

**ENMA AL RAWABI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED INTERIM FINANCIAL STATEMENTS  
(UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022**

**ENMA AL RAWABI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022**

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW  
OF INTERIM CONDENSED FINANCIAL STATEMENTS**

**To the Shareholders  
Enma Al Rawabi Company  
(A Saudi Joint Stock Company)**

**Introduction:**

We have reviewed the accompanying condensed statement of financial position of **Enma Al Rawabi Company** A Saudi Joint Stock Company (the "Company") as at 30 June 2022 and the statements of comprehensive income, changes in equity and condensed cash flows for the six-months period then ended. Management is responsible for preparing and presenting this interim financial information in accordance with International Accounting Standard No. (34) "Initial Financial Reporting" approved in the Kingdom of Saudi Arabia and our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review:**

We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", approved in the Kingdom of Saudi Arabia. An examination of preliminary financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other examination procedures. A review is much less in scope than an audit conducted in accordance with International Standards on Auditing approved in the Kingdom of Saudi Arabia, and accordingly we cannot be assured that we would become aware of all significant matters that might be discovered during an audit. Accordingly, we do not express any audit opinion.

**Conclusion:**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Initial Financial Reporting" approved in the Kingdom of Saudi Arabia

**For Al-Kharashi Co.**



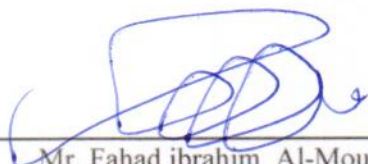
**Abdullah S. Al-Msned  
License No. (456)**

**Riyadh in:  
10 Safar 1444 H  
6 September 2022 G**



ENMA AL RAWABI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
AS AT 30 JUNE 2022  
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE NOTED)

	Note	June 30,2022 Unaudited	December 31,2021 Audited
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment, net	4	1,442,561	1,219,891
Investments Properties, net	5	485,434,353	489,424,700
Intangible assets	6	2	2
<b>Total non-current assets</b>		<b>486,876,916</b>	<b>490,644,593</b>
<b>Current assets:</b>			
Cash and cash equivalents	7	82,062,891	60,705,788
Lessees receivables, net	8	1,675,285	10,942,572
Prepaid expenses and other debit balances	9	1,210,787	973,270
Investments in mutual funds	10	6,048,341	5,131,707
<b>Total current assets</b>		<b>90,997,304</b>	<b>77,753,337</b>
<b>TOTAL ASSETS</b>		<b>577,874,220</b>	<b>568,397,930</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	11	400,000,000	400,000,000
Statutory reserve		6,770,987	5,533,127
Retained earnings		98,222,959	87,082,222
Other reserves		(50,303)	(50,303)
<b>Total equity</b>		<b>504,943,643</b>	<b>492,565,046</b>
<b>Non-current liabilities</b>			
Due to long-term related parties	12	55,798,917	55,798,917
Employee benefits obligation	13	421,805	365,717
<b>Total non-current liabilities:</b>		<b>56,220,722</b>	<b>56,164,634</b>
<b>Current liabilities</b>			
Creditors to purchase investment properties in installments	14	7,526,219	7,526,219
Accrued expenses and other credit balances	15	8,450,774	10,049,892
Zakat Provision		732,862	2,092,139
<b>Total current liabilities</b>		<b>16,709,855</b>	<b>19,668,250</b>
<b>Total liabilities</b>		<b>72,930,577</b>	<b>75,832,884</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>577,874,220</b>	<b>568,397,930</b>



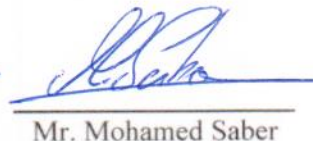
Mr. Fahad ibrahim Al-Mousa

Chairman of Board of Directors



Mr. Mohammed  
Mansour aba Husain

Chief manager



Mr. Mohamed Saber

Financial Director

The accompanying notes form an integral part of these interim condensed financial statements



**ENMA AL RAWABI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022**  
**(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE NOTED)**

	For the six-months period ending 30 June	
	2022	2021
	Unaudited	Unaudited
Revenue	20,048,186	19,603,166
Cost of revenue	(5,282,203)	(5,268,865)
<b>Gross profit</b>	<b>14,765,983</b>	<b>14,334,301</b>
General and administrative expenses	(2,313,504)	(1,470,658)
Selling and distribution expenses	-	(3,825)
<b>Operating profit for the period</b>	<b>12,452,479</b>	<b>12,859,818</b>
Gains (Losses) Revaluation of investments	916,634	(58,537)
capital losses	(26,215)	-
Other income	32,952	13,433
<b>Profit before zakat</b>	<b>13,375,850</b>	<b>12,814,714</b>
Zakat differences	(508,501)	-
zakat	(488,752)	-
<b>Profit for the period</b>	<b>12,378,597</b>	<b>12,814,714</b>
<b>OTHER COMPREHENSIVE INCOME:</b>	-	-
<b>Total comprehensive income for the period</b>	<b>12,378,597</b>	<b>12,814,714</b>
<b>Earnings per share:</b>		
Basic & Diluted	0.31	0.32



Mr. Fahad Ibrahim Al-Mousa

Chairman of Board of Directors



Mr. Mohammed  
Mansour Aba Husain

Chief manager



Mr. Mohamed Saber

Financial Director

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**ENMA AL RAWABI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022**  
**(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE NOTED)**

	Share capital	Statutory reserve	Retained earnings	Other reserves	Total
<b>Balance at 1 January 2021</b>	400,000,000	3,333,930	67,289,447	56,626	470,680,003
Profit for the period	-	-	12,814,714	-	12,814,714
<b>Balance at 30 June 2022</b>	<u>400,000,000</u>	<u>3,333,930</u>	<u>80,104,161</u>	<u>56,626</u>	<u>483,494,717</u>
<b>Balance at 1 January 2022</b>	400,000,000	5,533,127	87,082,222	(50,303)	492,565,046
Profit for the period	-	-	12,378,597	-	12,378,597
Transfer to statutory reserve	-	1,237,860	(1,237,860)	-	-
<b>Balance at 30 June 2022</b>	<u>400,000,000</u>	<u>6,770,987</u>	<u>98,222,959</u>	<u>(50,303)</u>	<u>504,943,643</u>



Mr. Fahad Ibrahim Al-Mousa

Chairman of Board of Directors



Mr. Mohammed Mansour aba Husain

Chief manager



Mr. Mohamed Saber

Financial Director

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**ENMA AL RAWABI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022**  
**(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE NOTED)**

	Note	For the six-months period ending 30 June	
		2022	2021
		Unaudited	Unaudited
<b>Cash flows from operating activities:</b>			
Profit for period before zakat		13,375,850	12,814,714
Adjustments to reconcile net profit to net cash			
Resulting from (used in) operating activities:			
Depreciations	4,5	4,317,947	4,281,531
Provision for employee defined benefit obligations, component	13	60,468	152,519
Provision for expected credit losses, component	8	500,518	-
Provision for expected credit losses, paid	8	(151,900)	-
capital losses		26,215	-
(Gains) losses Investment revaluation		(916,634)	58,537
		<b>17,212,464</b>	<b>17,307,301</b>
<b>Adjustments to Changes in Working Capital:</b>			
Lessees' receivables	8	8,918,669	(1,871,056)
Prepaid expenses and other debit balances	9	(237,517)	(188,115)
Accrued expenses and other credit balances		(1,599,118)	(1,840,287)
Related parties		-	(3,019,450)
<b>Cash flows generated from operating activities</b>		<b>24,294,498</b>	<b>10,388,393</b>
Provision for employee defined benefit obligations, used	13	(4,380)	(6,500)
Legal Zakat provision, paid		(2,356,530)	(1,261,332)
<b>Net cash flows generated from operating activities</b>		<b>21,933,588</b>	<b>9,120,561</b>
<b>Cash flows from investing activities:</b>			
Additions to property, plant and equipment	4	(318,809)	(87,150)
Additions to investment properties under construction	5	(275,068)	(2,950,716)
Collected from disposal of property, plant and equipment	4	17,392	-
<b>Net cash flows (used in) investing activities</b>		<b>(576,485)</b>	<b>(3,037,866)</b>
<b>Net increase in cash and cash equivalents</b>		<b>21,357,103</b>	<b>6,082,695</b>
Cash and cash equivalents at the beginning of the period		60,705,788	42,726,391
<b>Cash and cash equivalents at the end of the period</b>		<b>82,062,891</b>	<b>48,809,086</b>



Mr. Fahad Ibrahim Al-Mousa

Chairman of Board of Directors



Mr. Mohammed  
Mansour Abu Husain  
Chief manager



Mr. Mohamed Saber  
Financial Director

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**ENMA AL RAWABI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO CONDENSED INTERIM FINANTIOAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX - MONTHS PERIOD ENDED JUNE 30, 2022**  
**(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE NOTED)**

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**1. The company and nature of the activity**

**a. Establishment of the company:**

Enma Al Rawabi Company is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010306291 dated Rabi' Al-Thani 30, 1432 H corresponding to April 4, 2011G.

- The head office of the company is located in the city of Riyadh, and the registered address of the company is: Enmaa Al Rawabi Company, 4631 Prince Fahd bin Salman bin Abdulaziz Street - Al Namothgeh District, Unit No. 4632, Riyadh - 7864, Kingdom of Saudi Arabia.

**The attached accounts include the company accounts (head office) and the following branch account:**

- Enma Al Rawabi Contracting Company Commercial Registration No.1010794764.

**b. Nature of the company's activity:**

The company is engaged in establishing and owning buildings of all kinds, managing and leasing owned or rented residential and non-residential properties, real estate management activities for a commission.

**c. Company capital**

As at June 30, 2022, the company's subscribed and paid-in capital amounted to 400,000,000 Saudi riyals divided into 40,000,000 shares with a nominal value of 10 riyals per share.

**d. Company's financial year:**

The company's fiscal year begins in January 1 and ends on December 31 of each year.

**e. Approval of the financial statements:**

The company's financial statements for the six-month period ending on June 30, 2022 G were approved by the Board of Directors in its session held on 9 Safar 1444H corresponding to 5 September 2022 G.

**2. Basis of preparing financial statements:**

**Basics of preparation:**

**Statement of Commitment**

These condensed interim financial statements for the six-months period ending on June 30, 2022 G were prepared in accordance with International Accounting Standard 34, Condensed Interim Financial Reports approved in the Kingdom of Saudi Arabia and other issuances approved by the Saudi Organization for Auditors and Accountants. These condensed interim financial statements do not include all the information and clarifications required in the annual financial statements. Accordingly, these interim condensed financial statements should be read in conjunction with the company's financial statements ended on December 31, 2021.

**basics of measurement**

The accompanying interim condensed financial statements have been prepared using the measurement bases specified in the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia for each type of assets, liabilities, revenues and expenses, in accordance with the historical cost principle using the accrual accounting principle and the going concern concept, with the exception of the following items, which are measured on an alternative basis in each Date of preparing the financial statements:

- Investments in investment funds that are measured at fair value, and changes in fair value are recognized in profit or loss directly in the income statement.
- Employee end-of-service benefits are recognized at the present value of future obligations using the projected unit credit method.

**Display currency and activity**

These interim condensed financial statements are presented in Saudi Riyals, which is the business of the Company's business and presentation.

**Basis of presentation, income statements and cash flows**

The company presents the statement of financial position on a current and non-current basis. The company also chose to display the results of the company's business in a single comprehensive income statement, as the single list entry was adopted instead of the two lists' entry, and its expenses were presented according to its job. The company also presents the statement of cash flows from operations using the indirect method. Acquisition of investment properties is presented within the cash flows from investing activities as this best reflects the company's activities.



## 2. BASIS OF PREPARING FINANCIAL STATEMENTS (CONTINUED):

### **Use of estimates and judgments**

In preparing these condensed interim financial statements, the management used judgments, estimates and assumptions that affect the application of the company's accounting policies and the amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The effect of a change in estimates is shown in the period in which it occurs if it affects only this period or the year in which the change occurred and future years if the effect of the change extends for more than one year.

### **Going concern**

The company's ability to continue is evaluated according to the principle of continuity and management is convinced that it has the necessary resources to continue operating in the future. Moreover, the management is not aware of any material uncertainties that may lead to significant doubt that affects the company's ability to continue as a going concern. Therefore, the financial statements have been prepared in accordance with to the principle of continuity.

### **Employee Defined Benefits Obligations**

The Company's obligations in relation to a defined benefit plan are calculated by estimating the future benefits that employees have earned in the current and prior periods and discounting that value to arrive at the present value. The defined benefit obligation is calculated annually by management. Judgments are used to estimate actuarial assumptions.

### **Classification of investment properties**

The Company determines whether a property qualifies as investment property under IAS 40 "Investment properties." In making such a judgment, the Company considers whether the property is substantially cash flow-in and independent of other assets held by the Company. The company has decided that all the land and real estate owned by the company, except for the Alnamothageh District land on which the company's workers are located, should be classified as investment properties instead of property and equipment.

### **Investment Properties Valuation**

Investment properties are stated at cost and an evaluation of their fair value is carried out at the date of each report with the assistance of an external real estate appraiser who has recognized professional qualifications and recent experience in the location and quality of the investment properties being valued. In order to determine the value, the valuer uses the comparable market approach and the residual value approach. The valuations are sensitive to the key assumptions that the external evaluator applies when deriving the discount rate and selling rates.

### **Classification of operating leases – the company as a lessor**

The Company has entered into lease contracts for commercial properties and investment lands for some investment properties. The company has found, based on the evaluation of the terms and conditions of the arrangements, that the lease period does not represent an essential part of the useful life of the leased property and that the present value of the minimum lease payments is not to a large extent equal to the fair value of the leased property and that it retains all the benefits and risks related to the ownership of these properties. Accounting for these contracts as operating leases.

### **Useful lives of Properties, machinery and equipment, investment properties and intangible assets**

Management determines the estimated useful lives of real estate, machinery and equipment, investment properties and intangible assets for the purpose of calculating their depreciation and amortization. This estimate is determined after taking into account the expected use of these assets and the physical damage to which they are exposed. The management reviews the residual value, useful lives and depreciation method annually to ensure that it reflects the expected benefit, and in the event of a difference, it is treated as variables in the accounting estimates (in the year of change and subsequent years).

### **Impairment of trade and other receivables**

The impairment of trade and other receivables is generated by applying the simplified approach which requires the use of an allowance for expected credit losses for all trade receivables and when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the agreement. Significant financial difficulties facing the customer, the possibility of the customer entering into bankruptcy or financial restructuring, and the default or delay in payments are all indicators of the existence of objective evidence of impairment in the value of trade receivables. For significant individual amounts, an assessment is made on an individual basis. Amounts that are not individually significant, but which are overdue, are assessed collectively and impairment is recognized by considering the length of time based on historical recovery rates.



## 2. BASIS OF PREPARING FINANCIAL STATEMENTS (CONTINUED):

### Measuring the fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured on the basis of quoted prices in active markets, the fair value is determined using valuation methods including the discounted cash flow model. Inputs to these models are taken from observable markets where possible and, when this is not feasible, a degree of judgment is required to determine fair values. The estimates include considerations of inputs such as liquidity risk, credit risk and price risk.

### Impairment test

IFRS requires management to perform an annual impairment test of fixed-term and indefinite assets to test for impairment if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

### Cash and cash equivalents:

Cash and cash equivalents in the statement of financial position consist of bank balances, cash in hand, short-term deposits and Murabaha with a maturity of three months or less and which are not subject to a significant risk of change in their value. Cash and cash equivalents that are subject to bank restrictions and not available for use are eliminated from cash and cash equivalents for the purpose of preparing the statement of cash flows.

### Lessee's receivables:

Lessee's receivables are shown at their net realizable value after making an adequate provision for any uncollectible amounts - an allowance for expected credit losses is calculated based on the life of the debts and the management's previous experience in collecting them - and when the amounts cannot be collected in full, these receivables are written off.

### Property, plant and equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. This cost includes the cost of replacing parts of property, plant and equipment and borrowing costs for long-term construction projects (qualifying assets) if they meet the recognition criteria. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts individually as assets with finite useful lives and depreciates them accordingly. Similarly, when a major inspection is performed, its cost is recognized in the carrying amount of the equipment if the recognition criteria are met. All other maintenance and repair costs are recognized in the income statement as incurred. The present value of the expected cost of removing the assets after their use is included in the cost of the relevant asset if the criteria for recognition of the provision are met. Depreciation of real estate, machinery and equipment is calculated using the straight-line method, after deducting the estimated residual value. As for the buildings whose value is on lands, they are depreciated after reducing the value of the lands on which those buildings are built (scrap), over their expected useful lives according to the following annual percentages:

	The ratio %
• Buildings	3%
• Steel buildings	3%
• Furniture and furnishings	10%
• Elevators and systems attached to buildings	3%
• Electrical Devices	20%
• Cars	25%

If an item of property, plant and equipment consists of components of individual parts for which other appropriate depreciation methods or rates apply, then each part is depreciated separately. The separate part is a physical part or an intangible part that is a major check or repair.

An item of property, plant and equipment is derecognised when the asset has been disposed of or when no future economic benefits are expected from its use. Any gain or loss on derecognition of the asset (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) is recognized in the income statement when the asset is derecognised.

When there are indications that the estimated residual value or expected useful lives of property, plant and equipment have changed, previous estimates are reviewed by management and based on this review, the estimated residual values, expected useful lives or depreciation methods for property, plant and equipment are revised prospectively.



## 2. BASIS OF PREPARING FINANCIAL STATEMENTS (CONTINUED):

### **Property, plant and equipment(continued):**

Transfers from property, plant and equipment to investment property are made only when there is a change in its intended use. This transfer is made using the carrying amount of property, plant and equipment at the date of transfer.

### **Investment Properties:**

Investment properties are initially measured at cost, deducting accumulated depreciation and any impairment losses, in accordance with IAS (40). Where the company chose the cost model to record its investment properties.

Capital work in progress is stated at cost less impairment losses, if any. This cost includes the cost of replacing part of the investment property and borrowing costs related to long-term construction projects, if the evidentiary criteria are met. If significant parts of investment properties are required to be replaced in stages, the group depreciates these parts independently over their useful lives. On the other hand, when a major examination is performed, its cost is recorded in the book value of the investment properties as a replacement, if the recognition criteria are met. All other repair and maintenance costs are recognized in the consolidated statement of income when incurred. The present value of the expected cost of removing an asset after its use is included in the cost of the relevant asset if the recognition criteria for the recognition of the provision are met.

The following are the annual percentages according to which the depreciation of investment properties is calculated:

buildings	3%
Elevators and building related systems	3%

Any item of investment properties and any material part is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income for the year in which it is derecognised. The residual values, useful lives and depreciation methods of investment properties are reviewed at the end of each fiscal year, and adjustments are made in the future if appropriate.

If the owner occupies any investment property, it is reclassified as real estate, plant and equipment and its carrying cost on the date of reclassification becomes the cost to be accounted for later as real estate, plant and equipment.

On the date of each financial report, an independent appraisal expert is used to evaluate the investment properties through which to reach the fair value of these properties and disclose their fair value as shown in Note No. (5), without recording changes in fair value in profit or loss.

### **Investment properties under construction:**

Investment properties under construction principally comprise infrastructure costs, construction costs and all other costs necessary to obtain investment properties, which are capitalized to investment properties upon completion and ready-to-use at their carrying value at the date of reclassification. They are subsequently included in accordance with the policy used to measure investment properties.



## 2. BASIS OF PREPARING FINANCIAL STATEMENTS (CONTINUED):

### **Intangible assets:**

An intangible asset is an identifiable non-monetary asset that does not have a tangible physical entity.

Intangible assets are initially recognized at cost and subsequently measured at cost minus any amortization and impairment losses, if any.

Expenditures incurred internally by the entity on a tangible item, including all expenditures on research and development activities, are recognized as an expense when incurred, unless they form part of the cost of another asset that meets the recognition criteria.

The company's intangible assets are represented in computer software. Intangible assets are amortized over their expected useful lives as follows:

- Computer programs 4 years

When there are indications of a change in the residual value or expected useful lives of intangible assets, previous estimates are reviewed by the management and when current expectations differ, the residual values, expected useful lives or the amortization method are modified, and this change is considered as a change in an accounting estimate, the residual value of the intangible assets, their useful lives and indicators of impairment in their value are reviewed at the end of each financial year and adjusted prospectively if that necessary.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies applied to these interim condensed financial statements are the same as those applied to the financial statements for the year ended December 31, 2021.

ENMA AL RAWABI COMPANY  
(A SAUDI STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022  
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE NOTED)

4. Property, plant and equipment, net:

	Land	Steel Buildings	Electrical Devices	Cars	Furniture and Furnishings	Total
<b>Cost :</b>						
Balance 1 January 2022(audited)	1,000,000	36,700	228,795	87,150	308,953	1,661,598
Additions during the period	-	-	1,088	317,721	-	318,809
Disposals during the period	-	-	-	(45,000)	-	(45,000)
Balance at 30 June 2022 (unaudited)	1,000,000	36,700	229,883	359,871	308,953	1,935,407
<b>Accumulated Depreciation:</b>						
Balance 1 January 2022 (audited)	-	11,369	193,766	14,644	221,928	441,707
Depreciation during the period	-	551	3,872	33,061	15,048	52,532
Disposals during the period	-	-	-	(1,393)	-	(1,393)
Balance at 30 June 2022 (unaudited)	-	11,920	197,638	46,312	236,976	492,846
<b>Net Book value:</b>						
at 30 June 2022 (Unaudited)	1,000,000	24,780	32,245	313,559	71,977	1,442,561
at 31 December 2021 (Audited)	1,000,000	25,331	35,029	72,506	87,025	1,219,891

ENMA AL RAWABI COMPANY  
(A SAUDI STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2022

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE NOTED)

5. Investment Properties, net:

	Land	Buildings	Elevators and systems attached to buildings	Buildings under construction	Total
<b>Cost :</b>					
Balance 1 January 2022(Audited)	84,808,353	482,871,747	15,886,955	1,063,718	584,630,773
Additions during the period	-	19,590	17,324	238,154	275,068
Disposals during the period	-	-	32,010	(32,010)	-
Balance at 30 June 2022 (Unaudited)	84,808,353	482,891,337	15,936,289	1,269,862	584,905,841
<b>Accumulated Depreciation:</b>					
Balance 1 January 2022 (Audited)	-	91,913,718	3,292,355	-	95,206,073
Depreciation during the period	-	4,026,892	238,523	-	4,265,415
Balance at 30 June 2022 (Unaudited)	-	95,940,610	3,530,878	-	99,471,488
<b>Net Book value:</b>					
at 30 June 2022 (Unaudited)	84,808,353	386,950,727	12,405,411	1,269,862	485,434,353
at 31 December 2021 (Audited)	84,808,353	390,958,029	12,594,600	1,063,718	489,424,700

Real estate investments are shown at cost minus the depreciation complex and any impairment losses, if any. The company has contracted with Muhammad Al-Duhaim Real Estate Evaluation Office (an independent external real estate appraiser approved by the Saudi Authority for Accredited Valuers) specialized in evaluating these investment properties, license No. (1210000368) and the value was The fair market for investment properties is an amount of 1,380,047,559 SAR for the fiscal year ending on December 31, 2021. The company that there are no significant impact during the six-month period ended 30 June 2022 on the estimations above.



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6. Intangible assets:

	computer software	Total
<b>Cost :</b>		
Balance 1 January 2022 (Audited)	25,000	25,000
Additions	-	-
Balance at 30 June 2022 (Unaudited)	25,000	25,000
<b>Accumulated Amortization:</b>		
Balance 1 January 2022 (Audited)	24,998	24,998
Lessees receivables, net	-	-
Balance at 30 June 2022 (Unaudited)	24,998	24,998
<b>Net Book value:</b>		
at 30 June 2022 (Unaudited)	2	2
at 31 December 2021 (Audited)	2	2

7. Cash and cash equivalents:

	June 30,2022 Unaudited	December 31,2021 Audited
cash at banks	81,994,564	60,597,286
cash in hand	68,327	108,502
	82,062,891	60,705,788

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8. Lesees' receivables, net:

	June 30,2022	December 31,2021
	Unaudited	Audited
Total receivables	6,549,490	15,468,159
Provision for expected credit losses	(4,874,205)	(4,525,587)
	<u>1,675,285</u>	<u>10,942,572</u>

The movement of the provision for expected credit losses during the period/ the year was as follows:

Lesees receivables, net

	June 30,2022	December 31,2021
	Unaudited	Audited
Balance at the beginning of the period/year	4,525,587	3,740,026
Component during the period/year	500,518	785,561
Paid during the period/year	(151,900)	-
Balance at the end of the period/year	<u>4,874,205</u>	<u>4,525,587</u>

9. Prepaid Expenses and Other Debit balances:

	June 30,2022	December 31,2021
	Unaudited	Audited
Advanced payments to suppliers	687,424	490,713
Petty cash and receivables of employees	134,194	170,945
Advanced medical insurance	64,744	151,713
Prepaid fees and subscriptions	26,887	33,458
Prepaid maintenance of elevators, alarm systems and air conditioning	6,200	18,815
Prepaid employee benefits	50,728	28,049
Other debit balances	240,610	79,577
	<u>1,210,787</u>	<u>973,270</u>

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**10. Investments in mutual funds:**

	Tharwat Riyadh Industrial Fund		Gravity Ranch Gross Fund		Total at	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
Balance at the beginning of the period/year	5,131,707	4,292,683	5,634,000	5,634,000	10,765,707	9,926,683
Impairment provision	-	-	(5,634,000)	(5,634,000)	(5,634,000)	(5,634,000)
Revaluation profits	916,634	839,024	-	-	916,634	839,024
Balance at the end of the period/year	6,048,341	5,131,707	-	-	6,048,341	5,131,707

**Tharawat Riyadh Industrial Fund:**

The balance shown above represents the fair value of the investment in Tharawat Riyadh Industrial Fund as of June 30, 2022, which is managed by Tharawat Securities Company. Noting that the cost of the investment during 2017 was recorded with the value of what was paid for subscribing to the fund and for a number of its source units amounting to 1,951,219.50 units, the value of the unit amounting to 10 Saudi riyals, and what was paid as subscription fees in the fund amounting to 487,805 was processed through profit and loss.

Also, on 10/26/1439H corresponding to 10/7/2018G, an authorization agreement was signed to deduct the investment units in the Tharawat Riyadh Industrial Fund between the company and Tharawat Securities Company for the full value of the company's contribution to the fund, which is represented by its fair value of 19,512,195 Saudi riyals as on that date. Against the amounts owed by the company as a result of the purchase of land under the off-plan real estate unit sale contract concluded between the company and the Riyadh Industrial Fund Company on 10/26/1439 H corresponding to 10/7/2018 G.

The investment in the Riyadh Tharwat Industrial Fund was evaluated at fair value as on June 30, 2022 at an amount of SAR 6,048,341, which resulted in earnings amounting to 916,634 SAR that were recorded as investment revaluation gains as at June 30, 2021 in the statement of profit or loss.

**Gravity Ranch Fund:**

The balance shown above represents the value of an investment in the Gravity Ranch Fund as of June 30, 2021, a US technology transformation fund. Noting that the cost of the investment during the year 2019 G has been proven with the value of what was paid in return for subscribing to the fund in the amount of 1,500,000 US dollars, equivalent to (5,634,000 Saudi riyals).

The investment in the Gravity Ranch Fund was not evaluated at fair value as on June 30, 2021, and an investment impairment provision equal to 100% of the investment (5,634,000 Saudi riyals) was recognized through the profit or loss statement.



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**11. Capital:**

The company's capital was set at 400,000,000 Saudi riyals divided into 40,000,000 shares of equal value.

**12. Related parties:**

Related parties represent shareholders, senior management personnel and companies over which the parent company exercises its influence. Transactions with related parties are carried out in accordance with the policies, terms and prices of dealing with other unrelated related parties, and those transactions are approved by the management.

The following is a summary of the material transactions with related parties that took place in the normal course of the company's activities during the period ending at June 30, 2022:

	Nature of the relationship	Type of transactions	Total transaction	
			June 30,2022	June 30,2021
			Unaudited	Unaudited
Heirs sheikh Ibrahim bin Saad Al-Mousa	Heirs of the Chairman of the Board and previous shareholder	Setteled expenses on behalf and other transactions	-	2,867,000
Ibrahim bin Saad Al-Nousa	Member of the Board of Directors	Trading	-	40,000
Abdullah Ibrahim Al-Mousa	Member of the Board of Directors	Trading	-	40,000
Ahmed Ibrahim Al-Mousa	Member of the Board of Directors	Trading	-	40,000
Anas Ibrahim Al-Mousa	Member of the Board of Directors	Trading	-	40,000
Fahad Ibrahim Al-Mousa	Member of the Board of Directors	Trading	-	40,000
Abdulaziz Ibrahim Al-Mousa	Member of the Board of Directors	Trading	-	40,000

These transactions resulted about it due balances to related parties as follows:

	June 30,2022	December 31,2021
	Unaudited	Audited
* Heirs sheikh Ibrahim bin Saad Al-Mousa	55,798,917	55,798,917
Ibrahim bin Saad Al-Nousa	-	-
Abdullah Ibrahim Al-Mousa	-	-
Ahmed Ibrahim Al-Mousa	-	-
Anas Ibrahim Al-Mousa	-	-
Fahad Ibrahim Al-Mousa	-	-
Abdulaziz Ibrahim Al-Mousa	-	-
	<u>55,798,917</u>	<u>55,798,917</u>

\* He passed away to the mercy of God, Sheikh Ibrahim bin Saad Al-Mousa, Chairman of the Board (Non-Executive Member) on Friday 27 Jumada Al-Ula 1443 H corresponding to December 31, 2021 G, and regular measures are being taken and this balance is settled with the heirs of Sheikh Ibrahim bin Saad Al-Mousa.

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**13. Employee Defined Benefit Obligations:**

The company applies a defined benefit plan that complies with the requirements of the labor system in the Kingdom of Saudi Arabia. The amounts paid at the end of service under the plan are calculated on the basis of the employees' last salaries and allowances and the number of their cumulative years of service as on the date of the end of their service, as shown in the labor system in the Kingdom of Saudi Arabia. Employees' end of service benefit plans are unfunded plans and obligations to pay benefits are met when due.

	<u>June 30,2022</u>	<u>December 31,2021</u>
	<u>Unaudited</u>	<u>Audited</u>
The present value of the defined benefit obligation	421,805	365,717
<b>Movement of obligation was as follows:</b>		
Balance at the beginning of the period/year	365,717	185,040
<b>Included in the statement of comprehensive income:</b>		
The present value of the defined benefit obligation is included in profit or loss	60,468	80,248
Remeasurement of the defined benefit obligation in other comprehensive income	-	106,929
net included in the statement of other comprehensive income	60,468	187,177
Paid during the period/year	(4,380)	(6,500)
The present value of the defined benefit obligation at the end of the period/year	421,805	365,717

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**14. Creditors for the purchase of investment properties in installments:**

The purchase of investment properties in installments is represented by the value of the land sold to the company by the Riyadh Industrial Fund, whose value is (27,038,414) riyals, according to (the off-plan real estate unit sale contract) concluded on Shawwal 26, 1439 H corresponding to July 10, 2018 G, which stipulates the payment of the value of the real estate unit at a rate of (5,407,683) riyals as payment upon signing the contract and the rest of the price amounting to (21,630,731) riyals to be paid in successive installments distributed over a number of 5 installments linked to their dates according to the percentage of completion in the works of the scheme according to the report of the engineering consultant from the date of concluding the contract, as it was expected to be completed on December 31, 2019 G, but until the end of Fiscal year The project has not been completed, bearing in mind that the completion percentage, according to the fund's evaluation as on December 31, 2019 G, amounted to 100%, and after the total amounts deducted to Tharawat Company during the year 2019 G reached 19,512,196 riyals, which is equal to the subscription amount in the Riyadh Industrial Fund. Any cash payments will be paid after that, and it was agreed upon between them and Tharawat Company orally that the payments due to them will be paid when calculating the value of the return on the investment in the fund It is settled from the amount payable to Tharawat Company, the value of each installment, as shown in the following table:

Payment	Percentage of		percentage of	Description of completion
	payment from total	value	Completion (cumulative)	
1		20%	0%	When signing the contract
2		20%	40%	When the percentage of completion in the scheme' work reaches to 40%
3		20%	60%	When the percentage of completion in the scheme' work reaches to 60%
4		20%	80%	When the percentage of completion in the scheme' work reaches to 80%
5		15%	95%	When the completion rate in the scheme' work reaches to 95%
6		5%	100%	Payable at emptying

During the year, none of the above-mentioned payments were made, as shown in the following table:

	June 30, 2022	December 31, 2021
	Unaudited	Audited
Balance at the end of the period/year	7,526,219	7,526,219



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15. Accrued expenses and other credit balances:

	June 30,2022	December 31,2021
	Unaudited	Audited
Advance rents (unrealized)	8,181,884	9,309,116
Accrued Compensations to members of the board of directors	-	320,000
Advance payments from leeses' receivables	-	115,389
Accrued salary, vacation and tickets	134,893	88,608
Value Added Tax Dues (note 15/1)	104,344	55,762
Lesees receivables, net	29,653	161,017
	<u>8,450,774</u>	<u>10,049,892</u>

15/1 . Value added tax dues:

	June 30,2022	December 31,2021
	Unaudited	Audited
Balance at Beginning of the period / year	55,762	69,557
Output tax during the period / year	2,654,982	5,446,715
Input tax during the period / year	(108,603)	(419,759)
Tax to be paid for the period / year	2,602,141	5,096,513
Tax Setteled during the period / year	(2,497,797)	(5,040,751)
Balance at end of the period / year	<u>104,344</u>	<u>55,762</u>

Value added tax status:

The company registered with the Zakat, Tax and Customs Authority for value added tax purposes under registration certificate No. 300776508800003 and the company submitted its monthly returns until June of the year 2022 G and paid the tax due on it until the end of June, and the balance shown above is the tax to be paid to the Zakat, Tax and Customs Authority for the month of June 2022 G.

## **16. Financial Instruments and Risk Management:**

### **Currency risk:**

It is the risk of change in the value of financial instruments due to changes in foreign exchange rates. The company's main transactions are in Saudi riyals. The management monitors fluctuations in currency exchange rates and believes that currency risks are not significant.

### **Commission rate risk:**

Commission rate risk represents the risk resulting from fluctuation in the value of a financial instrument as a result of changes in commission rates prevailing in the market. The management considers commission rate risk to be low due to low commission rates applied to financial assets or liabilities linked to a commission, which has a limited impact on the company's financial performance.

### **Price risk:**

The risks that lie in the value of the financial instrument as a result of changes in market prices, whether these changes are caused by factors specific to the instrument or its source, or factors affecting all instruments traded in the market. The company is not exposed to stock price risk.

### **Credit risk:**

Credit risk represents the inability of one party to fulfill its obligations, which leads to the other party incurring a financial loss. The company manages its own credit risk in relation to cash by dealing with reputable banks related to customers by setting credit limits for each customer and monitoring the outstanding receivables.

### **Liquidity risk:**

Liquidity risk represents the difficulties that the company faces in providing funds to meet commitments related to financial instruments. Liquidity risk results from the inability to sell a financial asset quickly and at an amount equivalent to its fair value. The value of current assets exceeded current liabilities as on June 30, 2022. The liquidity ratio in That date is the company's ability to meet its financial obligations when they become due, and the company's management believes that the company's continuity depends on its ability to procure the necessary funds in a timely manner.

## **17. Fair Financial Value of Financial Instruments:**

The fair value is the value at which an asset is exchanged or a liability is paid between willing parties and on the terms of fair dealing. The company's financial assets consist of cash and cash equivalents and debtors, while liabilities consist of creditors, payable expenses and related parties. The fair value of financial instruments is not significantly different from their book value.