

**THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL
AGRICULTURAL MARKETING COMPANY - FORMERLY)
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A Saudi Joint Stock Company)
RIYADH, SAUDI ARABIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
With INDEPENDENT AUDITOR'S REPORT**

**THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL
MARKETING COMPANY - FORMERLY)
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A Saudi Joint Stock Company)
RIYADH, SAUDI ARABIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
With INDEPENDENT AUDITOR'S REPORT**

<u>INDEX</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS.	
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021.	1
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021.	2
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021.	3
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021.	4
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021.	5

Independent Auditors' Report **To the Shareholders of**

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

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A Saudi Joint Stock Company)

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Thimar Development Holding Company (Thimar National Agricultural Marketing Company - Formerly) (A Saudi Joint Stock Company) (the Company), which comprise the statement of financial position as at 31 December 2021G, the statements of profits or losses and other comprehensive income, change in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Company, because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion:

1. The company's management did not have the financial documents, accounting records, analytical and detailed data supporting the years and financial periods prior to the date of 01 January 2019G, therefore we were unable to audit the opening balances as at 01 January 2019G, and we were unable to verify the validity of these balances carried forward at 01 January 2020G as well as 01 January 2021G, and what adjustments were made to some of them based on procedures taken by the Board of Directors, as indicated in Note No. (37) of the supplementary notes to the financial statements and taking into consideration what was stated in our report on the company's financial statements as at 31 December 2019G, and our report about the financial year ended as at 31 December 2020G, which included expressing disclaimer of opinion because of many matters in most of the items of the financial statements related to providing us with sufficient audit evidences, which were considered a major restriction on the scope of our work, as well as related to the non-application of the presentation, disclosure and measurement requirements stipulated in International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (please refer to our report on the financial statements at 31 December 2019G and our report on the financial statements at 31 December 2020G), and accordingly we were not able to determine whether there was a need to make any adjustments to the opening balances of the company, and therefore, any impact that may have on transactions during the year 2021G and the balances as at 31 December 2021G.

Independent Auditors' Report (continued)

To the Shareholders of

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

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A Saudi Joint Stock Company)

Basis for Disclaimer of Opinion (continued)

2. The credit balance due to SABB Bank (the loan) according to the company's books as at December 31, 2021G amounted to 32 024 465 Saudi riyals, and according to the confirmation received from the bank on the same date, the loan balance amounted to 37 071 930 Saudi riyals, and with reference to what is stated in Note No. (15) From the complementary notes to the financial statements in relation to the SABB Bank loan, we were unable to perform alternative audit procedures to verify the accuracy and completeness of the transactions and balance of the loan referred to, financing expenses and related accounts.
3. With reference to what is stated in Note No. (5) of the notes supplementing the financial statements, the company's management recorded a decline and decrease in the value of the buildings as at December 31, 2021G, amounted to 12 672 951 Saudi riyals, based on the evaluations received from the independent real estate evaluator, and taking into consideration what was mentioned in the qualification paragraph no. (1) and as a result of the lack of analytical data for the cost of those buildings, we were unable to verify the accuracy of this treatment and its impact on the financial statements. The company also carried out an actual physical count of the property, plant and equipment item during the subsequent period of the date of the financial statements and based on the results from this physical count, the company disposed property, plant and equipment with a net book value as at December 31, 2021G amount to 2 335 640 Saudi riyals, resulting in capital losses amounted to 1 548 629 Saudi riyals, and assets and property available for sale in the amounting to 780 000 Saudi riyals (Note No. (8) of the supplementary notes of the financial statements), and taking into consideration what was mentioned in the qualification paragraph no. (1), also that the company's management did not make an actual physical count of property, machinery and equipment during the previous financial years, as well as at the end of the year. we were unable to perform alternative audit procedures to verify the accuracy of this treatment and its impact on the financial statements, and we were unable to perform alternative audit procedures to verify the accuracy, existence and completeness of those properties at the same date and their depreciation amounts, which amounted to, respectively, an amount of 11 713 391 riyals. Saudi, and the amount of SR 1 100 552.
4. We were not provided with the financial statements of one of the investee companies (National company for Fresh Fruit Products) as at 31 December 2021G whose balance at the same date amounted to Zero Saudi riyals (2020G: Zero Saudi riyals) (also, we did not receive these financial statements and confirmations as at 31 December 2020G and 31 December 2019), We also did not receive the confirmation for this investment at the same date and , the current situation of this investment. Taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative audit procedures to verify the accuracy of the evaluation, existence, and completeness of the balance of those investments, and related transactions and accounts.



Independent Auditors' Report (continued)

To the Shareholders of

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

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A Saudi Joint Stock Company)

Basis for Disclaimer of Opinion (continued)

5. With reference to what was mentioned in Note No. (11) of the notes supplementing the financial statements, we were not provided with the documents supporting closing the account of letters of guarantee margin and recording it within the general and administrative expenses, its debit balance amounted to 570,000 Saudi riyals, and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative audit procedures to verify the accuracy, existence, and completeness of general and administrative expenses.
6. We were not provided with the confirmations of some balances of trade accounts payable as at 31 December 2021G (also, we were not provided with them as at 31 December 2020G), which amounting to SR 2 318 021 (2020G: SR 21 270 008), and taking into consideration what was mentioned in the qualification paragraph no. (1). We were unable to perform alternative audit procedures to verify the accuracy, existence, and completeness of these balances and to determine whether there is a need to make any adjustments to the balances of trade payables and the related transactions and accounts.
7. The company studied and calculated the zakat provision for year 2020G (Note No. 18 of the notes supplementing the financial statements), as the zakat provision for year 2020G was amounted to 884 690 Saudi riyals and was recorded in the general and administrative expenses for year 2021G without adjusting the comparative figures for year 2020G. In violation of the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and publications approved by the SOCPA.
8. The accumulated losses as at 31 December 2021G include an amount of 26 026 283 Saudi riyals, which are transactions that were settled on the statement of profit or loss and other comprehensive income in year 2020 and 2019, and we were not provided with sufficient supporting documents at the time (please refer to our report on the financial statements as at 31 December 2020G { qualification No. (8), and No. (21) within the basis for disclaimer of opinion section} and our report 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 audit procedures to verify the completeness and accuracy of the balance of accumulated losses.

Independent Auditors' Report (continued)

To the Shareholders of

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

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A Saudi Joint Stock Company)

Basis for Disclaimer of Opinion (continued)

9. These financial statements have been prepared on the basis that the company is a going concern, and with reference to the notes no. (36), (37) and (40) of the notes supplementing the financial statements, the company has stopped to practice its activities during the period following the date of the financial statements, as well as the company's entry into a proposal and the procedures for its financial reorganization and the presence of a large number of cases brought against the company with the lack of sufficient financial resources to cover these cases and the potential financial obligations resulting from them. As mentioned in note No. (35) of the notes supplementing the financial statements and taking into consideration what was mentioned in the qualification paragraph no. (1). These circumstances and events, among other things, indicate that there is a fundamental doubt about the company's ability to continue in the foreseeable future as a going concern, and accordingly we were not able to determine the appropriateness of management's use of the going concern principle of accounting when preparing these statements financial statements, and the extent of its impact on the balances and amounts included in the financial statements for the current year.

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Except for the matters described in the Basis for Disclaimer of Opinion section, we have determined that there are no key audit matters to be Notified in our report.

Independent Auditors' Report (continued)

To the Shareholders of

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

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A Saudi Joint Stock Company)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Emphasis of Matter

1. We would like to draw attention to note No. (1) and No. (37) of the supplementary notes to the financial statements, which refer to the company's entry into the financial reorganization proposal and procedures, and our opinion has not been modified in this matter.
2. We would like to draw attention to note No. (38) of the supplementary notes to the financial statements, which indicates that the company's board of directors held an emergency meeting during the subsequent period the date of the financial statements and the board's approval of several accounting treatments for some items of the company's financial statements, and our opinion has not been modified regarding related to this matter.

Independent Auditors' Report (continued)

To the Shareholders of

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

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A Saudi Joint Stock Company)

Emphasis of Matter (continued)

3. We draw attention to note No. (36) of the notes supplementing the financial statements, which indicates that the company incurred a loss of an amount during the financial year ending as at 31 December 2021G amounting to 162 451 394 Saudi riyals, and accumulated losses amounting to 228 946 726 Saudi riyals at the same date, and exceeded The entire capital (at the end of 2020 G and the year 2019G, the losses exceeded 50% of the capital, and this was referred to with attention in our reports on the company's financial statements), which requires, in implementation of Article No. (150) of The Regulations for the Companies, that the extraordinary general assembly to meet within forty-five days from the date of his knowledge of the losses; To decide either to increase or decrease the company's capital - in accordance with the provisions of the regulations - to the extent that the percentage of losses drops to less than half of the paid-up capital, or to dissolve the company before the term specified in its articles of association, However, due to the company's entry into the financial reorganization proposal and procedures, and in application of article no. (42) of Chapter Four of the Bankruptcy Law and its Executive Regulations, the company is exempted from applying the provisions of the Companies Law with regard to the debtor's losses reaching the percentage specified in the Regulation. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Board of Directors members are responsible for overseeing the company's financial reporting process

Independent Auditors' Report (continued)

To the Shareholders of

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

(A Saudi Joint Stock Company)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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

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

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

Independent Auditors' Report (continued)

To the Shareholders of

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

(A Saudi Joint Stock Company)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- The Regulations for the Companies requires the auditor to include in his report any violations of the provisions of the Regulation or the provisions of the Company's Articles of Association. In the course of our current audit of the financial statements, we found that the company has violated the provisions of the Regulations for the Companies and related regulations which have no material impact on the financial statements. It consisted of the following:
 - 1- The company did not keep the accounting books and records within the minimum period specified by law (10 years at least) according to what is mentioned in item No. (1) of the basis for disclaimer of opinion paragraph in this report, which is a violation of the Commercial Books Law applied in Kingdom of Saudi Arabia.
 - 2- The company did not prepare its financial statements for the financial year ending as at 31 December 2021G, and submit them to the Ministry of Commerce and Investment within the legally specified period, which is a violation of the Regulations for the Companies applied in the Kingdom of Saudi Arabia.
 - 3- The company did not publish its financial statements for the financial year ending as at 31 December 2021G on the Saudi Tadawul website within the legally specified period, which is a violation of the Capital Market Authority Regulations in the Kingdom of Saudi Arabia.
 - 4- The company did not prepare its zakat returns and submit them to the Zakat, Tax and Customs Authority within the legally specified period.

Independent Auditors' Report (continued)

To the Shareholders of

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

(A Saudi Joint Stock Company)

Report on Other Legal and Regulatory Requirements (continued)

- 5- The company's accumulated losses as at 31 December 2021G exceeded of the entire capital, which requires, in implementation of article no. (150) of the Regulations for the Companies, to invite the extraordinary general assembly to meet within forty-five days from the date of his knowledge of the losses, but the general assembly was not called the extraordinary meeting within the period specified by law (taking into consideration what was stated in note No. (36) of the notes supplementing the financial statements, as due to the company entering into a proposal and procedures for financial reorganization and in application of article no. (42) of Chapter Four of the Bankruptcy Law and its regulations, the company is exempted from applying the provisions of the Regulations for the Companies with regard to the debtor's losses reaching the percentage specified in the Regulation).
- 6- The company did not call for the company's Ordinary General Assembly meeting within the period specified in the Companies Regulations and the Company's Articles of Association (during the six months following the end of the fiscal year).
- The Company maintains computerized accounting records and the financial statements are in accordance therewith.

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

**Osama A. Elkhareiji
License No. 154
Dated 23/04/1405H.**



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

Translated from Arabic

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A SAUDI JOINT-STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2021
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	<u>Note</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Assets</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment, net	(5)	11 713 391	27 820 683
Intangible assets, net	(6)	0	25 973
Total Non-Current Assets		11 713 391	27 846 656
<u>Current Assets</u>			
Assets and Property available for sale	(8)	780 000	0
Inventories, net	(9)	0	20 653
Accounts Receivable, net	(10)	0	26 517
Prepaid expenses and other debit balances, net	(11)	930 227	6 305 950
Due from related parties, net	(12)	0	82 832 428
Cash and cash equivalents	(13)	623 303	2 459 583
Total Current Assets		2 333 530	91 645 131
Total Assets		14 046 921	119 491 787
<u>Shareholders' equity and Liabilities</u>			
<u>Shareholders' equity</u>			
Share capital	(1)	100 000 000	100 000 000
Statutory reserve	(14)	2 883 376	2 883 376
Other Statutory	(20)	(155 283)	---
Accumulated (losses)		(228 946 726)	(66 495 332)
Total Shareholders' equity (minus)		(126 218 633)	36 388 044
<u>Non-Current Liabilities</u>			
Employees' End of Service Benefits	(19)	856 066	2 784 772
Total Non-Current Liabilities		856 066	2 784 772
<u>Current Liabilities</u>			
Short term loans	(15)	32 024 465	32 685 686
Accounts payable	(16)	66 483 175	21 270 008
Accruals and other credit balances	(17)	23 745 829	11 837 275
Due to related parties	(12)	1 379 078	1 167 168
Zakat provision	(18)	15 776 941	12 438 576
Provision for losses of investment in associate companies	(7)	0	920 258
Total Current Liabilities		139 409 488	80 318 971
Total Liabilities		140 265 554	83 103 743
Total liabilities and equity		14 046 921	119 491 787

* The accompanying notes (1) to (42) form an integral part of these financial statements.

Chairman

Managing Director

Finance Manager

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

		2021	2020
	Note		
Activity Revenues	(21)	425 304	3 668 062
Activity costs	(22)	(410 643)	(7 224 311)
Gross Profit / (Loss)		14 661	(3 556 249)
<u>Main Operating Expenses</u>			
Selling and marketing expenses	(23)	(1 326 944)	(1 215 438)
General and administrative expenses	(24)	(77 829 444)	(7 554 312)
General and administrative expenses-financial restructuring procedure	(25)	(275 000)	---
Operational (loss) from operations		(79 416 727)	(12 325 999)
Provision for expected credit losses	(26)	(22 210 602)	---
Provision for debit balances - Court of Execution	(27)	(4 015 027)	---
Impairment losses in the value of property and machinery	(5)	(12 672 951)	---
Cases and financial claims	(28)	(45 508 738)	---
Other revenues and (expenses) - (Net)	(29)	1 390 947	646 316
Operations Income		(162 433 098)	(11 679 683)
Finance cost	(29)	(18 296)	---
Net (Loss) before Zakat		(162 451 394)	(11 679 683)
Zakat	(18)	---	--
Net (Loss) for the year		(162 451 394)	(11 679 683)
Other comprehensive income:			
Items that will not subsequently be reclassified to profit or loss			
Actuarial losses on remeasurement of defined benefit plan obligations		(155 283)	--
Total Other comprehensive income		(155 283)	---
Total comprehensive profit for the year		(162 606 677)	(11 679 683)
(Losses) per share for the year:			
Basic and diluted earning share in Operational (loss)	(32)	(7.94)	(1.23)
Basic and diluted earning share in net (Loss)	(33)	(16.25)	(1.17)

* The accompanying notes (1) to (42) form an integral part of these financial statements.

Chairman

Managing Director

Finance Manager

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A SAUDI JOINT-STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Statutory reserve</u>	<u>Accumulated (losses) / Retained earnings</u>	<u>Total Shareholders' equity</u>
Balance at January 1, 2020	100 000 000	2 883 376	---	(54 815 649)	48 067 727
Net (Losses) for the year	---	---	---	(11 679 683)	(11 679 683)
Other comprehensive income for the year	---	---	---	---	---
Balance as at December 31, 2020	100 000 000	2 883 376	---	(66 495 332)	36 388 044
Balance at January 1, 2021	100 000 000	2 883 376	---	(66 495 332)	36 388 044
Net (Losses) for the year	---	---	---	(162 451 394)	(162 451 394)
Other comprehensive income for the year	---	---	(155 283)	---	(155 283)
Balance as at December 31, 2021	100 000 000	2 883 376	(155 283)	(228 946 726)	(126 218 633)

* The accompanying notes (1) to (42) form an integral part of these financial statements.

Chairman

Managing Director

Finance Manager

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A SAUDI JOINT-STOCK COMPANY)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	2021	2020
<u>Operating Activities</u>		
Net (Loss) before Zakat	(162 451 394)	(11 679 683)
<u>Adjustments</u>		
Depreciation of Property, plant and equipment	1 100 552	1 784 162
Amortization of Intangible assets	0	8 022
Bad debt	60 497 450	0
Provision for expected credit loss - formed	22 210 602	0
Provision for debit balances - Court of Execution	4 015 027	0
Reversal of provision for investment losses in associate companies	(920 258)	0
Impairment losses in the value of property, plants and machinery	12 672 951	0
Losses on disposal of property, plant and equipment	1 548 629	0
Losses on disposal of intangible assets	25 974	0
Closing Inventory differences	20 653	3 740 271
Closing letter of guarantee margin	570 000	0
Employees end of service benefits - formed	62 276	306 313
Revenue from adjustments to previous balances	(1 023 280)	0
Settlements, financial claims and fines	54 977 682	0
Finance cost	18 296	0
	(6 674 840)	(5 840 915)
<u>Changes in Working capital:</u>		
Due from related parties	150 893	353 487
Accounts Receivable	---	3 295 068
prepaid expenses and other debit balances	790 695	637 028
Accounts payable	(774)	(1 137 285)
Accruals and other credit balances	3 680 676	4 359 217
Due to related parties	211 910	298 640
Net Cash (used in) provided by operating activities	(1 841 440)	1 965 240
<u>Investing Activities</u>		
Purchase of property and equipment	(1 840)	(4 750)
Purchase of intangible assets	7 000	0
Net cash provided by (used in) investing activities	5 160	(4 750)
<u>Cash Flows from Financing Activities</u>		
Net Cash Provided By Financing Activities	---	---
Net cash flow	(1 836 280)	1 960 490
Cash and bank balances at the beginning of the year	2 459 583	499 093
Cash and bank balances at the end of the year	623 303	2 459 583

* The accompanying notes (1) to (42) form an integral part of these financial statements.

Chairman

Managing Director

Finance Manager

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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.
- Exporting of foodstuffs and agricultural products, livestock and all kinds of chilled and frozen meat.
- The address of the company's head office is in Riyadh, Al Olaya District, Building No 3549, Al Oroba road, Kingdom of Saudi Arabia.
- The financial statements include the accounts of the company and its branches.

Financial reorganization procedures

In accordance with the ruling issued on Wednesday 25/08/1442H corresponding to 07/04/2021G in Case No. 1970 of 1442H, which judged the financial reorganization of 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 FINANCIAL STATEMENTS

2-1 ACCOUNTING STANDARDS APPLIED

- These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by SOCPA including the Standard of Financial Reporting during the Bankruptcy Procedure: Preventive Settlement or Financial Reorganization approved in the Kingdom of Saudi Arabia, which requires a presentation of the impact Conducting financial reorganization on the financial statements and disclosing additional information due to entering into

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

the procedure. The financial statements show the impact of transactions and events directly related to the financial reorganization procedures, independently of the company's current activities.

- The Capital Market Authority has allowed listed companies to use the fair value model or continue used cost model to measure the property, and investment property Starting from 1 January 2022. It also obligated listed companies to continue to use the cost model to measure the property, plant and equipment, and intangible assets.

2-2 ACCOUNTING CONVENTION / BASIS OF MEASUREMENT

The 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 financial statements are presented in Saudi Riyals, which is the Company's functional and presentation currency, unless otherwise noted. All figures have been rounded to the nearest riyal, unless otherwise noted.

3- SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

3-2 Standards issued that have not yet been applied

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

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

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

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

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

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

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

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

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

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

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

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

3-2 SIGNIFICANT ACCOUNTING POLICIES APPLIED

The following are the significant accounting policies applied by the Company in preparing its financial statements to all accounting periods presented.

A- Classification of assets and liabilities into current / non-current:

- Assets:

The Company presents assets and liabilities in the financial statements based on their classification into current / noncurrent items. The asset is current when:

- It is expected to be realized or there is an intention to be sold or consumed it in a normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is expected to be realized within twelve months after the financial reporting’s period, or

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least – twelve months after the financial reporting period.
The Company classifies all other assets as non-current assets.

- **Liabilities:**

A liability is current when:

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

The Company classifies all other liabilities as non-current assets.

B- Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents consist of balances with banks, cash on hand and short-term deposits with an original maturities of three months or less and other short-term highly liquid investments, if any, whose original maturity is three months or Less than the date of its creation and are available to the Company without any restrictions. It also includes overdraft accounts that are an integral part of the Company's cash management and are expected to be changed from overdrafts to current accounts.

C- Time Murabaha deposits with banks

Time Murabaha deposits with banks include deposits with bank with an original maturities of more than three months and less a year from deposit date .

D- Inventory

Inventory is stated at cost or net realizable value whichever is lower Cost is determined as following:

- Raw materials, consumables and spare parts: Purchase cost on a weighted average basis Cost of purchase includes the purchase price, custom duties, and the other taxes otherwise, those which refundable, later, from tax authorities and the costs of transportation and handling and other costs attributable directly to the acquisition and deduct the trade discounts and the reductions and other similar items when determines the cost of purchase.
- The net realizable value consists of the estimated selling price less incremental completion costs and an appropriate share of selling and distribution expenses. Any decrease in the cost of inventories to the net realizable value should be recognized as an expense in the period in which the reduction occurs. Any reversal of impairment should be recognized in the statement of profit or loss in the period in which the reversal occurs.
- Provision is made, where necessary, for any slow moving or defective inventory and the cost of the inventory is recognized as an expense and recognized in the cost of revenue.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

E- Property, plant and equipment

Recognition and measurement

- Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of acquisition of the asset includes all costs related to the acquisition of the asset.
- An item of property, plant and equipment is derecognized when it is disposal or no future economic benefits are expected from its use or disposal.
- Gains and losses on disposal of an item of property, plant and equipment are determined by comparing net disposal proceeds with the carrying amounts of property, plant and equipment and are recognized net of other income (expense) in profits or losses.
- Subsequent expenditure is capitalized only when it results in increase in the future economic benefits and can be reliably measured.
- Loan financing costs are capitalized to finance the creation of qualifying assets during the year required to complete and process the assets for the purpose.
- Where significant portions of property, plant and equipment have different useful lives, they are then accounted for as items of property, plant and equipment.
- The cost of replacing an important part of the item of property, plant and equipment is recognized in the carrying amount of the item if potential future economic benefits are probable to flow to the Company and these costs can be measured reliably. The carrying amount of the item being derecognized is eliminated when significant parts of the property, plant and equipment are required to be replaced over time. The Company recognizes such items as individual assets with specific useful lives and is depreciated accordingly. Similarly, when performing a major examination, its cost is included in the carrying amount of the property and equipment as a replacement if the inclusion criteria are met. Other repair and maintenance costs are included in the profits or losses as incurred.

Capital spare parts

- Capital spare parts represent that the spare parts for factories and equipment that are necessary to support routine maintenance and overhaul of plants and equipment or to be used in emergency repair cases.
- These spare parts are capitalized if the conditions and capitalization standards are met, and are depreciated over the estimated useful life.

Depreciation

- The cost less estimated residual value is depreciated on a straight-line basis over the useful lives of the assets as follows.

Item	%
Buildings	3%
Wells	4%
computer and electrical equipments	7.5% - 20%
Leasehold improvement and Furniture & fixtures	5.2% - 25%
Machinery and equipment	10% - 20%
Vehicles	7.5% - 25%

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- The residual value and useful lives of the asset are reviewed in case there are indications of significant changes since the date of the last annual report and adjusted for future impact, when necessary.

Capital works in progress

- Capital work in progress at the end of the year includes certain assets that have been acquired but are not ready for the intended use. Capital work is carried at cost less any impairment recorded in value. These assets are transferred to related asset classes and depreciated when they are ready for use.

F- Intangible Assets

- Intangible assets (excluding goodwill) acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.
- Assets produced internally (excluding capitalized development costs) are not capitalized and related expenses are recognized in the statement of profit or loss in the period in which they are incurred.
- The useful lives of intangible assets are assessed to be either specific or indefinite.
- Intangible assets with finite useful lives are amortized over the useful economic life as following:

Item	Years
Softwares	5

- The residual values of intangible assets with finite lives, their useful lives and impairment indicators at the end of each financial year are reviewed for impairment if there is an indication that the intangible asset may have been impaired.
- Changes in the expected useful life or expected pattern of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates and adjusted prospectively, if necessary.
- Amortization expense for intangible assets with finite lives is recognized in the statement of profit or loss and other comprehensive income under expenses category in line with the function of intangible assets.
- Subsequent expenditure is capitalized only when the future economic benefits associated with the expenditure are likely to flow to the Company and the expenditure can be measured reliably.
- For intangible assets with an indefinite useful life are not amortized, but are tested to measure impairment annually, either individually or at the level of cash-generating units. The assessment of indefinite life is reviewed annually to determine whether it will continue to be classified as indefinitely. If not, the change in the assessment of the useful life from indefinite to finite is on a prospective basis.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- Gains or losses arising on derecognition of an intangible asset are measured as the difference between net sales proceeds and the carrying amount of the asset and are included in the statement of profit or loss and other comprehensive income when the asset is disposed of.

G- Non-current assets held for sale (if any)

- Non-current assets are classified as held for sale if there is a high probability of recover it through sale rather than using.
- The requirements for classification as held for sale can only be met when it is high likely to be disposed of and the asset is available for immediate sale in its present condition. The procedures required to complete the sale should be clear that there have been no material changes and the decision will be taken to discontinue the sale.
- These assets are usually measured at book value or fair value less selling cost which is lower. Impairment losses are recognized on the initial classification as assets held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss.
- If the asset classified as held for sale, will not amortized or depreciated after that, and the investment in the investee company is not calculated after that by using the equity method.

H- Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

- Borrowing costs directly attributable to the establishment of an asset are capitalized using the capitalization rate up to the stage in which the work necessary to prepare the qualifying asset for the intended purpose is effectively completed and are then charged to profit or loss. In the case of specific loans, all such costs directly attributable to the acquisition, construction or production of an asset that require a substantial period of time for its intended preparation or sale, such costs are capitalized as part of the cost of the related asset. All other borrowing costs are expensed in the period in which they occur.
- The incomes from the investment that earned from the temporary investment of specific loans will be deducted until they are spent on qualifying assets from borrowing costs eligible for capitalization.

I- Associate companies investment and joint ventures

- Associate companies are those companies over which the Company exercises significant influence. Significant influence is the Company's ability to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.
- A joint venture is a joint arrangement whereby the Company has joint control of that arrangement and has a right to the net assets of the joint arrangement.
- Joint control is a jointly controlled contractual arrangement that exists when decisions about activities require the unanimous consent of the parties sharing control. The considerations in determining significant influence and joint control are retaining, directly or indirectly, a percentage of the voting power of the investee, representation on the board of directors or similar governance bodies of the investee, participation in policy-making, including participation in decisions relating to dividends or other distributions, material transactions between the Company and the investee, the exchange of administrative personnel or the provision of basic technical information.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- The Company's investment in the associate or joint venture is accounted for using the equity method.
- According to the equity method, the investment in the associate or joint venture is initially recorded at cost in the statement of financial position, and this cost is subsequently adjusted to recognize the Company's share of profits or losses and other comprehensive income of the associate or joint venture minus any decrease in the value of the net investment.
- When the Company's share of losses in the associate or joint venture exceeds its ownership in the associate or joint venture (which includes any long-term equity interests that substantially form part of the Company's net investment in the associate or joint venture), the Company ceases to recognize its share of the additional losses. Additional losses are recognized and recognized as liabilities only to the extent that the Company has legal or contractual obligations or has made payments on behalf of the associate or joint venture.
- If, in a subsequent period, the associate or joint venture records profits, the Company shall resume recording its share of such profits only when its share of profits equals its share of unrecognized losses.
- The Company's investment in the associate or joint venture is accounted for using the equity method, starting from the date on which the investee becomes an associate or a joint venture.
- Upon acquiring the investment in the associate or joint venture, any excess of the investment cost over the Company's share in the net fair value of the identifiable assets and liabilities of the investee is recorded as goodwill and included in the book value of the investment, and is not depreciated or tested in its value independently.
- Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of the associate or joint venture over the cost of the investment after reassessment is recognized directly in the statement of profit or loss in the year in which the investment is acquired.
- The Company discontinues using the equity method from the date the investment ceases to be an associate or joint venture, or when the investment is designated as held for sale. In this case, the investment is recorded at fair value, and any difference between the book value of the associate or joint venture and the fair value after it is converted to investment and the disposal proceeds are recognized in the income statement.
- When the Company reduces its interest in an associate or a joint venture and the Company continues to apply the equity method, the company must reclassify the gain and loss previously recognized in other comprehensive income and related to that decrease in the statement of profit and loss, if this classification is for gain and loss. Includes derecognition of related assets or liabilities.
- After applying the equity method, the Company determines, on the date of preparing the financial statements, the extent to which there is objective evidence of a decline in the value of the investment in an associate or a joint venture, and in the case of such evidence, the company estimates the recoverable amount of the investment value. The recoverable amount of the investment value is the fair value of the investment or the cash-generating unit less costs to sell the investment or its value in use - whichever is higher.
- Unrealized gains or losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's interest in the associate or joint venture. The Company's share of the results of the associate or joint venture is presented in the income statement after operating profits or losses

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- The financial statements of the associate or joint venture are prepared for the same financial period as the Company. Adjustments are made, if necessary, to bring the accounting policies

J- Lease

The determination of whether the arrangements are (or its substance) is a lease based on the substance of the agreement of the beginning of the contract. An arrangement is assessed to determine whether its performance depends on the user of assets or that the arrangements transfer the right to use the asset even if the asset is not explicitly identified in the arrangement.

▪ **The Company as a lessee**

- The Company recognises a right-of-use asset and a corresponding lease liability related to the lease contracts which the requirements of IFRS (16) apply where:
 - Each a rental payment is distributed between the liabilities and the finance cost.
 - The finance cost is charged to profit and loss over a lease term where be achieved a static periodical commission rate on the remaining balance of the liability for each period.
 - The right of use assets was amortized with the cost that involving the following:
 - The amount of initial measurement for lease liabilities.
 - Any lease payments which were paid at or before the commencement date of the contract less any received rental incentives.
 - The costs of renewal. (if any)
 - The lease liabilities comprise the following net present values of payments:
 - The fixed payments (including the fixed payments in its substance) less any debit incentives.
 - The variable lease payments which based on an indicator or rate. (if any)
 - The amounts which expected to be paid pursuant to the guarantees of the residual value.
 - The price of exercising of the option of purchasing if a lessee sure reasonably from exercise that option if any.
 - Payments of the fines related to terminate a lease contract, if the lease term reflects reasonably of exercising the lessee for that option (if any).
- The payments of a lease contract are discounted by using an incremental borrowing rate which represents the price that would pay by the lessee to borrow the necessary funds to obtain an asset in a similar value in a similar economic environment with similar conditions and terms.
- The payments related to short-term leases and low-value leases are recognised as an expense in profit and loss. The short-term leases are the leases that have a lease period 12month or less.
- Renegotiation on the lease contract's terms is made on an individual basis and contains a large of conditions and different terms. The arrangements of the lease contracts do not impose any pledges but the right-of-use assets do not use as a guarantee for the purposes of borrowing.

The Company as a lessor

- The determination of whether the agreements are (or its substance) is a lease based on the substance of the agreement of the beginning of the contract.
- Each lease (if any) are classified as a finance lease or an operating lease, where the regard of a lease is a finance lease or an operating lease depends on the substance of a transaction, not on the form of the contract.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- A lease is classified as a finance lease if a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.
- A lease is classified as an operating lease that does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset.
- The lease incentives or any increase in the lease contracts are included as part of the total liability from the lease contract and are calculated on a straight line basis over the period of the contract. Contingent rentals are included as revenue in the period in which they are calculated.

K- Impairment of non-financial assets

- At each reporting date, the Company reviews non-financial assets (other than inventories) to determine whether there is any indication or circumstances that indicate an impairment loss or reversal of impairment loss. If this indicator exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss or reversal of the impairment loss, if any.
- When over it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis for allocation can be determined, the joint assets are allocated to individual cash-generating units or otherwise distributed to the smaller Company of cash-generating units for which a reasonable and consistent basis of allocation can be determined.
- The recoverable amount of the asset is the fair value of the asset or cash generating unit less costs to sell or value in use - whichever is higher,
- The recoverable amount of an individual asset is determined unless the asset generates cash flows that are substantially independent of the expenditure generated from other assets or Companies of assets.
- When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and its value is reduced to its recoverable amount.
- In assessing the value in use, estimated future cash flows are discounted to their present value using the pre-tax discount rate, reflecting current market assessments of the time value of money and the specific risks of assets for which future cash flow estimates have not been adjusted.
- When determining the fair value less costs to complete the sale, recent market transactions are taken into consideration and, if such transactions can't be identified, an appropriate valuation model is used.
- An impairment loss is recognized directly in profits or losses unless the relevant assets are carried at their revaluated amount. The impairment loss is treated in this case as a revaluation decrease.
- Where the impairment loss is reversed subsequently, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount so that the carrying amount does not exceed the carrying amount that would have been determined had the impairment loss been recognized value of assets (or cash-generating unit) in prior years. An impairment loss is recognized directly in the profits or losses unless the relevant assets are

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

carried at their revaluated amount. The impairment loss is recognized in this case as an increase arising from revaluation.

- Intangible assets with indefinite useful lives and intangible assets that are not available for use after being reviewed for impairment at least annually and whenever there is an indication of impairment.

L- Fair value measurement

- The company disclose the fair value for the non-financial assets as part of the annual financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction for to sell the asset or transfer the liability take place either:
 - Through the principal market of the asset or liability, or
 - Through the market most beneficial to the asset or liability in the absence of a principal market.
- The principal market or market must be the most accessible by the Company.
- The fair value of an asset or liability is measured using the assumptions used by market participants when pricing the asset or liability on the assumption that the parties in the market act in the best economic interest.
- The measurement of the fair value of a non-financial asset takes in consideration the ability of the parties in the market to provide economic benefits by using the asset to obtain the best benefit from it or to sell it to another party in the market for the best benefit.
- The Company uses valuation techniques that are appropriate to the circumstances and have sufficient data to measure fair value, maximize the use of observable data and reduce the use of non-observable related data, where:
 - The responsibility to supervise all important fair value measurements is the responsibility of management, including the third level of fair values.
 - The management reviews significant non-observable inputs and valuation adjustments periodically.
 - The management evaluates the evidence obtained from a third party to support the conclusion that these valuations meet the requirements of the IFRS adopted in Saudi Arabia, including the level in the hierarchy of fair value for which such assessments should be classified if information is used by a third party, such as brokers' prices or pricing services, are used to measure fair values.
- The Company uses observable market data to the extent possible when measuring the fair value of an asset or liability. The fair values are classified at different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:
 - Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities
 - Level 2 : Inputs other than prices listed in level 1 for identical assets and liabilities that could be observed for the assets or liabilities other than direct or indirect (as derivative of the price of the adjustment)

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- Level 3: Inputs for assets and liabilities that are not based on observable market data (unobservable input and inactive market)
- If the inputs used to measure the fair value of an asset or liability are at different levels of the fair value hierarchy, the fair value measurement is fully classified at the same level of the fair value hierarchy as the lowest level of inputs is essential for full measurement.
- Transfers are recognized between the levels of the fair value hierarchy at the end of the reporting period in which the change occurs.

M- STATUTORY RESERVE:

- In accordance with the Regulations for the Kingdom of Saudi Arabia and the Company's Articles of Association, the Company shall transfer 10% of the net profit for the year to statutory reserve until such reserve reaches 30% of its capital.
- This statutory reserve is not available for distribution to shareholders. However, its can be used to cover the company's losses or increasing the company capital.

N- Financial instruments

Financial instruments are recognized and measured in accordance with the requirements of IFRS (9) "Financial Instruments", which defines and addresses the classification, measurement and de-recognition of financial assets and financial liabilities and certain contracts for the purchase or sale of non-financial items. The details of the relevant accounting policies are set out below.

- **Initial recognition – financial assets and financial liabilities**

Financial assets and liabilities are recognized when the entity becomes a party to the contractual of the instrument.

- **Financial assets**

The company Financial assets that measured by the amortised cost is the most appropriate category for the company.

- **Initial measurement**

On initial measurement, except for trade receivables that do not include a material financing component, the financial asset is measured at fair value through profit or loss. The transaction costs directly attributable to the acquisition of the financial asset are recognized in profit or loss.

If the financial asset is not at fair value through profit or loss, the financial asset is measured at its fair value plus transaction costs directly attributable to the acquisition of the financial asset. Trade receivables that do not have a material financing component or which are less than 12 months old are measured at the transaction price in accordance with IFRS (15).

- **Classification and subsequent measurement**

The subsequent measurement of non-derivative financial assets depends on their classification into the following measurement categories based on the business model in which the financial assets are managed as well as the contractual terms of cash flows:

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

A) Financial assets at fair value through profit or loss:

Financial assets at fair value through statement of profit or loss are measured at the end of each reporting period without any transaction costs that the Company may incur when selling or disposing of any financial asset in the future.

All financial assets that are not classified as measured at amortized cost or at fair value through other comprehensive income and will be described below are measured at fair value through profit or loss. This includes all other derivative financial assets. On initial recognition, the Company is entitled to finalize financial assets that otherwise meet the measurement requirements at amortized cost or at fair value through other comprehensive income as financial assets at fair value through profit or loss.

If the Company does so, it omits the accounting mismatch that may arise in one way or another or significantly reduces mismatches.

B) Financial assets at fair value through other comprehensive income:

They are either (debt instruments at fair value through other comprehensive income) or (equity instruments at fair value through other comprehensive income)

Financial assets at fair value through other comprehensive income are measured at the end of each reporting period and the transaction costs incurred by the Company are derecognized when the asset is disposed of in the future.

Investments in debt instruments are measured at fair value through other comprehensive income if the following two conditions are met and are not measured at fair value through profit or loss:

- ✓ It is maintained within a business model that is verified by collecting contractual cash flows and selling financial assets. And
- ✓ Their contractual periods are established on specific cash flow dates that represent only payments of principal and interest on the principal of the amount outstanding.

Upon derecognition of financial assets, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to the statement of profit or loss. However, the fair value gains or losses are not reclassified to profit or loss in the case of equity instruments.

C) Financial assets measured at amortized cost:

The financial asset should be measured at amortized cost using the effective interest method if the following conditions are met:

- 1) The financial asset is retained within the business model, which is intended to hold financial assets from the collection of contractual cash flows; and
- 2) The contractual terms of the financial asset on specific dates result in cash flows that are principal and interest payments on the principal outstanding.

Financial assets measured at amortized cost include trade receivables, other receivables and time Murabaha deposits, Time Murabaha deposits with banks include deposits with bank with an original maturities of more than three months and less a year from deposit date, and including the loans that included in the other non current financial liabilities

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

After initial measurement, these financial assets are subsequently measured at amortized cost using the effective interest rate method less impairment (if any). Amortized cost is calculated by taking into consideration any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Effective interest rate amortization is included in financing revenue in profit or loss. Impairment losses are recognized in profit or loss.

The method of recognizing and presenting the profits or losses resulting from classifying the above categories is as follows:

Measurement class	Recognizing and presenting the profits or losses
Financial assets at amortized cost	<ul style="list-style-type: none">– The following items are included in statement of profit or loss:<ul style="list-style-type: none">▪ Interest income using the effective interest rate method.▪ Expected credit losses (or reversal of losses) (impairment and reversal)▪ Foreign exchange gains or losses– When the financial asset is derecognized (Derecognition), the resulting gain or loss is recognized in profit or loss.
Debt instruments at fair value through other comprehensive income	<ul style="list-style-type: none">– Gains and losses are recognized in other comprehensive income <u>except for the following items</u> which are recognized in profit or loss in the same manner as for financial assets measured at amortized cost:<ul style="list-style-type: none">▪ Interest income using the effective interest method.▪ Expected credit losses (or reversal of losses). (Impairment and reversal)▪ Foreign exchange gains or losses– When the financial asset is de-recognized (Derecognition), the cumulative gain or loss in the other comprehensive income is reclassified to profit or loss
Investment in equity instruments at fair value through other comprehensive income	<ul style="list-style-type: none">– Gains or losses are recognized in other comprehensive income– Dividends from these investments must be recognized as income in profit or loss unless they clearly represent the payment of part of the cost of the investment.– The amounts recognized in other comprehensive income are not reclassified to profit or loss under any circumstances.
Investment at fair value through profit or loss	<ul style="list-style-type: none">– Gains or losses arising either from subsequent measurement or from de-recognition are recognized in profit or loss.

• **Reclassification**

When _and only when _ an entity changes its business model in the managing of financial assets, it must reclassify all its affected financial assets in accordance with the above classification requirements.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- **Cancellation of recognition of financial assets**

The de-recognition of a financial asset (or, as appropriate, a part of a financial asset or a part of a Company of similar financial assets) (which mean its disposal from the financial position statement) when the cash flow rights commented of the asset is done or when the financial asset is transfer the financial assets or all its risks and benefits to another party. The difference in carrying amount is recognized in the profit or loss.

- **Impairment of financial assets**

At each reporting date, the Company assesses the probability of objective evidence that the financial asset measured at cost or amortized cost may be impaired. Impairment arises when one or more events occur, if the initial recognition of an asset has an impact on the estimated future cash flows of a financial asset or a Company of financial assets that can be reliably measured.

IFRS (9) requires the Company to apply a model to measure expected credit losses in respect of impairment of financial assets. Credit event occurrence is not necessary to include credit losses. Instead, using the expected credit loss model, the entity calculates the expected credit losses and changes as of each reporting date.

The expected credit loss should be measured and made a provision to it either in the amount equivalent to:

- (a) 12 months of expected losses or
- (b) Long term expected losses.

- If the credit risk of the financial instrument is not substantially increased from the beginning, then a provision equal to the expected loss of 12 months is created.
- In other cases, provision should be made for long-term credit losses.
- ❖ For trade receivables and other receivables, the Company has applied the simplified method in accordance with the Standard and calculates credit losses according to credit loss forecasts over the life of the financial assets where:
 - The Company has established a matrix of provisions based on the Company's past experience with respect to credit losses, and adjusted for future factors relating to debtors and the economic environment.
 - The company considers the financial asset to be in default when the contractual payments are defaulted and their due date exceeds 90 days. However, in some cases, the company may consider a financial asset defaulted when internal or external information indicates that the company is not likely to receive the full existing contractual amounts before taking into account the credit supporting held by the company.

Except for investments in debt instruments measured through other comprehensive income, the book value of the asset is reduced through the use of the provision account and the amount of the loss is recognized in profit or loss. Interest income continues to be depreciated using the interest rate used to discount future cash flows to measure impairment loss. Loans are written off with the loan-related provision when there is no realistic prospect of future recovery and all guarantees are realized or transferred to the Company.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- In respect of investments in debt instruments measured through other comprehensive income, the provision for the loss of other comprehensive income accumulated in the investment revaluation reserve is recognized and does not reduce the book value of the financial asset in the statement of financial position.
- In any case, if in a subsequent year, the amount of the impairment loss increased or decreased because of an event occurring after the impairment was recorded, the previously recognized impairment loss is increased or reduced by adjusting the provision account. If a subsequent write-down is reversed, the reversal is recognized in profit or loss.

- **Financial liabilities**

The Company's financial liabilities include accounts payables, accruals amount, loans.

- **Initial measurement**

Financial liabilities are initially recognized as financial liabilities at fair value through profit or loss and other comprehensive income and as loans, advances and payables as appropriate.

All financial liabilities are initially measured at fair value and in the case of long-term loans, advances and accounts payable, net of direct costs related to the transaction. (I.e. except for financial liabilities at fair value where transaction costs directly related to the acquisition of financial liabilities are recognized directly in profit or loss).

- **Classification and subsequent measurement**

- A) At amortized cost**

The company must classify all financial liabilities at amortized cost and subsequently measured, except for:

- 1) Financial liabilities at fair value through profit or loss.
- 2) Financial liabilities that arise when a financial asset that is unqualified for de-recognition is derecognized or when the method of continuing involvement is applied (the continuing correlation method).
- 3) Financial guarantee contracts.
- 4) Obligations or commitments to provide a loan at an interest rate lower than the market price and not measured at fair value through profit or loss.
- 5) The potential price (consideration) recognized by the acquirer in a business combination that is in accordance with IFRS (3). This potential price is subsequently measured at fair value with changes recognized in profit or loss.

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss and other comprehensive income when the liability is derecognized through the amortization of the effective interest rate.

Amortized cost is calculated by taking into consideration any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. Effective interest rate amortization is included as finance costs in the statement of profit or loss. Gains or losses on financial liabilities measured at fair value (which are not part of the overall hedging relationship) are recognized in profit or loss. Except for gains or losses on certain financial liabilities that are designated at fair value through profit or loss when the Company is

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

required to assess the effects of changes in credit risk associated with liabilities in other comprehensive income.

B) Financial liabilities at fair value through profit or loss

Financial liabilities included in this category include:

1. Liabilities held for trading.
2. Liabilities derivatives not designated as hedging instruments.
3. Liabilities designated at fair value through profit or loss.

After initial recognition, the Company measures financial liabilities at fair value and recognizes changes in profit or loss.

Usually Gains and losses on financial liabilities designated at fair value are recognized in profit or loss as follows:

1. The amount of the change in the fair value of a financial liability that is attributable to changes in credit risk is recognized in other comprehensive income.
2. The residual value of the change in the fair value of the financial liability is recognized in profit or loss.

C) Financial liabilities other than financial liabilities at fair value through profit or loss

Financial liabilities are measured at amortized cost using the effective interest rate.

• **Reclassification**

The Company cannot reclassify any financial liability.

• **Derecognition of financial liabilities**

A financial liability is de-recognized when it is fulfilled, cancelled or terminated. When an existing financial liability is replaced by another from the same lender on substantially different terms or when the terms of an existing obligation are substantially modified, such a replacement or modification is treated as a derecognition of the original financial liability while recognizing the new obligation. The difference between the relevant book values is recognized in profit or loss.

• **Set-off of financial instruments (set-off between financial assets and liabilities).**

Financial assets and financial liabilities are offset and recorded net in the statement of financial position only when the following conditions are met:

- 1- The Company has a statutory legal right to set-off the amounts recognized in assets and liabilities.
- 2- The intention of the Company to settle on a net basis or to recognize the asset and settle the obligation simultaneously.

O- Revenues recognition

- Revenues arising from contracts are recognized and measured in accordance with the requirements of IFRS (15), unless they are within the scope of other standards. Revenue arising from contracts with customers is recognized based on the five steps model, whereby revenue is recognized at an amount that reflects the price the entity expects to receive for transferring goods or services to the customer. Revenue is measured based on the identified amount in the contract with the customer.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- Revenue is measured on the basis of the compensation specified in the contract with the customer, with the exception of amounts collected on behalf of other parties. The Company recognizes revenue when transferring control over the products or services provided to the customer.
- The company recognizes revenue when it transfers control of a product or services to the customer and when the criterias for each of the company's activity are met, as mentioed below. and it is either at a point in time or over a period of time dependent on the performance of the obligation being fulfilled by transferring control of the goods or services to Client.
- Where the Company records revenue from contracts with clients based on the following five steps:
 - Step (1): Determining the contract with the client: A contract is an agreement between two or more parties that results in mandatory rights and obligations and clarifies the criteria that must be met for each contract.
 - Step (2): Defining performance obligations in the contract: A performance obligation is a promise to the customer according to the contract in order to transport goods or provide services to the customer.
 - Step (3): Determining the transaction price: The transaction price is the price expected from the Company in exchange for the transfer of goods or services agreed upon with the customer, excluding the amounts collected on behalf of third parties.
 - Step (4): Distributing the transaction price to the performance obligations in the contract: For a contract that contains more than one performance obligation, the Company distributes the transaction price to each performance obligation by an estimated amount of the price expected to be collected from the goods or services in exchange for the performance of the performance obligation.
 - Step (5): Revenue is recognized when (or when) the Company fulfills the performance obligation.
- The Company fulfills the performance obligation and recognizes revenue over the term of the contract if it fulfills any of the following requirements:
 - 1) The client obtains the benefits resulting from the performance of the Company and the consumption of those benefits at the same time, or
 - 2) The Company's performance leads to the creation or improvement of an asset that is under the customer's control at the time of improvement or creation, or
 - 3) The Company's performance of the obligation is not originally for other uses of the Company, and the Company has the right to collect the amount for the completed performance to date that is enforceable.
- For performance obligations where one of the above conditions are not met, revenue is recognized at the time the performance obligation is satisfied.
- When the Company fulfills a performance obligation by providing the promised goods or services, then the Company creates an asset based on the contract in exchange for the price it received as a result of the performance. If the amount of the billed price to the customer exceeds the amount of the listed revenues, this increases the commitment of the contract.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- Revenue is measured at the fair value of the price received or receivable, taking into account the contractual payment terms specified.
- Revenue is included in profit or loss to the extent of the expected flow of economic benefits to the Company, with revenues and costs - where applicable - being able to be measured reliably.
- **Revenue from Products Sales:**
Revenues are recognized in accordance with what mentioned above, where the benefits and risks of the sold products are transferred directly to the customer as soon as he receives them and acknowledges that, and accordingly, invoices are issued and the revenue is recorded at that point in time by the net value, after deducting any of the discounts that customers has received in accordance with the contracts concluded and to fulfill those obligations.
In the company revenue resulting when invoice is issued and goods has delivered

P- Costs Of Revenue

- Cost of revenue represented in the the cost of purchasing and the direct expenses that related to revenue

Q- Expenses

- Selling and marketing expenses and general and administrative expenses include direct and indirect costs that are not specifically considered part of the cost of revenues .
- Selling and marketing expenses in those expenses arising from the Company's underlying sales and marketing functions .
- All expenses except for financial charges, amortization, depreciation and impairment losses are classified as general and administrative expenses .

R- Income Tax and Zakat

R-1 Zakat

- Zakat is calculated in accordance with zakat regulations issued by the General Authority for Zakat and Income in the Kingdom of Saudi Arabia ("the Authority")
- Zakat is charged to the profit or loss.
- Any additional obligations and settlement of adjustments resulting from the Zakat, if any, that may become due upon completion of the assessment are recorded in the same fiscal year in which the zakat assessment is recognized.

R-2 Withholding tax

- The Company deducts taxes on certain transactions with non-resident entities in Saudi Arabia as required in accordance with the applicable tax regulations in the Kingdom of Saudi Arabia. The withholding tax relating to foreign payments is recognized as a liability

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

R-3 Transaction tax

- Income, expenses and assets are recognized net of transaction tax (including VAT), except for:
 - Where the transaction tax incurred in the purchase of an asset or service is not recoverable from the tax authority, in which case the transaction tax is recognized as part of the cost of the asset or as part of the expense, where applicable.
 - Accounts receivable and payables that have been included with the transaction tax amount.
- The net amount of the transaction tax recoverable from, or payable to, the tax authority is included as part of the receivables or payables in the statement of financial position.

S- Foreign currency transactions and balances

- Foreign currency transactions are translated into Saudi Riyals (functional currency) at the rates of exchange ruling at the date of the financial statements. Gains and losses arising from changes in exchange rates are recognized in profit or loss.
- Non-monetary items that are measured at the historical cost of a foreign currency are retranslated using the exchange rates at the date of the initial transactions and are not subsequently adjusted. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date that the fair value was determined. The gain or loss arising on the translation of non-monetary items measured at fair value is accounted for in accordance with the recognition of profit or loss from changes in the fair value of the related item.

T- Provisions

- Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event and there is a possibility that the Company will be required to settle this obligation through cash flows from outside the Company that reflect economic benefits and a significant estimate of the amount of the obligation can be made. Where the Company expects to repay some or all of the provision - for example - under an insurance contract, the payment is recognized as an independent asset but only when the payment is actually confirmed. The expense for the provision is presented in to profit or loss after any payment.
- If the effect of the time value of money is significant, the provisions is determined by discounting the expected future cash flows at the current discount rate before the tax that reflects current market assessments of the time value of money and the risks related to the obligation. When the discount is used, the excess of the provision is recognized as a result of the passage of time as the cost of financing in the profit or loss.
- Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If a flow of required external resources with economic benefits to settle the obligation is no longer probable, the provision is reversed.
- **Cessation of operations costs (assets related to the removal of assets)**
A provision to suspend operations is recognized when the Company is responsible for the restoration or rehabilitation of the land. The degree of suspension of the required operations and related costs depends on the requirements of current laws and regulations.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

Costs included and included in the provision include all expected cessation liabilities over the life of the assets. The provision for suspending operations is discounted to its present value and capitalized as part of the assets under property, plant and equipment and is amortized over the life of the asset.

Adjustments to the estimated amount and time of cash flows to discontinue operations are normal in light of the significant judgments and estimates involved. These adjustments are recorded as an increase in liabilities offset by an increase in the related assets. Factors affecting these adjustments include:

- Technology development.
- Regulatory requirements and environmental management strategies.
- Changes in the estimated threshold and expected costs of activities, including the effects of inflation.
- Changes in economic sustainability.

U- Employee benefits

– Defined Benefit Programs

The Company provides a defined benefit plan to its employees in accordance with the Saudi Labor Law, as its defined in the Kingdom of Saudi Arabia laws.

Short-term employee benefits

A liability is recognized for benefits to employees relating to wages and salaries including non-monetary benefits, annual leave, sick leave and travel tickets during the period in which the service is provided, as well as the undiscounted amount of the benefits expected to be paid for that service on the basis that the related service may Performed. Recognized liabilities relating to short-term employee benefits are measured at the amount that is not deductible and is expected to be paid for the service rendered.

– Employee benefits after end of service

The Company pays retirement contributions to its Saudi employees to the Social Insurance Institution and represents a specific contribution plan and the payments are considered as expenses when incurred.

V- Liabilities and contingent assets

- Contingent liabilities are obligations that are likely to arise from past events and are confirmed to exist only through the occurrence or absence of one or more uncertain future events that are not within the overall control of the Company. or an existing obligation that is not proved because it is unlikely that there will be a need for the flow of resources to settle the obligation. In the event that the amount of the obligation cannot be measured reliably enough, the Company does not demonstrate the contingent liabilities but discloses them in the financial statements.
- The potential assets are not recognized in the financial statements but are disclosed when economic benefits are probable.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

W- Earnings per Share

- Basic earnings per share is calculated by dividing the net income attributable to the Company's shareholders by the weighted average number of shares outstanding during the year.
- Since the Company does not have any convertible shares, the basic earnings per share equals the reduced earnings per share.

X- Cash dividends of the Company's Shareholders

- The Company recognizes the obligations related to the payment of cash dividends to the Company's shareholders when the distribution is approved, The distribution is no longer happen according to the company's desire.
- In accordance with the Companies Law in Saudi Arabia, dividends are approved by the shareholders.
- Initial dividends, if any, are recorded upon approval by the Board of Directors. The amount of the consideration is recognized directly in equity.

Y- Discontinued Operations

This is one of the company's business components, whose operations and cash flows can be clearly distinguished from the remaining of the company, which are:

- Represents a separate major line of business or geographic area of separate operations.
- Part of a single coordinated plan to exclude a separate major line of business or geographic area of operations. or
- A subsidiary company acquired exclusively for the purpose of resale.

Z- Prepaid expenses

Prepaid long-term expenses (if any) are recognized at cost less any accumulated impairment losses.

AA- Segments Reports

- The business segment is a Company of assets, operations, or facilities:
 - 1) Conducts its business in commercial activities through which it is possible to generate revenues and incur expenses including revenues and expenses related to transactions with other components of the Company;
 - 2) The results of its operations are analyzed on an ongoing basis by the Chief Operating Officer in order to make decisions related to resource allocation and performance evaluation; and
 - 3) On which accurate information is available separately.
- The geographical segment provides products or services within a specific economic environment that is exposed to risks and returns that differ from operating sectors in other economic environments. Since the compnay's ctivities only in the kingdom of Saudi Arabia, so no geographical segments are presented in these financial statements.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

4- SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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

4-1 Judgments

Compliance with performance obligations

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

Determine transaction prices

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

Corona pandemic (Covid-19)

The Company has reviewed the main sources of uncertainty estimates that have been disclosed in the latest financial statements regarding the Corona pandemic (Covid-19). Management believes that, other than the expected credit losses on a financial assets, the impairment loss on a non-financial asset and all other sources of uncertainty remain similar to those disclosed in the annual financial statements. Management will continue to monitor the situation and any required changes will be reflected in the future reporting year - note (34).

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

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

2- Determine the number and relative weight of future assumptions for each type of product and market

3- Create a pool of potential financial assets to measure air credit losses.

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

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

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

Provision for slow moving inventory

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

Productive useful life of property, plant and equipment

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

Impairment of non-financial assets.

The Company assesses at each reporting date whether there are indications of impairment of the non-financial assets at each reporting date. Non-financial assets are selected to determine impairment in the event of indications that the carrying amounts cannot be recovered .

When the value in use is calculated, the management estimates the future cash flows of the asset or unit of cash and selects the appropriate discount rate to calculate the present value of these cash flows.

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 executive regulations, where the court approved the financial reorganization suggestion that provided by the company, and both shareholders and creditors approved the proposal (note 37). Consequently, the financial statements have been prepared on the basis of the going concern.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A SAUDI JOINT-STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

5- Property, plant and equipment(net)

Description	<u>Land</u>	<u>Building</u>	<u>Machines & Equipment</u>	<u>Vehicles</u>	<u>Furniture, Fixtures,Office equipment and Decoration</u>	<u>Wells</u>	<u>Electrical and computer equipment</u>	<u>Leasehold improvements</u>	Total
Balance as at 1/1/2021	6 231 776	25 300 697	1 081 196	794 433	6 420 396	100 359	2 505 291	41 875	42 476 023
Additions during the year	-	-	-	11	-	-	1 840	-	1 851
Disposals during the year*	-	-	(1 081 196)	(482 251)	(6 420 396)	-	(2 507 131)	(41 875)	(10 532 849)
Cost as at 31/12/2021	<u>6 231 776</u>	<u>25 300 697</u>	<u>-</u>	<u>312 193</u>	<u>-</u>	<u>100 359</u>	<u>-</u>	<u>-</u>	<u>31 945 025</u>
Accumulated Impairment & Depreciation as at 1/1/2021	-	-	-	-	-	-	-	-	-
Accumulated Impairment as at 1/1/2021	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at 1/1/2021	-	6 449 115	1 059 463	661 634	3 891 270	100 359	2 493 499	-	14 655 340
Year's depreciation ***	-	759 021	21 734	40 425	267 319	-	12 053	-	1 100 552
Accumulated Depreciation of disposal during the year	-	-	(1 081 197)	(451 871)	(4 158 589)	-	(2 505 552)	-	(8 197 209)
Impairment during the year	-	12 672 951	-	-	-	-	-	-	12 672 951
Accumulated as at 31/12/2021	<u>-</u>	<u>19 881 087</u>	<u>-</u>	<u>250 188</u>	<u>-</u>	<u>100 359</u>	<u>-</u>	<u>-</u>	<u>20 231 634</u>
Net book value as at 31/12/2021	<u>6 231 776</u>	<u>5 419 610</u>	<u>-</u>	<u>62 005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11 713 391</u>
Net book value as at 31/12/2020	<u>6 231 776</u>	<u>18 851 582</u>	<u>21 733</u>	<u>132 799</u>	<u>2 529 126</u>	<u>-</u>	<u>11 792</u>	<u>41 875</u>	<u>27 820 683</u>

* During the subsequent period the date of the financial statements, an actual physical count of the property, machinery and equipment owned by the company was carried out, and based on the results of that inventory, part of the property, machinery and equipment was disposed, and as a result, capital losses amounted to 1,548,629 Saudi riyals, which are included in Note No. (28), and the assets were also recorded. And properties available for sale amounting to 780,000 Saudi riyals, Note No. (8), and were registered on the fiscal year ending on December 31, 2021G, based on the Board of Directors' resolution Note No. (38).

** At the end of the fiscal year, an evaluation was made for the items (land - buildings) included in property, machinery and equipment, and due to the lack of detailed data for those lands and buildings, the total evaluation value of 3 sites owned by the company was compared with the total balances of the cost of those items and their accumulated book depreciation, based on The results of those evaluations proved a decrease in the value of the buildings in the amount of 12,672,951 Saudi riyals, and it was recorded on the fiscal year ending on December 31, 2021G, based on the Board of Directors' resolution, Note No. (38), and the evaluation was carried out by the Middle East Real Estate Appraisal Company, License No. 323/18 /323.

*** Depreciation expenses have been fully distributed on the item of general and administrative expenses, note No. (24).

**THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL
MARKETING COMPANY - FORMERLY)
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(A SAUDI JOINT-STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5- Property, plant and equipment (cont.)

Description	<u>Land</u>	<u>Building</u>	<u>Machines & Equipment</u>	<u>Vehicles</u>	<u>Furniture, Fixtures, Office equipment and Decoration</u>	<u>Wells</u>	<u>Electrical and computer equipment</u>	<u>Leasehold improvements</u>	Total
Balance as at 1/1/2020	6 231 776	25 300 697	1 081 196	794 433	6 420 396	100 359	2 505 291	37 125	42 471 273
Additions during the year	-	-	-	-	-	-	-	4 750	4 750
Disposals during the year	-	-	-	-	-	-	-	-	-
Cost as at 31/12/2020	6 231 776	25 300 697	1 081 196	794 433	6 420 396	100 359	2 505 291	41 875	42 476 023
Accumulated Depreciation as at 1/1/2021	-	5 113 883	1 030 325	598 536	3 538 640	100 359	2 481 413	-	12 863 156
Year's depreciation *	-	1 335 232	29 138	63 098	352 630	-	12 086	-	1 792 184
Accumulated Depreciation of disposal during the year	-	-	-	-	-	-	-	-	-
Accumulated as at 31/12/2020	-	6 449 115	1 059 463	661 634	3 891 270	100 359	2 493 499	-	14 655 340
Net book value as at 31/12/2020	6 231 776	18 851 582	21 733	132 799	2 529 126	-	11 792	41 875	27 820 683
Net book value as at 31/12/2019	6 231 776	20 186 814	50 871	195 897	2 881 756	-	23 878	37 125	29 608 117

* Depreciation expenses have been fully distributed on the item of general and administrative expenses, note No. (24).

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

6- INTANGIBLE ASSETS, NET

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

<u>Description</u>	<u>Programmes</u>	<u>Total</u>
<u>Cost as at</u>		
As at 01 January 2021	40 000	40 000
Disposals during the year*	(40 000)	(40 000)
As at 31 December 2021	-	-
<u>Accumulated depreciation</u>		
As at 01 January 2021	14 027	14 027
Amortization	-	-
Disposal amortization	(14 027)	(14 027)
As at 31 December 2021	-	-
<u>Net book value</u>		
As at 31 December 2021	-	-
As at 31 December 2020	25 973	25 973

* During the year 2021G, the programs were excluded, and as a result, capital losses amounted to 25,973 Saudi riyals, which are included in Note No. (29).

-The movement of intangible assets during the comparative year is as follows:

<u>Description</u>	<u>Programmes</u>	<u>Total</u>
<u>Cost as at</u>		
As at 01 January 2020	40 000	40 000
As at 31 December 2020	40 000	40 000
<u>Accumulated depreciation</u>		
As at 01 January 2020	6 005	6 005
Amortization	8 022	8 022
As at 31 December 2020	14 027	14 027
<u>Net book value</u>		
As at 31 December 2020	25 973	25 973
As at 31 December 2019	33 995	33 995

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7- INVESTMENTS IN ASSOCIATES / PROVISION FOR LOSSES OF INVESTMENT IN ASSOCIATES COMPANIES

Investments in associate companies consist of the following:

Company	Legal entity	Country	Ownership percentage	31 December 2021 SAR	31 December 2020 SAR
* Thimaar and Wasmi Markets Company	Limited liability company	Saudi Arabia	% 30.56	---	(920 258)
** Thimar Fresh Company	Limited liability company	Saudi Arabia	% 50	---	(920 258)

* 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. 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 (Note No. 38).

** 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.

8- Assets and properties available for sale:

	31 December 2021 SAR	31 December 2020 SAR
Iron piles and scraps*	780 000	-
	780 000	-

* During the subsequent period the date of the financial statements, an actual physical count of the property, machinery and equipment owned by the company was carried out, and based on the results of that inventory, unusable piles of iron and scrap were found, note No. (5), and they are available for sale. It was estimated at 780,000 Saudi riyals, as part of it was sold for 230,000 Saudi riyals during the year 2022G, and a several of price quotations were obtained for the rest, amounting to an average of 550,000 Saudi riyals.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

9- INVENTORIES,NET:

Inventory at 31 December consisted of the following:

	31 December 2021	31 December 2020
	SAR	SAR
Other supplies and packaging materials	-	20 653
	-	20 653

* The inventories balance on December 31, 2021, amounting to 20,653 Saudi riyals, was settled on activity costs as losses, Note No. (22) based on the Board of Directors' decision, Note No. (38).

10- ACCOUNTS RECEIVABLE – (NET):

	31 December 2021	31 December 2020
	SAR	SAR
Accounts receivable**	13 216 988	13 216 988
Deduct : provision for credit losses*	(13 216 988)	(13 190 471)
	-	26 517

***Movement in provision for credit losses on trade receivables**

	2021	2020
Balance at the beginning of the year	13 190 471	12 438 576
Used during the year	-	-
Formed during the year	26 517	-
	13 216 988	13 190 471

The provision for credit losses for trade receivables has been increased by an amount of 26 517 riyals, note No. (26), based on the decision of the Board of Directors, note No. (38).

** The aging for trade receivables during the fiscal year ending on December 31, 2021G exceed 360 days (on December 31, 2020G: exceed 360 days).

11- PREPAID EXPENSES AND OTHER DEBIT BALANCES, NET

	31 December 2021	31 December 2020
Receivables staff	127 504	290 263
Prepaid expenses	32 573	34 738
Advance payments to suppliers	507	11 315 179
Bank Guarantees**	-	570 000
Other debit balances	4 784 670	5 397 979
	4 945 254	17 608 159
Deduct : Credit losses provision *	-	(11 302 209)
Deduct : Provision for debit balances - Court of Execution **	(4 015 027)	-
	930 227	6 305 950

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

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

	2021	2020
Balance at the beginning of the year	11 302 209	11 302 209
Used during the year	(11 302 209)	-
Formed during the year	-	-
	-	11 302 209

The balance used from the provision for credit losses for debit balances is represented by the company's management writing off the balance of the advance payment to one of the suppliers, note No. (38), after a court ruling was issued in favor of the supplier, whereby the balance of the advance payment was closed in the provision for credit losses.

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

	2021	2020
Balance at the beginning of the year	-	-
Used during the year	-	-
Formed during the year	4 015 027	-
	4 015 027	-

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 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 (Note No. (27)).

** The balance of letters of guarantee margin was settled in the amount of 570 000 Saudi riyals as losses within the item of general and administrative expenses, note No. (24) based on the decision of the Board of Directors, note No. (38).

12- 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:

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

12-A Due from related party:

	Relationship	The nature of the transactions	01/01/2021	Total debit transactions	Total credit transactions	31/12/2021
Thimaar and Wasmi Markets Company	Associate company	Sales	13 008 977	-	13 008 977	-
		Funding	38 568 416	-	38 568 416	-
		Payments on behalf	9 070 950	907	9 071 857	-
Thimar Fresh Company	Associate company	Funding	3 920 195	-	3 920 195	-
Prince / Faisal bin Turki	Partner in Associate company	Receivable	22 184 085	-	-	22 184 085
Total			86 752 623			22 184 085
Provision for doubtful debts			(3 920 195)			(22 184 085)
Total			82 832 428			-

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

	2021	2020
Balance at the beginning of the year	3 920 195	3 920 195
Used during the year	(3 920 195)	-
Formed during the year	22 184 085	-
	22 184 085	3 920 195

The provision for credit losses for related parties has been reinforced by an amount of 22 184 085 riyals, note No. (26), based on the decision of the Board of Directors, note No. (38).

The company's management decided to write off the balance of the National Company for Fresh Fruit Products, using the provision for credit losses for related parties in the amount of 3 920 195 Saudi riyals, due to the lack of inference on the associate company for a long time.

The management of the company decided to write off the balance owed by the associate company, Thimar Wasmi Agricultural Markets Company amounting to 60 497 450, due to the liquidation and bankruptcy of the associate (Explanation No. (38)).

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

12-B Due to related party:**

	Relationship	The nature of the transactions	01/01/2021	Total debit transactions	Total credit transactions	31/12/2021
Mr. Sari AL Mayouf	Managing Director (previous)	Funding	811 528	-	15 666	827 194
Mr. Ibrahim Al Mayouf	Chariman (previous)	Funding	355 640	-	196 244	551 884
Total			1 167 168			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 were fully accepted. 22/07/1443H corresponding to February 23, 2022G (Note No. 37) and the list of claims was matched with what was recorded in the books.

12-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 year, the basic salaries, commissions and other benefits of the Executive Director amounted to SAR 2 310 000 (2020: SAR 2 520 000).

13- CASH AND CASH EQUIVALENTS:

	31 December 2021 SAR	31 December 2020 SAR
Cash on hand*	-	191 670
Petty cash	17 675	47 005
Cash at Banks	605 628	2 220 908
	623 303	2 459 583

** The balance of the cash on hand was settled on December 31, 2021, amounting to 25 009 Saudi riyals, as losses within the item of income and other expenses, note No. (28) based on the resolution of the Board of Directors, note No. (38).

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

14- STATUTORY RESERVE:

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

15- LOANS:

Loan from SABB bank:

- The facilities that the company has received by SABB Bank until December 31, 2021 amounted to 32 685 686 SAR (31 December 2020, an amount of 33 685 686 SAR). During the year 2021G, an amount of 661 221 Saudi riyals was settled on the item of other income, note No. (29), which is represented in the financing interest, after it was rejected from the approved claims list *.

*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, Note No.(37).

16- ACCOUNTS PAYABLE:

	31 December 2021	31 December 2020
	SAR	SAR
Accounts payable	21 266 337	21 270 008
Claims*	45 216 838	-
	66 483 175	21 270 008

*As part of the financial reorganization procedure, the creditors submitted their claims to the company's financial reorganization trustee with a total amount of 68 682 529 Saudi riyals. Part of it was accepted in the amount of 64 165 250 Saudi riyals, and the rest was rejected in the amount of 4 517 279 Saudi riyals. 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, Clarification No. (37).

The historical details of the trade payables outstanding on December 31, 2021G 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	2 318 021
Total	66 483 175

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

17- ACCRUALS AND OTHER CREDIT BALANCES*:

	31 December 2021	31 December 2020
	SAR	SAR
Salaries and employees benefits	7 517 703	4 056 386
Other accrued expenses	3 730 948	2 805 885
End of service benefits for terminated employees	1 836 889	-
Value added tax**	7 472 509	1 787 224
Other Provsion***	3 187 780	3 187 780
	23 745 829	11 837 275

*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 16,583,646 Saudi riyals, part of which was accepted in the amount of 11,019,549 Saudi riyals, and the rest was rejected in the amount of 5,564,097 Saudi riyals, 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, Note No. (37).

** 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. (35), as well as in the event that any obligations appear on the company later.

18- ZAKAT PROVSION*:

A-Zakat Calcualtion

	31 December 2021	31 December 2020
Total subject items	136 907 130	155 087 026
Deduct: Total non-subject items	(168 332 161)	(121 232 562)
Zakat Base	(31 425 031)	33 854 464
Zakat 2.5% from Zakat Base	-	884 690

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

B-Zakat Calculation provision movement	31 December 2021	31 December 2020
Balance at the beging of the year	12 438 576	12 438 576
Used during the year	-	-
Formed during the year*	3 338 365	-
Balance at the end of the year	15 776 941	12 438 576

* The formed represented in recognize and record the calculated zakat provision for the year 2020G in the amount of 690 884 Saudi riyals, and the differences in zakat claims for previous years in the amount of 2 453 675 Saudi riyals, after matching The balance differences according to the invoiced dues that appear in the authority's records and were recorded under the general and administrative expenses item (24).

C-Zakat Status*

From the starting of the company's incorporation until December 31, 2005:

The company obtained a final assessment for the years up to December 31, 2005 in the amount of 1 440 098 Saudi riyals, and this assessment has not been paid to date.

From 2006G to 2019G:

The company submitted its zakat returns for the years from 2006 to 2019, and the total claims of the authority for those years amounted to 13 452 152 Saudi riyals, according to the invoices information on the electronic portal of the authority, and it has not been paid to date.

Year 2020G:

The authority issued an electronic zakat assesment on the company in the amount of 25 219 Saudi riyals, and then the company submitted its zakat declaration for the fiscal year ending on December 31, 2020G, according to which the due zakat amounted to an amount of 884 690 Saudi riyals, and it has not been paid to date.

*As part of the financial reorganization procedure, the Authority submitted its claims to the company's financial reorganization trustee with a total amount of SAR 17 199 377. Part of it was accepted in the amount of SAR 8 450 692 and the rest was rejected in the amount of SAR 8 748 685. The financial statements of the company by the Ninth Commercial Department of the Commercial Court in Riyadh on 22/07/1443H corresponding to February 23, 2022G, Note No. (37).

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

19- EMPLOYEES' END OF SERVICE BENEFITS

19.1 Actuarial assumptions used in calculating end of service benefits:

Assumptions	Factors considered
Expected percentage of future salary growth	The average expected future increase / (decrease) in salaries is calculated using the weighted average in the prior years to the actual increase or decrease in salaries and also taking into consideration current and future changes in the future.
Expected length of service	The average expected future years of service depend on past trends for the duration of service already performed by the resigning staff and current staff.
discount percentage	The discount rate used is determined by reference to market indicators at the end of the year based on high-quality corporate bonds. In the absence of such indicators, market returns are referenced in accordance with IAS 19. The rate of discount used in this process is based on the interest rate On US government bonds because there is no deep market for companies with high market value in Saudi Arabia

19-2 Sensitivity to commitment to defined benefits

An actuarial valuation was prepared to record the end provision as at 31Dec 2021G (as at 31 Dec 2020 without the assistance of an actuary).

19-3 Movement of the provision for employees' end of service benefits

	31/12/2021	31/12/2020
Provision for employees' end of service benefits as of 1 January	2 784 772	2 447 8 459
Add: what is included in the other comprehensive income statement		
Current service cost	62 276	306 313
Interest cost	18 296	–
	2 865 344	2 784 772
Added: Included in the comprehensive income		
Losses / (profits) actuarial	155 283	–
Movement in cash:		
Transfer to other payable*	(2 164 561)	–
Final defined employee benefit obligations as of December 31	856 066	2 784 772

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

* The amount was settled by transferring it to the item accruals and other payable balances, as it represents the amount of 327 672 riyals included in the salaries and benefits of employees due (labor claims) and the amount of 1 836 889 riyals included in the item of end-of-service benefits for employees and terminated workers, see note No. (35).

20- -OTHER RESERVES

	2021	2020
(Losses) / profits actuarial- Employees' End Of Service Benefits	(155 283)	-
	(155 283)	-

Other reserves are represented in the differences resulting from the actuarial calculation related to the end of service benefits for employees as specified in the International Standard No. 19.

21- Activity Revenues:

The following are the details of the company's revenues and the timing of their recognition:-

	2021	2020
Refrigerator sales (to be recognized at a point in time)	334 961	2 442 979
Al Basta sales (to be recognized at a point in time)	90 343	1 225 083
	425 304	3 668 062

22- Activity Costs:

	2021	2020
Inventory at the beginning period	20 654	3 760 925
Purchases	389 989	3 484 040
Inventory at the ending period	-	(20 654)
	410 643	7 224 311

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

23- SELLING AND MARKETING EXPENSES:

	2021	2020
Salaries, wages and its equivalent	663 162	1 072 075
Short term rental contracts	593 589	36 000
Electricity and water	18 758	32 511
Maintenance and repair	15 006	30 123
Miscellaneous	36 429	44 729
	1 326 944	1 215 438

24- GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
Salaries, wages and its equivalent	4 207 354	4 965 156
Short term rental contracts	354 030	139 113
electricity and water	3 223	–
Telephone, post and internet	10 716	127 886
Professional and consulting fees	1 538 150	363 064
Governmental fees	77 200	141 356
Depreciation of property, plant and equipment	1 100 552	1 792 184
Maintenance and repair	213	–
Bank guarantee losses (Note No. 11)	570 000	–
Bad debt (Note No. 12)	60 497 450	–
Differences in Zakat claims (Note No. 18)	3 338 365	–
VAT Penalties and Fines (Note No. 17)	6 130 589	–
Miscellaneous	1 602	25 553
	77 829 444	7 554 312

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

25- GENERAL AND ADMINISTRATIVE EXPENSES-FINANCIAL RESTRUCTURING PROCEDURE

	2021	2020
Professional fees*	275 000	-
	<u>275 000</u>	<u>-</u>

*As part of the company's financial reorganization procedure, and according to the ruling of the Ninth Commercial Circuit of the Commercial Court in Riyadh, which judges opening the financial reorganization procedure and appointing a trustee for the procedure, a trustee for the financial reorganization of the company has been appointed. ending on December 31, 2021, of which the amount is 275 000 Saudi riyals.

26- CREDIT LOSSES PROVISION:

	2021	2020
Credit losses provision formed for trade receivable (Note no.10)	26 517	-
Credit losses provision formed for related parties (Note no.12)	22 184 085	-
	<u>22 210 602</u>	<u>-</u>

27- PROVISION FOR DEBIT BALANCES - COURT OF EXECUTION:

	2021	2020
Provision for debit balances - Court of Execution (Note no.11)	4 015 027	-
	<u>4 015 027</u>	<u>-</u>

Represented in made a provision 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 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

28- CASES AND FINANCIAL CLAIMS:

	2021	2020
Recording claims differences for previously existing creditors balances	43 790 267	-
Recording new creditors' claims	1 718 471	-
	<u>45 508 738</u>	<u>-</u>

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

* Many creditors (labor and employees - suppliers - other payables - government agencies) raised and submitted their claims to the company's financial reorganization trustee, and the company registered the approved claims as well as the differences in the approved claims balances and recorded them as losses on the comprehensive income statement for the fiscal year ending on December 31, 2021G note No. (37) Based on the resolution of the Board of Directors, note No. (38).

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

	2021	2020
Refrigerator and Al Mabast rent	855 421	565 000
Losses on disposal of property, plant and equipment (Note No. 5)	(1 548 629)	16 810
Losses on disposal of intangible assets (Note No. 6)	(25 973)	-
Loan Interest Settlement (Note No. 15)	661 221	-
Settlement of differences in recording balances and receivables	540 824	-
Settlement of cash on hand deficit (Note No. 13)	(25 009)	-
Reversal of the provision for investment losses in an associate (Note No. 7).	920 258	-
Miscellaneous	12 834	64 506
	1 390 947	646 316

30- FINANCE COST:

	2021	2020
Interest cost for EOS	18 296	-
	18 296	-

The financing cost is represented in the interest cost resulting from the re-measurement of employee end-of-service benefits obligations, as stated in Note No. (19) of the supplementary notes to the financial statements.

31- CASH FLOWS:

The adjustments to operating activities within the statement of cash flows for the year 2021G include the amount of 209 118 54 Saudi riyals (2020G: zero Saudi riyals) non-cash amounts resulting from settlements and treatments carried out by the company as follows:

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	2021	2020
Recognizing and recording suppliers claims	45 216 838	-
Recognizing and recording of labor claims	291 890	-
Recognizing and recording of zakat differences	3 338 365	-
Recognizing and recording of VAT differences	6 130 589	-
	54 977 682	-

32- (LOSS) PER SHARE:

Basic and diluted (Losses) per share from net (Loss) / income is calculated by dividing the net (Loss) for the year by the weighted average number of shares outstanding at the end of the year amounting to 10 000 000 shares (31 December 2020: 10 000 000 shares)

33- FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

33-1 Measurement of fair value of financial instruments

Fair value is the amount by which an asset is sold or a liability settled between willing parties with fair terms at the measurement date. Within the definition of fair value, it is assumed that the Company is a continuing operating entity where there is no intention or requirement to materially reduce the volume of its operations or to conduct a transaction on negative terms.

A financial instrument is included in an active market if the listed prices are easily and regularly available from a foreign exchange dealer, broker, industry group, pricing services or regulatory body, and these prices represent actual and regular market transactions on a commercial basis.

When measuring fair value, the Company used observable market information whenever possible. Fair values are classified at different levels in the fair value hierarchy based on the inputs used in valuation methods as follows:

Level 1: Listed prices (unadjusted) in active markets, represented by the prices of shares listed on the Saudi Capital Market Authority.

Level 2: Inputs other than listed prices included in Level 1 are observable and are indicative prices of the unit price in the invested real estate funds.

Level 3: inputs to assets or liabilities not based on observable market information (unobservable inputs), namely the cost of acquisition of investment in listed companies.

The table below shows the book value and fair values of financial assets and financial liabilities including their fair value hierarchy. They do not include fair value information for financial assets and financial liabilities that are not measured at fair value if the book value is reasonably close to the fair value.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

Book Value as at 31 December 2021G

	Assets at Fair value	financial assets at amortized cost	Total
Financial assets measured at fair value:			
None	-	-	-
Financial assets not measured at fair :value			
Assets and Property available for sale	-	780 000	780 000
Prepaid expenses and other debit balances, net	-	930 227	930 227
Due from related parties, net	-	-	-
Cash and Cash equivalents	-	623 303	623 303
	-	2 333 530	2 333 530
Financial liabilities measured at fair :value			
None			
Financial liabilities not measured at fair value:			
Short term loans	-	32 024 465	32 024 465
Accruals and other credit balances	-	23 745 829	23 745 829
Accounts payable	-	66 483 175	66 483 175
Due to related parties	-	1 379 078	1 379 078
Provision for losses of investment in associate companies	-	-	-
	-	123 932 547	123 932 547

	Fair value		
	Level 1	Level 2	Level 3
Financial assets not measured at fair value			
None	-	-	-
	-	-	-

Book Value as at 31 December 2020G

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Assets at Fair value	financial assets at amortized cost	Total
Financial assets measured at fair value:			
None	-	-	-
Financial assets not measured at fair :value			
Accounts Receivable, net	-	26 517	26 517
Prepaid expenses and other debit balances, net	-	6 305 950	6 305 950
Due from related parties, net	-	82 832 428	82 832 428
Cash and Cash equivalents	-	2 459 583	2 459 583
	-	91 624 478	91 624 478
Financial liabilities measured at fair :value			
None	-	-	-
Financial liabilities not measured at fair value:			
Short term loans	-	32 685 686	32 685 686
Accruals and other credit balances	-	11 837 275	11 837 275
Accounts payable	-	21 270 008	21 270 008
Due to related parties	-	1 167 168	1 167 168
Provision for losses of investment in associate companies	-	920 258	920 258
	-	67 880 395	67 880 395

	Fair value		
	Level 1	Level 2	Level 3
Financial assets not measured at fair value			
None	-	-	-
	-	-	-

33.2 Risk management of financial instruments

- 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, credit risk, liquidity risk and credit risk.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

Credit risk

-Credit risk is the risk that one party will not be able to meet its obligations for a financial instrument, causing financial losses to the other party.

- The company does not have significant concentration of credit risk. To reduce exposure to credit risk, the company has established an approval process whereby credit limits are applied to customers. The management also continuously monitors the credit exposure risks towards customers and makes provision for doubtful balances, which is based on the customer's file and previous payment dates. Outstanding customer receivables are monitored on a regular basis.

The maximum exposure to credit risk in the Company is the book value as at the date of the report as follows:

	<u>31 December</u> <u>2021</u>	<u>31 December</u> <u>2020</u>
Cash at banks	623 303	2 459 583
Accounts Receivable and other receivables	-	26 517
Prepaid expenses and other debit balances	930 227	6 305 950
Due from related parties	-	82 832 428

Cash and cash equivalents: The Company maintains cash and cash equivalents amounting to SR 623 303 as at 31 December 2021 (SR 2 459 583 as at 31 December 2020). Cash and cash equivalents are maintained with reputable banks in Saudi Arabia with high credit ratings, which are classified from BBB + to A-. Therefore, management believes that the credit risk with respect to these balances is minimal.

Liquidity risk

-Liquidity risk is the risk that the Company will encounter difficulties in providing funds to meet commitments relating to financial instruments. 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 to meet any future obligations.

- The company's terms of sales stipulate that the amounts be paid in cash upon delivery of the goods or on the basis of a sale on credit.

The contractual maturities of financial liabilities at the end of the fiscal period are as follows:

**THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL
MARKETING COMPANY - FORMERLY)**

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

31 December 2021	Book value	Upon request or less than one year	More than a year
Non-derivative financial liabilities:			
Short term loans	32 024 465	32 024 465	–
Accruals and other credit balances	23 745 829	23 745 829	–
Accounts payable	66 483 175	66 483 175	–
Due to related parties	1 379 078	1 379 078	–
Provision for losses of investment in associate companies	–	–	–
Zakat Provision	15 766 941	15 766 941	–
Employees' End of Service Benefits	856 066	–	856 066
	140 265 554	139 409 488	856 066

31 December 2020	Book value	Upon request or less than one year	More than a year
Non-derivative financial liabilities:			
Short term loans	32 685 686	32 685 686	–
Accruals and other credit balances	11 837 275	11 837 275	–
Accounts payable	21 270 008	21 270 008	–
Due to related parties	12 438 576	12 438 576	–
Provision for losses of investment in associate companies	920 258	920 258	–
Zakat Provision	12 438 576	12 438 576	–
Employees' End of Service Benefits	2 784 772	–	2 784 772
	83 103 743	80 318 971	2 784 772

Market 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.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

Interest rate risk (commission)

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 December 2021 SR	31 December 2020 SR
Total liabilities	140 265 554	83 103 743
Less: cash and bank balances	623 303	2 459 583
Net adjusted debt	139 642 251	80 644 160
Shareholders' equity (Minus)	(126 218 633)	36 388 044
Debt to equity ratio as at the of the year	(%110.64)	%221.62

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

34- EFFECT OF CORONAVIRUS (COVID-19):

In response to the outbreak of the Coronavirus (Covid-19) at the beginning of the year 2020 and spreading in several geographical areas around the world and the resulting disruptions to economic and business activities, the company has formed a working team to assess the expected effects on the company's business inside the Kingdom. The company has also taken a series of preventive measures to ensure the health and safety of its employees, customers and society to ensure the continuing of its operations. The company does not expect material impacts due to the coronavirus (Covid-19) on the statement of financial position and results for the financial year ending on 31 December 2021.

35- CONTINGENT LIABILITIES:

The company has contingent liabilities resulting from lawsuits filed by third parties against the company, where some creditors filed lawsuits against the company and gained the status of final enforceable judgments, and some of them did not submit their claim to the Financial Reorganization Trustee, and these cases were not included in the list of approved claims, which amounted to 7 cases With a total amount of 2 481 147 Saudi riyals, Taking into account the formation of provisions for it (please refer to Note No. 17), and the total number of claims rejected by the trustee for the financial reorganization of the company amounted to 23 877 526 Saudi riyals, and as a result of some final rulings that must be executed, the Execution Court withdrew some amounts from the company's bank accounts for the account of The court amounted to 4 015 027 Saudi riyals, included in the item of other debit balances, note No. (11).

36- GOING CONCERN:

As shown in the financial statements, the company's net loss for the year 2021 of 162 451 394 SAR. and the accumulated losses for the financial year ended on 31 December 2021 of 228 946 726 SAR which is exceeded the entire of the company capital, which is required to apply the article 150 from The Regulations for the Companies in the Kingdom of Saudi Arabia, which states that if the losses of the joint stock company reached to half of the capital the extraordinary general assembly must be called for a meeting within forty five days from the date of the company's board of directors becoming aware of the losses to decide either to increase or reduce the company's capital - in accordance with the article of association - to the extent that the percentage of losses to less than half of the paid-up capital, or to dissolve the company before the specified date in its articles of association. However, according to the company entered into proposal and procedures of the financial reorganization (Details are found in Note No. 37) and in implementation of Article No. (42) of Chapter Four of the Bankruptcy Law and its Executive Regulations, the company is exempted from applying the Companies regulation with regard to the debtor's losses reaching the specified percentage in the Law.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

37- 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.

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	66 183 039
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.

38- EMERGENCY BOARD MEETING:

38-A The Board of Directors of the company met during the subsequent period on August 27, 2022, and based on what was agreed upon in the emergency board of directors held on June 30, 2022G, to discuss the report of the external auditor and the reasons for his disclaimer opinion, and based on the report received by the Board from the financial management of the company, clarifying the details the amounts to be calculated as losses, the Board of Directors decided to approve what was stated in the financial management report, as well as take the necessary legal measures against those who

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

caused these losses among the former members of the Board of Directors or / and - the previous executive management.

The most important points of the financial management report were as follows:

- 1- Closing the inventory balance amounting to 20 653 Saudi riyals on December 31, 2021, as losses.
- 2- Recognize of the decrease in the value of the buildings resulting from the evaluation process in the amount of 12 672 951 Saudi riyals.
- 3- Recognize of capital losses in the amount of SAR 2 289 358.
- 4- Formed the provision for credit losses for trade receivables by an amount of 26 517 Saudi riyals.
- 5- Formed the provision for credit losses due to related parties with an amount of 60 497 450 Saudi riyals.
- 6- Recognize of the amount of the final court judgment issued to one of the suppliers in the amount of 44 398 774 Saudi riyals.
- 7- Closing the cash on hand balance amounting to 25 009 Saudi riyals on December 31, 2021, as losses.
- 8- Closing the balance of letters of guarantee margin amounting to 570 000 Saudi riyals on December 31, 2021, as losses.
- 9- Recognize the differences in the financial claims received by the trustee to carry out the financial reorganization of the company, after comparing them with the book balances, which resulted in a deficit of SAR 2 914 245 recorded as expenses.
- 10- Recognize of income from SABB bank loan differences in the amount of 661 221 Saudi riyals as a result of the refusal of the amount from the trustee to carry out the financial reorganization of the company.

38-B The company's management has taken some necessary measures to address some of the qualifications included in the financial statements for the years 2019 and 2020, as the company has obtained bank confirmations and bank statements for each of SABB Bank, Banque Saudi Fransi and SNB .The company also obtained confirmation via e-mail from SABB Bank confirming The presence of sales points amounts withheld by them, and the company has also carried out the actuarial calculation of the provision for employees' end-of-service benefits obligations by an actuary.

38-C The financial management of the company submitted its report to the Board of Directors on the latest data and information about some observations on the items of the company's financial statements for the year 2021G, which requires taking decisions in this regard to address them, and the Board of Directors decided to approve the treatment of these observations within the company's financial statements for the year 2021G, which are as follows:

- 1- Based on what has happened about the liquidation status of the associate company, Themar Wasmi Agricultural Markets Company, and according to the liquidator's letter, it was decided to write off the balance to the related party of the Wasmi Agricultural Markets Company, amounting to 60497450, instead of formed the provision for credit losses previously decided, as well as reverse the balance of the provision for investment losses in the company amounting to 920 258

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

Saudi riyals, and its closing in the result of the year due to the liquidation and bankruptcy of the associate company.

- 2- Formed the provision for credit losses due to related parties with an amount to 22 184 085 Saudi riyals, due to the balance of the related party's indebtedness, which has not been collected for several years.
- 3- Writting off the balance of the National Company for Fresh Fruit Products amounting to 11 302 209 Saudi riyals, using the provision for credit losses for related parties, due to the fact that the company's management did not receive any recent information about the associate company and did not infer it.
- 4- Writting off the balance of one of suppliers amounting to 11 302 209 Saudi riyals, using the provision for credit losses for other receivables, due to he issuance of a court ruling in favor of the supplier and the acceptance of his claim as part of the company's financial reorganization procedures.
- 5- Formation of provision for debit balances - Court of Execution in the amount to 4 015 027 Saudi riyals, this is for the amounts that the execution court withdrew from the company's bank accounts to implement judicial rulings issued against the company during the previous years.
- 6- Separation of the balances of book receivables recorded in excess within the item of accrued expenses (salaries and payable of employees) amounting to 3 187 780 Saudi riyals, in the account of other provisions, in order to use it against cases whose owners did not come forward by requesting it with the Financial Reorganization Trustee, as well as in the event that any obligations appear on the company later.

39- COMPARATIVE FIGURES:

Some comparative figures for some items of the income statement and cash flow statement have been reclassified within the annual financial statements as of December 31, 2020.

40- IMPORTANT EVENTS:

There are some important events during this year and previous year which may impact the financial position of the company that presented in these financial statements, according to the following:

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

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- 7- On 14/01/2021, the related party appealed to the decision issued to pay 22 414 084 Riyals to the company.
- 8- On 04/02/2021 the company objected to the liquidation request submitted by SABB Bank.
- 9- On 04/04/2021, a decision was issued to apply the financial reorganization procedures to the company.
- 10- On 18/04/2021, the final decision was approved in favor of the company against a related party and affirm its payment of 22 414 084 Riyals.
- 11- On 12/10/2021, the Extraordinary General Assembly approved the amendment of the company's articles of association, governance regulations, and changing the external auditor, Al Azem, Al Sudairy and Al Shaikh & Partners Company, and appointing Osama Abdullah El-Khereiji & partner Co., and electing the audit committee.
- 12- On 29/10/2021 the company's name has changed from the Thimar National Agricultural Marketing Company to Thimar Development Holding Company based on the approval of the Extraordinary General Assembly on 12/10/2021 after being approved by the Ministry of Commerce.
- 13- On 16/12/2021, a decision was issued against the related party (Thimaar and Wasmi Markets Company) to liquidate the company.
- 14- On 30/12/2021 the company has announced a board decision to use the fair value or revaluation model to measure properties and investment properties within the financials for first quarter 2022.

41- SUBSEQUENT EVENTS:

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

- 1- On 11/01/2022 the Executive Committee has approved the selling of refrigerators in the Aziziyah market.
- 2- On 06/02/2022 delivering the proposed financial organization to the Commercial Court in Riyadh.
- 3- On 24/02/2022 the final court approval for the creditors' claims by a final decision and the issuance of a deed.
- 4- On 09/03/2022, the company submitted a request to the liquidator of Thimar Markets Company with a claim.
- 5- On 23/03/2022, the court approved the financial reorganization proposal submitted by the company and set a date 14/04/2022 for voting of the shareholders on it and a date for 18/04/2022 for voting creditors on it.
- 6- On 14/04/2022, 99.57% of the total attendance of shareholders have approved the financial reorganization proposal.
- 7- On 18/04/2022, 99.73% of the total attendance of creditors have approved the financial reorganization proposal.
- 8- On 16/08/2022G, the Ordinary General Assembly of the company was held in attendance and by means of modern technology, through which the company's financial statements for the two fiscal years ending on December 31, 2019G and December 31, 2020G were approved, and the auditor's report on them was approved.

THIMAR DEVELOPMENT HOLDING COMPANY (THIMAR NATIONAL AGRICULTURAL MARKETING COMPANY - FORMERLY)

SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

- 9- On 15/09/2022G, the Board of Directors decided to amend the Board of Directors' recommendation issued on 9-4-2019G to increase the company's capital by issuing priority rights shares at a value of 200 million Saudi riyals instead of 150 million Saudi riyals, so that the company's capital after the increase becomes 300 One million riyals, in order to maximize the company's expansion capacity in investments and provide the necessary liquidity to pay part of the financial obligations due according to the announced financial reorganization plan.
- 10- On 25/09/2022G, the company announced that it had submitted a report to the Ministry of Commerce No. 9027 dated 24-2-1444H corresponding to 21-09-2022G against the board of directors of the associate company, Themar and Wasma Agricultural Markets Company, in which Themar Development Holding Company owns thirty shares Percent (30%), which includes an investigation with the Board of Directors of Themar and Wasma Agricultural Markets Company for committing violations of the corporate law, including non-compliance with the issuance of financial statements, and losses exceeding more than half of the company's capital, and charging Themar Development Holding Company with a loss exceeding sixty million (60 million) riyals which is represented in payables for Themar Development Holding Company against the associate company and not informing the partners of the essential facts that occurred in the company. The company does not expect to bear any responsibility as a result of filing the aforementioned communication, and the company has submitted this communication according to the documents available to it and after obtaining legal advice.
- 11- On 26/09/2022G, the Board of Directors invited the company's shareholders to attend the Ordinary General Assembly meeting (the first meeting) scheduled to be held at 7:00 pm on Monday on 21/03/1444H corresponding to 17/10/2022G (in attendance). And by means of modern technology) to vote on authorizing the current Board of Directors to file a liability case against the former members of the Board in the two sessions from 06-03-2017G to 04-07-2021G and to take all the legal and legal measures necessary to proceed with them as requested by the shareholders.
- 12- On 17/10/2022G, the Ordinary General Assembly meeting was held, and it was voted to authorize the current Board of Directors to file a liability case against the former members of the Board in the two sessions from 06-03-2017G to 04-07-2021G and to take all the necessary regulatory and legal measures to proceed with it as shareholders request.
- 13- On 20/11/2022G the Commercial Court approved the proposal to reschedule the creditors' payment.

42- APPROVAL OF THE FINANCIAL STATEMENTS:

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

=====