

THIMAR DEVELOPMENT HOLDING COMPANY
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A Saudi Joint Stock Company)
RIYADH, SAUDI ARABIA
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
WITH INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023

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

To the Shareholders of

Thimar Development Holding Company
(SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE)
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Thimar Development Holding Company (A Saudi Joint Stock Company) (the Company), as at 31 March 2023G, and the condensed interim statements of profit or loss and other comprehensive income, the condensed interim statement of changes in equity, and the condensed interim statement of cash flows for the three months period then ended, and a summary of significant accounting policies and other explanatory notes. The Company Management is responsible for the preparation of these condensed Interim financial statements in accordance with International Accounting Standard (34), "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

Except what described in the following paragraph ,we conducted our review in accordance with the International Standard on Review Engagements (2410), "Review of condensed interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. An examination of the condensed interim financial statements consists of directing inquiries, mainly to persons responsible for financial and accounting matters, and applying analytical and other examination 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. Therefore, we will not express an audit opinion.

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

To the Shareholders of

Thimar Development Holding Company
(SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE)
(A Saudi Joint Stock Company)

Basis for the Qualified Conclusion

- 1- Based on the information provided to us by the management, the management was unable, during the period from the end of the company's fiscal year for the last year as at December 31, 2021G to March 31, 2023G, to obtain the financial statements and investment confirmations for one of the investee companies (the National Company for Fresh Fruit Products) as at March 31, 2023G (we also did not received those financials as at December 31, 2022G), and the investment balance at the same date amounted to zero Saudi riyals. The management was also unable to obtain the current status of this investment, and we were unable to perform alternative procedures to verify the accuracy of the evaluation and the existence and completeness of the balance of this investment, transactions and related accounts.
- 2- Based on the information provided to us by the management, the management was unable, during the period from the end of the company's fiscal year for the last year as at December 31, 2022G to March 31, 2023G, to obtain confirmations for the balances of some trade payables as at March 31, 2023G (also we were not provided with as at March 31 December 2022), with a balance of SAR 336,228, and we were unable to perform alternative procedures to verify the accuracy, existence, and completeness of these balances and to determine whether there was a need to make any adjustments to the balances of trade payables, transactions, and related accounts.
- 3- The accumulated losses as at 31March 2023G include an amount of SR 40,817,863, which are transactions that were settled on the statement of profit or loss and other comprehensive income in 2021G,2020G and 2019G, and we were not provided with sufficient supporting documents at the time (please refer to our report on the financial statements as at 31 December 2021G { qualification no. (3), no. (5) within the basis for disclaimer of opinion section}, and our report on the financial statements as at 31 December 2020G {qualification no. (8), and no. (21) within the basis for disclaimer of opinion section}, and our report on the financial statements as at 31 December 2019G {qualification no. (8), no. (9), and no. (26) within the basis for disclaimer of opinion section} to find out the details of the amount and the reasons for the qualification). We were unable to perform alternative procedures to verify the completeness and accuracy of the balance of accumulated losses.

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

To the Shareholders of

Thimar Development Holding Company (SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE) (A Saudi Joint Stock Company)

Qualified Conclusion

Except of the adjustments to the condensed interim financial statements, which we may become aware of if the information referred to in the above paragraph were available, and based on our review, nothing has come to our knowledge that makes us believe that the condensed interim financial statements attached as at March 31, 2023G to Thimar Development Holding Company (a joint stock company) Saudi Arabia (the "Company") is not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

Emphasis of Matter

1. We would like to draw attention to note No. (25) of the supplementary notes to the interim condensed financial statements, which refers to the purpose of disclosing the amounts of current and non-current liabilities related to accepted claims in the financial reorganization proposal of the company, and our conclusion has not been modified in this regard.
2. We draw attention to note no. (23) of the supplementary notes to the interim condensed financial statements, which indicates that the company incurred accumulated losses as at 31 March 2023G amounting to SR 234,436,774, which exceeded all the company's capital (at the end of year 2022G and 2021G exceeded all the company's capital and at the end of years 2020G and 2019G exceeded more than 50% of the capital , and was referred to by drawing attention in our report on the company's financial statements), which is required, in implementation of Article no. (132) of The Regulations for the Companies, that the extraordinary general assembly to meet within one hundred and eighty days from the date of knowledge of this, to consider the continuity of the company and take any of the necessary measures to deal with or resolve these losses; However, due to the company's entry into the financial reorganization proposal and procedures and in application of Article No. (45) of Chapter Four of the Bankruptcy Law and its implementing regulations, the company is exempted from applying the provisions of the Companies Law with regard to the company's losses reaching the percentage specified in the Regulation. Our conclusion is not modified in respect of this matter.

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

To the Shareholders of

Thimar Development Holding Company

(SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE)

(A Saudi Joint Stock Company)

Emphasis of Matter (continued)

3. We would like to draw attention to note no. (24) of the supplementary notes to the interim condensed financial statements, which indicates that the company's continuity as a going concern is related to the implementation of the company's financial reorganization proposal, which depends mainly on increasing the company's capital, and the company's board of directors during the period following the date of this condensed interim financial statements recommending an increase in the company's capital by offering initial rights at a value of 100 million Saudi riyals, so that the capital after the increase becomes 200 million Saudi riyals in order to maximize the company's expansion capacity in investments and provide the necessary liquidity to pay part of the financial obligations due according to the announced financial reorganization plan .Until the date of approval of these interim condensed financial statements, this increase has not occurred, and our conclusion has not modified in respect of this matter.

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

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



**03/11/1444H.
23/ 05/2023G.**

THIMAR DEVELOPMENT HOLDING COMPANY
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A SAUDI JOINT-STOCK COMPANY)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS OF 31 MARCH 2023
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	<u>Note</u>	<u>March 31, 2023</u> (Unaudited)	<u>December 31, 2022</u> (Audited)
<u>Assets</u>			
<u>Non-Current Assets</u>			
Investment in associate company and unconsolidated subsidiary	(6)	-	-
Property, plant and equipment, net	(5)	43,210,288	43,318,376
Total Non-Current Assets		43,210,288	43,318,376
<u>Current Assets</u>			
Assets and Property available for sale	(7)	535,000	580,000
Accounts Receivable, net	(8)	-	-
Prepaid expenses and other debit balances, net	(9)	7,190	35,743
Due from related parties, net	(10/a)	-	-
Cash and cash equivalents	(11)	1,849	212,201
Total Current Assets		544,039	827,944
Total Assets		43,754,327	44,146,320
<u>Equity and Liabilities</u>			
<u>Equity</u>			
Share capital	(1)	100,000,000	100,000,000
Statutory reserve	(13)	2,883,376	2,883,376
Other reserve		(34,303)	(34,303)
Revaluation Surplus	(14)	31,658,561	31,658,561
Accumulated (losses)		(234,436,774)	(233,652,138)
Total equity (minus)		(99,929,140)	(99,144,504)
<u>Non-Current Liabilities</u>			
Employees' End of Service Benefits		53,400	64,025
Total Non-Current Liabilities		53,400	64,025
<u>Current Liabilities</u>			
Short term loans	(12)	32,033,389	32,033,389
Accounts payable	(15)	66,098,139	66,380,936
Accruals and other credit balances	(16)	24,425,894	23,533,384
Due to related parties	(10/b)	1,570,078	1,570,078
Claims provision	(17)	3,725,626	3,932,071
Zakat provision		15,776,941	15,776,941
Total Current Liabilities		143,630,067	143,226,799
Total Liabilities		143,683,467	143,290,824
Total liabilities and equity		43,754,327	44,146,320

* The accompanying notes (1) to (28) form an integral part of these condensed interim financial statements.

Chairman

Managing Director

Finance Manager

THIMAR DEVELOPMENT HOLDING COMPANY
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A SAUDI JOINT-STOCK COMPANY)

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE MONTHS PERIODS ENDED 31 March 2023
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	<u>Note</u>	<u>For the Three-months period ended 31 March</u>	
		2023	2022
		(Unaudited)	(Unaudited)
Activity Revenues		-	-
Activity costs		-	-
Gross Profit		-	-
<u>Main Operating Expenses</u>			
General and administrative expenses		(1,179,427)	(713,039)
General and administrative expenses-financial restructuring procedure	(18)	-	(550,000)
Operational (loss) from operations		(1,179,427)	(1,263,039)
Other revenues and (expenses) - (Net)	(19)	394,791	3,814,500
Operations Income		(784,636)	2,551,461
Net (Loss) / Profit before Zakat		(784,636)	2,551,461
Zakat		-	-
Net (Loss) / Profit for the period		(784,636)	2,551,461
Other comprehensive income:			
Items that will not subsequently be reclassified to profit or loss			
Revaluation Surplus		-	31,776,034
Total comprehensive income		-	31,776,034
Total comprehensive income for the period		(784,636)	34,327,495
(Loss) / Profit per share for the period:			
Basic and diluted earning share in net (Loss) / Profit for the period	(20)	(0.08)	0.26

* The accompanying notes (1) to (28) form an integral part of these condensed interim financial statements.

Chairman

Managing Director

Finance Manager

THIMAR DEVELOPMENT HOLDING COMPANY
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A SAUDI JOINT-STOCK COMPANY)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2023
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Other reserve</u>	<u>Revaluation Surplus</u>	<u>Accumulated (losses)</u>	<u>Total equity</u>
Balance at January 1, 2022 (Audited)	100,000,000	2,883,376	(155,283)	-	(228,946,726)	(126,218,633)
Net Profit for the period	-	-	-	-	2,551,461	2,551,461
Other comprehensive income for the period	-	-	-	31,776,034	-	31,776,034
Balance as at March 30, 2022 (Unaudited)	100,000,000	2,883,376	(155,283)	31,776,034	(226,395,265)	(91,891,138)
Balance at January 1, 2023 (Audited)	100,000,000	2,883,376	(34,303)	31,658,561	(233,652,138)	(99,144,504)
Net (Losses) for the period	-	-	-	-	(784,636)	(784,636)
Other comprehensive income for the period	-	-	-	-	-	-
Balance as at March 31, 2023 (Unaudited)	100,000,000	2,883,376	(34,303)	31,658,561	(234,436,774)	(99,929,140)

* The accompanying notes (1) to (28) form an integral part of these condensed interim financial statements.

Chairman

Managing Director

Finance Manager

THIMAR DEVELOPMENT HOLDING COMPANY
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A SAUDI JOINT-STOCK COMPANY)

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE THREE MONTHS PERIOD ENDED 31 March 2023
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	<u>Note</u>	<u>For the Three-months period ended 31 March</u>	
		2023	2022
		(Unaudited)	(Unaudited)
<u>Operating Activities</u>			
Net (Loss) / Profit before Zakat		(784,636)	2,551,461
<u>Adjustments</u>			
Depreciation of Property, plant and equipment		108,088	105,141
Gain from the sale of property, machinery and equipment		(4,500)	(14,500)
		(681,048)	2,642,102
<u>Changes in Working capital:</u>			
Prepaid expenses and other debit balances		28,553	(46,642)
Accounts payable		(282,797)	(102,239)
Accruals and other credit balances		892,510	(146,843)
Cash (used) / provided by operating activities		(42,782)	2,346,378
Employees end of service benefits paid		(10,625)	(657,129)
Claims provsion paid		(206,445)	-
Net cash (used) / provided by operating activities		(259,852)	1,689,249
<u>Investing Activities</u>			
Purchase of property and equipment		-	(24,217)
Collection from sale property and equipment		4,500	14,500
Collection from sale property and equipment available for sale		45,000	-
Net cash provided / (used) by investing activities		49,500	(9,717)
<u>Cash Flows from Financing Activities</u>			
Net Cash Provided By Financing Activities		-	-
Net cash flow		(210,352)	1,679,532
Cash and bank balances at the beginning of the period		212,201	2,459,583
Cash and bank balances at the end of the period		1,849	4,139,115
<u>The most important non-cash transactions</u>			
Revaluation Surplus		-	31,776,034
		-	31,776,034

* The accompanying notes (1) to (28) form an integral part of these condensed interim financial statements.

Chairman

Managing Director

Finance Manager

THIMAR DEVELOPMENT HOLDING COMPANY

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1- SUMMARY FOR THE COMPANY

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

Financial reorganization procedures

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

Company Financial Reorganization Trustee Information:

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

2- BASIS OF PREPARATION THE CONDENSED INTERIM FINANCIAL STATEMENTS

2-1 ACCOUNTING STANDARDS APPLIED

- These condensed Interim financial statements have been prepared in accordance with International Accounting Standard "34" "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA. which includes the standard of financial reporting 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 into the procedure. The financial statements show the impact of transactions and events

THIMAR DEVELOPMENT HOLDING COMPANY

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(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

directly related to the financial reorganization procedures independently of the company's current activities, and these summary preliminary financial statements must be read along with the latest annual financial statements as of December 31, 2022G.

- These condensed Interim financial statements do not include all information and disclosures required to issue the complete set of financial statements that prepared in accordance with the International Financial Reporting Standards (IFRS). However, the specified accounting policies and notes are included to explain the significant events and transactions to an understanding of changes in financial position and financial performance since the last annual financial statements. In addition to, the results for the three months period ending 31 march 2023 are not necessarily indicative of the results that can be expected for the year ending 31 December 2023.

2-2 ACCOUNTING CONVENTION / BASIS OF MEASUREMENT

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

2-3 FUNCTIONAL AND PRESENTATION CURRENCY

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

3- SIGNIFICANT ACCOUNTING POLICIES

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

There are no new standards that have been issued. However, a number of amendments to the standards are effective as of January 1, 2023G, which were explained in the annual financial statements, but do not have a material impact on the company's condensed interim financial statements.

3-2 SIGNIFICANT ACCOUNTING POLICIES APPLIED

The accounting policies applied in preparing the condensed Interim financial statements aligned with those policies applied in preparing the financial statements for the year ended on 31 December 2022.

4- SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

These estimates and assumptions are based on experience and other factors that are believed to be reasonable under the circumstances and are used to judge the carrying amounts of assets and

THIMAR DEVELOPMENT HOLDING COMPANY

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(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

liabilities that are difficult to obtain from other sources. Core estimates and assumptions are reviewed on an on-going basis. An audit of the accounting estimates is recorded in the period in which the estimates are revised or in the period of the revision and future periods if the revised estimates affect current and future periods.

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

4-1 Judgments

Compliance with performance obligations

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

Determine transaction prices

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

4-2 Assumptions and estimates

Expected credit losses

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

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

Define criteria for substantial increase in credit risk

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

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

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

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)

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Provision for slow moving inventory

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

Productive useful life of property, plant and equipment

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

Impairment of non-financial assets.

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

Going concern

The management of the company has assessed its ability to continue on the basis of the going concern and has concluded that it has the resources to continue its activity in the foreseeable future. In addition, the company is subject to bankruptcy regulations and its implementing regulations, as the court approved the financial reorganization proposal submitted by the company, and both shareholders and creditors approved the proposal (Note 24). The financial statements have been prepared on the going concern basis..

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SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A SAUDI JOINT-STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

5- Property, plant and equipment (Net)

Description	<u>Lands*</u>	<u>Building</u>	<u>Vehicles</u>	<u>Furniture, Fixtures, Office equipment and Decoration</u>	<u>Wells</u>	<u>Electrical and computer equipment</u>	Total
Balance as at 1/1/2023	37,890,337	25,300,697	199,333	24,218	100,359	2,130	63,517,074
Revaluation Surplus for lands during the period	-	-	-	-	-	-	-
Additions during the period	-	-	-	-	-	-	-
Cost and revaluation as at 31/03/2023	<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>
Accumulated Impairment & Depreciation as at 1/1/2023							
Accumulated Impairment as at 1/1/2023**	-	12,331,299	-	-	-	-	12,331,299
Accumulated Depreciation as at 1/1/2023	-	7,586,968	177,752	2,142	100,359	178	7,867,399
Period's depreciation ***	-	97,270	10,106	605	-	107	108,088
Accumulated as at 31/03/2023	<u>-</u>	<u>20,015,537</u>	<u>187,858</u>	<u>2,747</u>	<u>100,359</u>	<u>285</u>	<u>20,306,786</u>
Net book value as at 31/03/2023	<u>37,890,337</u>	<u>5,285,160</u>	<u>11,475</u>	<u>21,471</u>	<u>-</u>	<u>1,845</u>	<u>43,210,288</u>
Net book value as at 31/12/2022	<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>

* During the year 2022G, the company used the fair value model by re-evaluation to measure the lands owned by the company, and based on the results of that evaluation, an increase in the value of the lands owned by the company was proven, with a total amount of 31,658,561 Saudi riyals, and it was recorded under the items Other comprehensive income under the name of revaluation surplus, based on the assessments made by the company for the land by 2 accredited valuers, and the lowest value assessment was taken.

** ** The decrease of SR 12,331,299 is represented by the company, during the year 2022G, comparing the total value of building evaluation for 3 sites owned by the company, with the total balances of the cost of those items and their accumulated book depreciation. Based on the results of those evaluations, it was proven The decrease in the value of the buildings, based on the evaluations made by the company for the buildings by 2 accredited evaluators, and the lowest value evaluation was taken.

*** Depreciation expenses have been fully distributed on the item of general and administrative expenses.

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Investments in associate companies consist of the following:

Company	Legal entity	Country	Ownership percentage	31 March 2023 (Unaudited) SAR	31 December 2022 (Audited) SAR
* Thimaar and Wasmi Markets Company	Limited liability company	Saudi Arabia	% 30.56	---	---
** Thimar Fresh Company	Limited liability company	Saudi Arabia	% 50	---	---
				---	---

- * Thimaar and Wasmi Markets Company is a limited liability company established in the Kingdom of Saudi Arabia in accordance with the Companies regulation. The main activities of the company are wholesale and retail trade in agricultural, industrial and food products, chilled meats, cleaning and consumer items and all household items. There is an existing lawsuit to liquidate the company, but it has not yet been decided. During the year 2021G, a ruling was issued by the department the ninth in the Commercial Court in Riyadh, ruling opening the liquidation procedure for Thimaar Wasmi Agricultural Markets Company, and based on the result of the liquidation, which showed the bankruptcy of the associate company, the management of the company decided to reverse and close the provision for investment losses in the associate company, and write off the balance of indebtedness owed by the associate company, and there are no outstanding balances for it in the current condensed interim financial statements. And during the current period, the company obtained an amount of 847,395 Saudi riyals represented in its share of the indebtedness owed by the associate company resulting from the liquidation (Note No. 19).
- ** Thimar Fresh Company is a limited liability company established in the Kingdom of Saudi Arabia in accordance with the Companies regulation. The company's accumulated losses reached to 100% of its capital since previous years, and the company's management decided to stop calculating equity method due to existing a lawsuit to liquidate the company, but it has not yet been decided. During the period following the date of the financial statements, the Bankruptcy Committee announced the opening of the administrative liquidation procedure for the National Company for Fresh Fruit Products (the associate company). Previously, during the year 2021G, the balance of indebtedness owed by the associate company was executed, and there are no existing balances for it in the current summary condensed interim financial statements.

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Investments in subsidiary companies consist of the following:

Company	Legal entity	Country	Ownership percentage	31 Marh2023 (Unaudited) SAR	31 December 2022 (Audited) SAR
Wasmi and Thimaar for meat Company (A single shareholder company)	Limited liability company	Saudi Arabia	100%	-	-
				-	-

Wasmi and Themar Meat Company (a single shareholder company) is a limited liability company established in the Kingdom of Saudi Arabia in accordance with the Companies Law under company registration certificate No. 101084794 dated 05/27/1444H corresponding to 21/12/2022G, and the authorized capital amounted to SR 100,000 . Its activity is in the production of fresh meat and the wholesale and retail sale of meat and meat products. Some activities require obtaining licenses from the Ministry of Industry and Mineral Resources. The first fiscal year of the company begins from the date of its registration in the commercial register and ends on 31/12/2023G. Each fiscal year thereafter is twelve. Gregorian months, **and the capital has not been deposited up to date, and the company has not carried out any activities to date, and there are no outstanding balances for it in the current financial statements.**

7- Assets and properties available for sale:

	31 March 2023 SAR	31 December 2022 SAR
Iron piles and scraps*	535,000	580,000
	535,000	580,000

* It represented in of unusable piles of iron and scrap, which are for sale. It was estimated at 780,000 Saudi riyals, as part of it was sold for an amount of 200,000 Saudi riyals during the year 2022 and another part was sold an amount of 45,000 Saudi riyals during the current period.

8- ACCOUNTS RECEIVABLE – (NET):

	31 March 2023 SAR	31 December 2022 SAR
Accounts receivable	13,109,019	13,109,019
Deduct : provision for credit losses*	(13,109,019)	(13,109,019)
	-	-

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	2023	2022
Balance at the beginning of the period / year	13,109,019	13,216,988
Used during the period / year	-	(107,969)
Formed during the period / year	-	-
Balance at the ending of the period / year	13,109,019	13,109,019

9- PREPAID EXPENSES AND OTHER DEBIT BALANCES, NET

	31 March 2023	31 December 2022
Receivables staff	7,000	3,065
Prepaid expenses	-	32,488
Advance payments to suppliers	190	190
Other debit balances	4,468,839	4,468,839
	4,476,029	4,504,582
Deduct : Credit losses provision *	(256,988)	(256,988)
Deduct : Provision for debit balances - Court of Execution **	(4,211,851)	(4,211,851)
	7,190	35,743

***Movement in credit loss provision for other receivables:**

	2023	2022
Balance at the beginning of the period / year	256,988	-
Used during the period / year	-	-
Formed during the period / year	-	256,988
	256,988	256,988

****Movement in Provision for debit balances - Court of Execution:**

	2023	2022
Balance at the beginning of the period / year	4,211,851	4,015,027
Used during the period / year	-	-
Formed during the period / year	-	196,824
	4,211,851	4,211,851

The formed is represented in made a provsion for the sum of the amounts recorded as debit balances in the Execution Court, which the court withdrew from the company's bank accounts against the cases issued by

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the company, due to the lack of sufficient data with the current management for these cases, and it is being followed up with the legal department.

10- RELATED PARTIES TRANSACTIONS:

- The related parties represent the main shareholders and top management members in the company and the companies that owned or managed by them, Also the companies that have a control over those entities or influence effect.
- Transactions with related parties are carried out during the regular business cycle. on terms similar to those between other parties through contracts approved by the management.
- Following the main transactions with the related parties and the balances at the ending period:

10-A Due from related parties:

	Relationship	The nature of the transactions	01/01/2023	Total debit transactions	Total credit transactions	31/03/2023
Prince / Faisal bin Turki	Partner in Associate company	Receivable	22,184,085	-	-	22,184,085
Total			22,184,085			22,184,085
Provision for credit losses*			(22,184,085)			(22,184,085)
Total			--		-	-

***Movement in credit losses provision for related parties:**

	2023	2022
Balance at the beginning of the period / yea	22,184,085	22,184,085
Used during the period / year	-	-
Formed during the period / year	-	-
	22,184,085	22,184,085

10-B Due to related party:**

	Relationship	The nature of the transactions	01/01/2023	Total debit transactions	Total credit transactions	31/03/2023
Mr. Sari AL Mayouf	Managing Director (previous)	Funding	836,194	-	-	836,194
Mr. Ibrahim Al Mayouf	Chariman (previous)	Funding	733,884	-	-	733,884
Total			1,580,078			1 379 078

** As part of the financial reorganization procedure, the related parties submitted their claims to the company's financial reorganization trustee with a total amount of 1,379,078 Saudi riyals, and they

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were fully accepted. 22/07/1443H corresponding to February 23, 2022G, and the list of claims was matched with what was recorded in the books.

During the year 2022G, an amount of 9,000 riyals was recorded, and an amount of 182,000 riyals was recorded for the above-mentioned gentlemen, represented in remunerations due for membership and attendance at Board meetings during the years 2021G / 2022G, which were not included at the time when submitting the list of claims for financial reorganization.

10-C- Compensation for key management personnel

According to the company's policy, the senior executives including the president are those who have the authorities and responsibilities for planning and directing the company's operations directly and indirectly. During the period, the basic salaries, commissions and other benefits of the Executive Director amounted to SAR 150,000 (March 2022: SAR 100,000).

The total approved remuneration for the Chairman and members of the Board of Directors and committees during the period amounted to 62,000 Saudi riyals (March 2022: zero Saudi riyals).

The item includes salaries and employee benefits due on March 31, 2023G, amounting to 4,533,427 Saudi riyals (on December 31, 2022, amounting to 4,381,760 Saudi riyals), represented in salaries and benefits due in favor of the former Managing Director and the current member (related parties) (Note No. 16).

Also, the balance of the bonus item due on March 31, 2023G includes an amount of 2,913,500 Saudi riyals (on December 31, 2022G, the amount of 2,865,500 Saudi riyals) for the benefit of members of the Board of Directors and committees (Note No. 16).

11- CASH AND CASH EQUIVALENTS:

	31 March 2023	31 December 2022
	SAR	SAR
Petty cash	120	697
Cash at Banks	1,729	211,504
	1,849	212,201

12- LOANS:

Loan from SABB bank*:

- The facilities that the company has received by SABB Bank until March 31, 2023 amounted to SR 32,033,389 (31 December 2022, an amount of SR 32,033,389).

As part of the financial reorganization procedure, SABB Bank submitted its claims to the company's financial reorganization trustee with a total amount of SAR 37,071,930. The amount of SAR 32,024,465 was accepted and the amount of SAR 5,047,465 was rejected. The list of claims was approved in the company's financial reorganization procedures from Before the Ninth Commercial Circuit of the Commercial Court in Riyadh on 22/07/1443H corresponding to February 23, 2022G.

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

14- REVALUATION SURPLUS:

	31 March 2023	31 December 2022
	SAR	SAR
Surplus of revaluation of land on Al-Kharj Road, Riyadh	27,331,561	27,331,561
Surplus of revaluation of Al-Kharj land	3,704,250	3,704,250
Surplus of revaluation of the industrial city land	622,750	622,750
	31,658,561	31,658,561

During the year 2022G, the fair value model was used by re-evaluation to measure the lands owned by the company, and based on the results of that evaluation, an increase in the value of the lands owned by the company was proven, with a total amount of 31,776,034 Saudi riyals, and it was recorded within the items of other comprehensive income under the name of revaluation surplus, based on the evaluation What the company has done for its real estate.

- The following is a breakdown of the revaluation surplus:

	Book Value	Revaluation	Surplus Revaluation
land on Al-Kharj Road, Riyadh (1)	1,477,426	28,808,987	27,331,561
Al-Kharj land (2)	768,750	4,473,000	3,704,250
The industrial city land (3)	3,985,600	4,608,350	622,750
Total	6,231,776	37,890,337	31,658,561

- The following is a breakdown of the evaluators:

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	First evaluator (The Middle East company)	Second evaluator (Adaa Management Company for Real Estate Appraisal)	Selected Revaluation (less)
land on Al-Kharj Road, Riyadh (1)	28,808,987	29,770,266	28,808,987
Al-Kharj land (2)	4,473,000	4,634,000	4,473,000
The industrial city land (3)	4,608,350	4,819,338	4,608,350
Total	37,890,337	39,223,604	37,890,337

- The lands were evaluated taking into account a number of factors, including the area of the land, its location, and evaluation methods using the comparison method to determine the market value of each land.

Additional information about the appraised lands:

1. A land located in Al-Kharj Road, Riyadh, owned by the company under Deed No. 20/09/1402, with a total area of 58,793.85 square meters.
2. Agricultural land located in Al-Kharj for the number of 14 plots owned by the company according to 11 deeds, with a total area of 700,000 square meters.
3. An industrial land located in the Industrial City in Riyadh, owned by the company under Deed No. 11/19/1436, with a total area of 4,982 square meters.
- 4- In accordance with the instructions issued by the Capital Market Authority in the Kingdom of Saudi Arabia, when using the fair value or revaluation model to measure real estate, the company must evaluate each property prepared by two evaluators as a minimum, with the lowest value valuation taken when preparing the annual financial statements and by evaluators who obtained Membership of the Saudi Authority for certificated evaluators .

-The following are the evaluator data:

1- Middle East Real Estate Appraisal Company: License of the Saudi Authority for certified evaluator No. 1210001207 represented by:

- Mr. Abdullah Fahd Al-Huraish, Membership No. 1210001207.
- Mr. Osama Mohammed Al-Ruwais, Membership No. 1210001052.

2- Adaa Management Company for Real Estate Appraisal: License of the Saudi Authority for certified Residents No. 1210000876 represented by:

- Mr. Saud and Nadi Al-Enezi, Membership No. 1210000876.
- Mr. Muhammad Jamal Al-Rifai, Membership No. 1220003039.

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	31 March 2023 SAR	31 December 2022 SAR
Accounts payable	20,881,301	21,266,337
Claims*	45,216,838	45,216,838
	66,098,139	66,483,175

*As part of the financial reorganization procedure, the creditors submitted their claims to the company's financial reorganization trustee with a total amount of SR 68,529,529. Part of it was accepted in the amount of SR 64,165,250, and the rest was rejected in the amount of SR 4,517,279. The list of claims in the company's financial reorganization procedures was approved by the Ninth Commercial Circuit of the Commercial Court in Riyadh on 22/07/1443H corresponding to February 23, 2022G.

The historical details of the trade payables outstanding on December 31, 2022G were as follows:

Description	Amount (SAR)
1 Previously recorded book balances of creditors who submitted their claim to the Financial Reorganization Trustee	18,948,316
2 Differences in book balances of creditors who submitted their claim to the Financial Reorganization Trustee	45,216,838
3 Previously recorded book balances of creditors who did not submit their claim to the Financial Reorganization Trustee	1,932,985
Total	66,098,139

16- ACCRUALS AND OTHER CREDIT BALANCES*:

	31 March 2023 SAR	31 December 2022 SAR
Salaries and employees benefits**	7,872,591	7,652,119
Other accrued expenses	4,522,312	3,798,443
Accrued bonuses- Board of directors and Committees**	2,913,500	2,865,500
End of service benefits for terminated employees	1,759,560	1,759,560
Value added tax***	7,357,931	7,457,762
Other Provsion****	–	3,932,071
	24,425,894	27,465,455
Deduct:-Reclass to claims provisions	–	(3,932,071)
	24,425,894	23,533,384

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*As part of the financial reorganization procedure, other creditors (labor and employees - other payables - government agencies) submitted their claims to the company's financial reorganization trustee with a total amount of SR16,583,646, part of which was accepted in the amount of SR 11,019,549, and the rest was rejected in the amount of SR 5,564,097, and the list of claims in the company's financial reorganization procedures was approved by the Ninth Commercial Circuit of the Commercial Court in Riyadh on 22/07/1443H corresponding to February 23, 2022G.

** The accrued salaries and benefits for employees due as at March 31, 2023G, includes an amount of SR 4,533,427, which is represented in accrued salaries and benefits in favor of the current managing director and the former managing director (31 December 2022G, an amount of SR 4,381,760) (related parties) Note No. 10/c.

Also, the accrued bonuses as at March 31, 2023G includes an amount of SR 2,865,500 (as at December 31, 2022G, the amount of SR 2,865,500) for the benefit of members of the Board of Directors and committees (related parties), note No. 10/c.

*** The company's management has recorded the value-added tax balance due on it in favor of the Zakat, Tax and Customs Authority, according to the invoiced amounts in the electronic system records of the authority.

****The company's management re-examined the balances of the accrued expenses (salaries and payable of employee), and as a result, there was a book balance registered with the increase, and the management decided to separate that balance in the account of other provisions to be used against the cases whose owners did not submit their claim to the Financial Reorganization Trustee, and these cases were not included in the list Approved Claims note No. (22), as well as in the event that any obligations appear on the company later, the company's management also formed the provision during the year 2022G with an amount of SR 843,720 , against potential liabilities for cases filed against the company according to the statement of the company's legal advisor, and it was reclassified and separated in a separate item within the items of the statement of financial position under the name of the claims provision , note No. (17).

17- CLAIMS PROVISION

	31 March 2023	31 December 2022
Claims provision	3,725,626	3,932,071
	<u>3,725,626</u>	<u>3,932,071</u>

It is represented in a provision to meet cases whose owners did not submit a claim to the Financial Reorganization Trustee, and those cases were not included in the list of approved claims, note No. (22), as well as in the event that any obligations on the company later appear, note No. (16)

Movement for claims provision

	2023	2022
Balance at the beginning of the year	3,932,071	3,187,780
Transferred from accrued expenses	(206,445)	(99,429)
Used during the year	-	843,720
Formed during the year (note 29)	<u>3,725,626</u>	<u>3,932,071</u>
	<u>3,932,071</u>	<u>3,187,780</u>

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	31 March 2023	31 March 2021
Professional fees	-	550,000
	<u>-</u>	<u>550,000</u>

It is represented in the fees of the company's financial reorganization trustee, who was appointed under the ruling of the Ninth Commercial Circuit of the Commercial Court in Riyadh. The total professional fees for the trustee amount to 1,100,000 Saudi riyals, and An amount of 825,000 Saudi riyals has been recognized and paid during the previous periods, leaving an amount of 275,000 Saudi riyals due upon completion of the financial regulation work.during this current financial period, and the remaining amount of 275,000 Saudi riyals is due upon completion of the financial regulation work.

19- OTHER REVENUES AND (EXPENSES) - (NET):

	31 March 2023	31 March 2022
The company's share of the result of the liquidation of an associate company (6/a)	847,395	-
Net differences of reconciliations of trade payable balances	282,798	-
Differences in the balances of the General Organization for Social Insurance	(739,902)	-
Refrigerator and Al Mabast key money	-	3,800,000
Capital gains from the sale of property, plant and equipment	4,500	14,500
	<u>394,790</u>	<u>3,814,500</u>

20- (LOSS) / PROFIT PER SHARE:

Basic and diluted (Loss) / profit earnings per share from net (Loss) / profit is calculated by dividing the net profit / (Loss) for the period by the weighted average number of shares outstanding at the end of the period amounting to 10,000,000 shares (31 March 2022: 10,000,000 shares)

	31 March 2023 SAR	31 March 2022 SAR
(Loss) / profit of the period	(784,636)	2,551,461
Weighted average number of shares	10,000,000	10,000,000
Basic (Loss) / profit per share	<u>(0,08)</u>	<u>0.26</u>

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21- FINANCIAL INSTRUMENTS RISK MANAGEMENT

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

Credit risk:

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

	31 March 2023	31 December 2022
	SAR	SAR
Cash at bank	1,849	212,201
Prepaid expenses and other debit balances	7,190	35,743

Liquidity risk:

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

Market price risk:

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

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Interest rate risk (commissions):

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

Goods prices risk:

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

Currency risk:

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

Capital Management:

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

	31 March 2023 SR	31 December 2022 SR
Total liabilities	143,683,467	143,290,824
Less: cash and bank balances	1,849	212,201
Net adjusted debt	143,681,618	143,078,623
Shareholders' equity	(99,929,140)	(99,144,504)
Debt to equity ratio as at the end of the period	(%143,78)	(%144,31)

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22- CONTINGENT LIABILITIES:

The company has potential liabilities resulting from lawsuits filed by third parties against the company, according to the statement of the company's legal advisor, estimated at SR 843,720. Also, some creditors previously filed lawsuits against the company and acquired the status of final enforceable judgments, and some of them did not submit their claim with Financial Reorganization Trustee. These cases were not included in the list of approved claims, and there were 7 cases with a total amount of SR 2,481,147, taking into account the formation of provisions for them (in addition to refer to Note No. 17), and the total number of claims rejected by the Company's financial reorganization trustee amounted to SR 23,877,526, and as a result of some of the final rulings that must be executed, the Execution Court withdrew some amounts from the company's bank accounts for the account of the court, amounting to SR 4,211,851, included in the item of other debit balances, note No. (9).

23- GOING CONCERN:

As shown in the financial statements, the company's net profit for the first quarter 2023 of SR 784,636. and the accumulated losses for the company on 31 March 2023 of SR 234,436,774 which exceeded the entire of the company capital, which is required to apply the article 132 from The Regulations for the Companies in the Kingdom of Saudi Arabia, which states that if the losses of the joint stock company reached to half of the capital the extraordinary general assembly must be called for a meeting within one hundred and eighty days from the date of knowledge of this; To consider the continuity of the company while taking any of the necessary measures to deal with or resolve these losses, except that due to the company's entry into the financial reorganization proposal and procedures (details are provided in Clarification No. 24) and in application of Article No. (45) of Chapter Four of the Bankruptcy Law and its implementing regulations, it is exempted. The company is unable to apply the provisions of the Companies Law with regard to the company's losses reaching the percentage specified in the regulations.

24- SUMMARY OF THE FINANCIAL ORGANIZATION PROPOSAL:

The company prepared a proposal for financial organization and submitted it to the Ninth Circuit in the Commercial Court in the city of Riyadh on 02/07/1443H corresponding to 03/02/2022G. which the proposal included information about the company, its activities, its financial situation, the economic situation, a list of debts and potential claims, how to deal with it, the method of carrying out its activity during the validity period of the procedure, and its next strategy.

The company's plan is divided into two parts:

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

Section Two: Benefiting from the company's assets by entering in-kind shares in the food field investments.

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

THIMAR DEVELOPMENT HOLDING COMPANY

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

Serial	Category	Total SAR
1-	Labor claims	6,685,913
2-	Suppliers	66,183,040
3-	Financing entities	32,024,465
4-	Government agencies	12,145,617
	Total	117,039,035

The schedule for implementing the plan: It depends on the completion of the review and audit by the external auditor of the financial statements of the company, where a request to increase the capital will be submitted, and after obtaining the increase, the plan will be implemented and the creditors will be paid, as 50% of the total debts will be paid during the following month after obtaining the capital increase and from then approximately 16% was paid after two years, approximately 13% after 3 years, approximately 13% after 4 years, approximately 4% after five years, and approximately 4% after six years (note No. 25).

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

Based on the financial reorganization proposal (Note No. 24) and based on the approval of the Commercial Court in Riyadh, during the subsequent period of the date of the financial statements, to amend the financial reorganization proposal of Themar Development Holding Company, where the proposal included the timetable for implementing the proposal plan, which is mainly based on the company obtaining a capital increase It is expected to be obtained in October 2023G, and then start implementing the plan and paying the creditors, starting from November 2023G until the end of March 2029G, for the total accepted claims in the proposal amounting to SR 117,039,035 , and given that the proposal is based on expectations, a plan, and expected cash flows during the period of payment to creditors, and for the purpose of disclosure For the amounts of liabilities expected to be settled after more than twelve months for the liabilities items in the statement of financial position as at March 31, 2023, related to accepted claims, which are as follows:

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Scheduling the payment of accepted financial claims in accordance with the financial reorganization proposal plan	Accepted claim value	Expected to be paid within one year	Expected to be paid within more than one year
Claims according to the items of the statement of financial position:			
Loans	32,024,465	16,012,233	16,012,232
Accruals 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 provision	8,450,692	4,225,346	4,225,346
	117,039,035	58,519,518	58,519,517

26- IMPORTANT EVENTS:

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

- 1- To review the important events that took place during the previous years, please refer to Note No. (40) included in the annual financial statements of the company for the fiscal year ending on December 31, 2022G
- 2- On 13/02/2023G, the Ordinary General Assembly meeting was held, and a vote to approve the financial statements for the fiscal year ending on December 31, 2021G.
- 3- During the month of February 2023G, the company announced the initial quarterly financial results for the year 2022G.
- 4- On 01/03/2023G, it was announced that the suspension of trading the company's shares in the market would be lifted, starting from 02/03/2023G, due to the absence of reasons for suspension and trading outside the platform.
- 5- On 08/03/2023G, the Commercial Court in Riyadh approved amending the proposal for the financial reorganization of Thimar Development Holding Company.
- 6- On 29/03/2023G, the Board of Directors' decision to amend the recommendation of the Extraordinary General Assembly related to increasing the company's capital by offering rights issue at a value of one hundred million Saudi riyals (100,000,000) Saudi riyals instead of two hundred million Saudi riyals (200,000,000) Saudi riyals, The Board of Directors also decided to recommend to the Extraordinary General Assembly to reduce the capital before the process of increasing the company's capital, by canceling the number of nine million (9,000,000) shares of the company's shares, so that the capital after the reduction becomes ten million Saudi riyals (10,000,000) Saudi riyals. On 06/02/2022 delivering the proposed financial organization to the Commercial Court in Riyadh.

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27- SUBSEQUENT EVENTS:

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

- 1- On 07/05/2023G, the Board of Directors decided to amend the recommendation of the Board of Directors issued on 29/03/2023G to amend the Board's recommendation to the Extraordinary General Assembly related to reducing the company's capital and then increasing the capital by issuing priority rights shares to become the Board's recommendation after The new amendment is as follows
" canceling the recommendation to reduce the capital while continuing to increase the capital through issuing priority rights shares at a value of one hundred million (100,000,000) Saudi riyals, so that the capital after the increase becomes two hundred million (200,000,000) Saudi riyals, and the number of its shares is twenty million (20,000,000) Shares".
- 2- Based on the results of the company's Ordinary General Assembly held on 08/05/2023, in which a new board of directors was elected for the company, for the session that began its work as of 05/14/2023 AD and for a period of three Gregorian years ending on 13/05/2026G, and accordingly The decision of its Board of Directors dated 14/05/2023G to appoint the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors and the Managing Director, and to re-form the Board committees for the current session.

28- APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS:

These financial statements were approved by the board of directors on 02 /11/1444H (corresponding to 22/05/2023 G).

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