem

The attached notes 1 to 16 form part of these interim condensed financial statements.

Tourism Enterprise Company (Shams)  
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

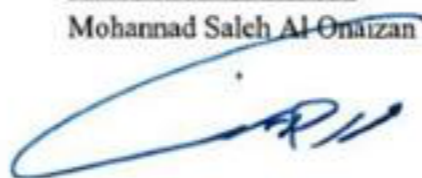
For the six-month period ended 30 June 2023

	Share capital SR	Statutory reserve SR	Retained earnings/ (accumulated losses) SR	Total equity SR
As at 1 January 2022 (audited)	52,566,930	2,913,121	(40,567)	55,439,484
Net profit for the period	-	-	155,508	155,508
Other comprehensive loss for the period	-	-	(61,710)	(61,710)
Total comprehensive income for the period	-	-	93,798	93,798
Balance at 30 June 2022 (unaudited)	52,566,930	2,913,121	53,231	55,533,282
As at 1 January 2023 (audited)	578,236,230	2,913,121	(30,339,502)	550,809,849
Net profit for the period	-	-	3,066,276	3,066,276
Other comprehensive loss for the period	-	-	(65,000)	(65,000)
Total comprehensive income for the period	-	-	3,001,276	3,001,276
Balance at 30 June 2023 (unaudited)	578,236,230	2,913,121	(27,338,226)	553,811,125

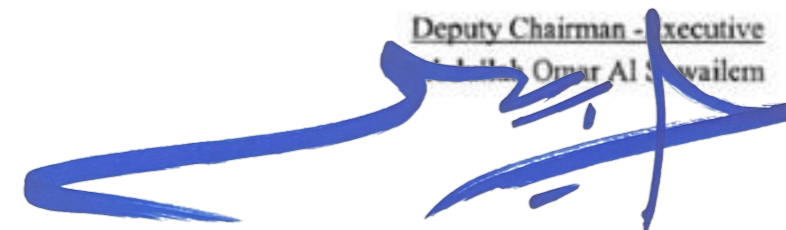
Chief Financial Officer  
Ahmed Mohamed Soliman



Chief Executive Officer  
Mohannad Saleh Al-Onaizan



Deputy Chairman - Executive  
Abdullah Omar Al-Sawailem



The attached notes 1 to 16 form part of these interim condensed financial statements.

**Tourism Enterprise Company (Shams)**  
**(A Saudi Joint Stock Company)**

**INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the six-month period ended 30 June 2023

		For the six-month period ended 30 June	
		2023	2022
		SR	SR
	Note	(Unaudited)	(Unaudited)
<b>OPERATING ACTIVITIES</b>			
Profit before zakat		3,196,276	265,508
<i>Non-cash adjustments to reconcile profit before zakat to net cash flows from operating activities :</i>			
Depreciation for property and equipment	5	3,264,655	2,993,667
Depreciation of investment properties	6	102,335	115,366
Provision provided / (reversal of provision) for expected credit losses		4,520,265	(3,118,949)
Employees' defined benefits liabilities		263,205	72,217
Reversal of provision for legal claims		-	(1,972,827)
		<u>11,346,736</u>	<u>(1,645,018)</u>
Working capital adjustments:			
Accounts receivable		(87,716)	819,921
Prepayments and other debit balances		(1,566,035)	(1,146,651)
Accounts payable		(230,608)	(22,321)
Accrued expenses and other current liabilities		(8,447,080)	(1,588,450)
Cash flows from/(used in) operations		<u>1,015,297</u>	<u>(3,582,519)</u>
Employees' defined benefits liabilities paid		(72,287)	(86,926)
Zakat paid	8	(62,102)	(557,396)
Net cash flows from/(used in) operating activities		<u>880,908</u>	<u>(4,226,841)</u>
<b>INVESTING ACTIVITY</b>			
Purchase of property and equipment	5	(3,670,395)	(3,766,554)
Net cash flows used in investing activity		<u>(3,670,395)</u>	<u>(3,766,554)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		(2,789,487)	(7,993,395)
Cash and cash equivalents at the beginning of the period		509,695,719	13,317,303
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	4	<u>506,906,232</u>	<u>5,323,908</u>

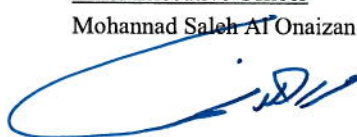
Chief Financial Officer

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Chief Executive Officer

Mohannad Salah Al Onaizan



Deputy Chairman -Executive

Abdullah Omar Al Suwailem

The attached notes 1 to 16 form part of these interim condensed financial statements.

**Tourism Enterprise Company (Shams)**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**

At 30 June 2023

**1 CORPORATE INFORMATION**

- 1.1** Tourism Enterprise Company (Shams) (the "Company") is a Saudi joint stock company. The Company was established in the Kingdom of Saudi Arabia under Commercial Registration No. 2050021572 in the city of Dammam dated 20 Muharram 1412H (corresponding to 1 August 1991G).

The Company is engaged in managing hotels, furnished residential units, chalets, tourist inns, resorts, wedding halls and events with accommodation, management of tourist accommodation facilities, camps, restaurants, coffee shops, buffets (cafeterias), rental of bicycles, amusement parks, entertainment centers, organization of recreational activities, operation of entertainment facilities.

Currently, the main activity of the Company is to manage tourism project (Palm Beach Resort), which is located on a leased land from the Municipality of Dammam for 40 years from the date of 1 Muharram 1410H (corresponding to 3 August 1989G), ending on 30 Dhul Hijjah 1450H (corresponding to 14 May 2029G), without specifying in the contract on the possibility of renewing the lease contract.

- 1.2** The Company has the following branches:

<i>Commercial registration</i>	<i>Date</i>	<i>Location</i>
2052103400	06/07/1443	Dhahran
2052103401	06/07/1443	Dhahran

- 1.3** The Company conducts its activities in the Kingdom of Saudi Arabia and its offices are located in the city of Dammam, 31482 P.O. Box 8383.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") as endorsed in KSA and other standards and pronouncements that are endorsed by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2022. In addition, results shown in these interim condensed financial statements may not be indicative for the annual results of the Company's operations.

**2.2 Basis of measurement**

These interim condensed financial statements are prepared using historical cost convention.

**Tourism Enterprise Company (Shams)**  
**(A Saudi Joint Stock Company)**

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**  
**At 30 June 2023**

**2 BASIS OF PREPARATION (continued)**

**2.3 Functional and presentation currency**

These interim condensed financial statements are presented in Saudi Arabian Riyals ("SR"), which is also the functional currency of the Company.

**2.4 New standards, interpretations and amendments adopted by the Company**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed financial statements of the Company.

The Company has adopted the following relevant amendments to IFRS which are effective for periods beginning on and after 1 January 2023, and have no impact on the Company's transactions and balances for the current or prior periods:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Definition of Accounting Estimates – (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

**2.5 Standards issued not yet effective**

The amendments to existing standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these amendments to existing standards, if applicable, when they become effective:

- Classification of liabilities as current or non-current (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024.
- Lease Liabilities in a Sale and Leaseback (Amendments to IFRS 16) effective for annual periods beginning on or after 1 January 2024.
- Non-current Liabilities with Covenants (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

The above-mentioned standards are not expected to have a significant impact on the interim condensed financial statements of the Company.

Tourism Enterprise Company (Shams)  
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 June 2023

**3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Company's interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2022.

**4 CASH AND CASH EQUIVALENTS**

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Cash on hand	67,474	73,012
Cash at banks	1,838,758	9,622,707
Short-term deposits (note 4.1)	505,000,000	500,000,000
	<u>506,906,232</u>	<u>509,695,719</u>

4.1 These are short term Islamic Murabaha deposits and are denominated in Saudi Riyals. The Company's interest income on these deposits amounted to SR 13.5 million during the six-month period ended 30 June 2023 (six month period ended 30 June 2022: nil).

**Tourism Enterprise Company (Shams)**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**  
**At 30 June 2023**

**5 PROPERTY AND EQUIPMENT**

	<b>30 June 2023 SR (Unaudited)</b>	<b>31 December 2022 SR (Audited)</b>
<i>Cost:</i>		
At beginning of the period/year	150,296,389	142,836,419
Additions	3,670,395	7,589,970
Disposals	-	(130,000)
At end of the period/year	<u>153,966,784</u>	<u>150,296,389</u>
<i>Accumulated depreciation:</i>		
At beginning of the period/year	101,554,496	95,526,655
Charge for the period/year	3,264,655	6,157,841
Disposals	-	(130,000)
At end of the period/year	<u>104,819,151</u>	<u>101,554,496</u>
<i>Net book amount as at the end of the period/year</i>	<u><u>49,147,633</u></u>	<u><u>48,741,893</u></u>

**6 INVESTMENT PROPERTIES**

	<b>30 June 2023 SR (Unaudited)</b>	<b>31 December 2022 SR (Audited)</b>
<i>Cost:</i>		
At the beginning and the end of the period/year	<u>10,312,033</u>	<u>10,312,033</u>
<i>Accumulated depreciation:</i>		
At the beginning of the period/year	3,997,109	3,770,209
Charge for the period/year	102,335	226,900
At the end of the period/year	<u>4,099,444</u>	<u>3,997,109</u>
<i>Net book amount as at the end of the period/year</i>	<u><u>6,212,589</u></u>	<u><u>6,314,924</u></u>

- Investment properties represent an owned plot of land and the building constructed on it located in Al Khobar, Kingdom of Saudi Arabia.

**Tourism Enterprise Company (Shams)**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**

At 30 June 2023

**7 SHARE CAPITAL**

On 23 Dhul Qidah 1444H (corresponding to 12 June 2023) the Company's Extraordinary General Assembly resolved to split the shares available to 20 shares to each of the existing shares. as a result, the share capital of the Company is divided into 1,156,472,460 shares with a nominal value of SR 0.5 each (31 December 2022: 57,823,623 shares with a nominal value of SR 10 each).

On 26 Rabi' II 1444H (corresponding to 20 November 2022) , the Company's Extraordinary General Assembly resolved to increase the share capital by an amount of SR 525,669,300 by issuance of rights issue shares. On 15 December 2022, the Company announced the results of the offering, and on 22 December 2022, the Company received the net proceeds of the offering. Legal formalities in this regard have been completed during the year ended 31 December 2022.

**8 ZAKAT**

**8.1 Charge for the period**

The charge for the interim period is calculated based on estimated zakat charge for the whole year.

**8.2 Movements in provision during the period/year**

The movement in the zakat provision was as follows:

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
At the beginning of the period/year	717,581	759,978
Provided during the period/year	130,000	62,103
Adjustments during the year	-	452,897
Payments during the period/year	(62,102)	(557,397)
At the end of the period/year	<u>785,479</u>	<u>717,581</u>

**8.3 Status of assessments**

The Company has submitted the Zakat return for all years up to 31 December 2022 and paid its dues according to these returns. Zakat assessments have been finalized with the Zakat, Tax and Customs Authority ("ZATCA") for all the years up to 2020, except for the year 2019. The assessment for the years 2019, 2021 and 2022 has not been raised by ZATCA yet.

**Tourism Enterprise Company (Shams)**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**

At 30 June 2023

**9 EARNINGS PER SHARE**

Basic and diluted earnings per share (EPS) is calculated by dividing the net profit for the period attributable to equity holder of the Company by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and ordinary shares outstanding data used in the basic and diluted earnings per share calculation of the shareholders of the Company:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2023	2022	2023	2022
	SR	SR	SR	SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit before Zakat attributable to equity holders of the Company	1,113,344	137,959	3,196,276	265,508
Net profit attributable to equity holders of the Company	1,013,344	67,959	3,066,276	155,508
Weighted average number of ordinary shares outstanding	1,156,472,460	105,133,860	1,156,472,460	105,133,860
Basic and diluted earnings per share from profit before zakat for the period	0.001	0.001	0.003	0.003
Basic and diluted earnings per share from net profit for the period	0.001	0.001	0.003	0.001

The weighted average number of shares outstanding for the comparative periods has been restated to reflect the shares split that took place during the current quarter (note 7) and consequently earnings per share for the comparative periods have been restated as required by the relevant accounting standard.

**10 REVENUE**

Below is the disaggregation of the Company's revenue:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2023	2022	2023	2022
	SR	SR	SR	SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Type of services</b>				
Daily rent revenue	1,713,979	1,440,158	2,358,489	2,665,468
Services and other fees revenue	1,090,255	926,081	2,052,043	1,799,875
Annual rent revenue	142,161	113,750	270,041	265,000
<b>Total revenue</b>	<b>2,946,395</b>	<b>2,479,989</b>	<b>4,680,573</b>	<b>4,730,343</b>
<b>Geographical markets</b>				
Saudi Arabia	2,946,395	2,479,989	4,680,573	4,730,343
<b>Timing of revenue recognition</b>				
Services transferred over time	142,161	113,750	270,041	265,000
Services transferred at a point in time	2,804,234	2,366,239	4,410,532	4,465,343
<b>Total revenue from contracts with customers</b>	<b>2,946,395</b>	<b>2,479,989</b>	<b>4,680,573</b>	<b>4,730,343</b>

**Tourism Enterprise Company (Shams)**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**  
**At 30 June 2023**

**11 COMMITMENTS AND CONTINGENCIES**

- 11.1 The Company has an ongoing legal case filed by the owner of a group of companies that SHAMS was initially planning to invest in, and later on, the board of directors of SHAMS revoked the decision due to certain facts identified and resulted in taking decision not to proceed with these investments as they will not be in favour of the Company. The total claim with respect amounted to approximately SR 5.6 million, which has been provided for in full by management in the past. The legal proceedings are still in progress.

**12 CAPITAL MANAGEMENT**

The Company's management intends to invest a significant portion of the available cash and cash equivalent into a long term assets before the fourth quarter of the current year.

**13 FAIR VALUE MEASUREMENT**

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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement. There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between Levels 1, 2 or 3 during the six-month period ended 30 June 2023 (31 December 2022: same).

As of reporting date, there were no Level 1, 2 or 3 assets or liabilities.

**Tourism Enterprise Company (Shams)**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**  
**At 30 June 2023**

**13 FAIR VALUE MEASUREMENT (continued)**

**Financial instruments by categories**

	<b>30 June 2023 SR (Unaudited)</b>	<b>31 December 2022 SR (Audited)</b>
<b>Financial assets measured at amortized cost</b>		
Accounts receivable	375,711	4,808,260
Cash and cash equivalents	<u>506,906,232</u>	<u>509,695,719</u>
	<u><b>507,281,943</b></u>	<u><b>514,503,979</b></u>
<b>Financial liabilities measured at amortized cost</b>		
Accounts payable	594,891	825,499
Accrued expenses and other current liabilities	2,869,438	11,316,518
Provision for claims	5,792,707	5,792,707
Employees' defined benefits liabilities	<u>1,509,568</u>	<u>1,253,650</u>
	<u><b>10,766,604</b></u>	<u><b>19,188,374</b></u>

**14 EVENTS AFTER THE REPORTING DATE**

In the opinion of management, there have been no further significant subsequent events since the period ended 30 June 2023 but before the date of authorisation of these interim condensed financial statements that would have a material impact on the interim condensed financial position of the Company as reflected in these interim condensed financial statements.

**15 COMPARATIVE FIGURES**

Certain of the comparative figures have been reclassified to conform with the presentation of the current period.

**16 APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorized for issuance on 23 Muharram 1445 H (corresponding to 10 August 2023).