Tourism Enterprise Company (Shams)

(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025

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

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

For the three-month and nine-month periods ended 30 September 2025

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Maham
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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF TOURISM ENTERPRISE COMPANY (SHAMS)
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Tourism Enterprise Company (Shams) (A Saudi Joint Stock Company) ("the Company") as at 30 September 2025, and the interim condensed statement of profit or loss and the other comprehensive income for the three-month and nine-month periods ended 30 September 2025 , and the interim condensed statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

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

Conclusion

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

For Maham Company for Professional Services

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

CR 2050240744
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MAHAM Co. FOR PROFESSIONAL SERVICES

Date: 11 Jumada I 1447H
2 November 2025

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 September 2025

	Note	30 September 2025 ⃁ (Unaudited)	31 December 2024 ⃁ (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	**6,035,844**	6,347,460
Investment properties	5	**5,745,826**	5,900,466
Investment in a real estate fund	6	**240,277,123**	240,277,123
Right-of-use asset		**158,352**	247,425
Financial asset at fair value through profit or loss	7	**23,227,500**	22,707,089
TOTAL NON-CURRENT ASSETS		**275,444,645**	275,479,563
CURRENT ASSETS			
Accounts receivable, net		**152,650**	1,489,067
Prepayments and other debit balances		**2,088,047**	2,298,339
Cash and cash equivalents	8	**249,438,699**	255,049,804
TOTAL CURRENT ASSETS		**251,679,396**	258,837,210
TOTAL ASSETS		**527,124,041**	534,316,773
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	9	**578,236,230**	578,236,230
Reserve	9	**2,913,121**	2,913,121
Accumulated losses		**(71,757,845)**	(68,314,329)
Fair value reserve		**(9,130,277)**	(9,130,277)
TOTAL SHAREHOLDERS' EQUITY		**500,261,229**	503,704,745
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' defined benefits liabilities		**1,457,442**	1,394,014
Lease liabilities - non-current portion		**59,551**	115,579
TOTAL NON-CURRENT LIABILITIES		**1,516,993**	1,509,593
CURRENT LIABILITIES			
Accounts payable		**296,815**	497,905
Accrued expenses and other current liabilities		**2,748,289**	3,738,757
Provision for claims	15	**5,690,586**	5,690,586
Lease liabilities - current portion		**63,855**	127,710
Zakat provision	10	**16,546,274**	19,047,477
TOTAL CURRENT LIABILITIES		**25,345,819**	29,102,435
TOTAL LIABILITIES		**26,862,812**	30,612,028
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**527,124,041**	534,316,773

Chief Financial Officer
Mohamed El Hagry

Managing Director and Chief Executive Officer
Abdullah Omar Al Suwailem

The attached notes 1 to 20 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the three-month and nine-month periods ended 30 September 2025

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2025	2024	**2025**	2024
		SAR	SAR	SAR	SAR
	Note	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	12	**1,578,975**	2,114,761	**6,463,155**	6,319,856
Cost of revenue		**(3,812,143)**	(2,865,912)	**(10,138,291)**	(8,229,533)
GROSS LOSS		**(2,233,168)**	(751,151)	**(3,675,136)**	(1,909,677)
EXPENSES					
Sales and marketing		**(109,118)**	(175,734)	**(641,844)**	(731,825)
General and administration		**(1,547,076)**	(2,044,817)	**(6,242,768)**	(6,560,958)
Reversal of expected credit losses		-	-	**392,911**	1,005,945
OPERATING LOSS		**(3,889,362)**	(2,971,702)	**(10,166,837)**	(8,196,515)
Gain on disposal of property and equipment		-	-	**22,261**	68,218
Provision for claims		-	-	-	(433,624)
Finance income from time deposits	8	**3,986,157**	8,341,842	**11,228,075**	25,162,237
Fair value gain on financial assets at fair value through profit or loss	7	**2,139,375**	-	**520,411**	-
PROFIT BEFORE ZAKAT		**2,236,170**	5,370,140	**1,603,910**	16,600,316
Zakat	10	**(2,600,000)**	(4,145,767)	**(5,008,921)**	(8,457,027)
NET (LOSS)/PROFIT FOR THE PERIOD		**(363,830)**	1,224,373	**(3,405,011)**	8,143,289
OTHER COMPREHENSIVE LOSS					
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:					
Remeasurement losses on employee benefits		**(15,000)**	(35,000)	**(38,505)**	(105,000)
TOTAL COMPREHENSIVE (LOSS)/INCOME		**(378,830)**	1,189,373	**(3,443,516)**	8,038,289
EARNINGS PER SHARE					
Basic and diluted earnings per share from profit before zakat for the period	11	**0.039**	0.093	**0.028**	0.287
Basic and diluted (loss)/earnings per share from net (loss)/profit for the period	11	**(0.006)**	0.021	**(0.059)**	0.141

Chief Financial Officer
Mohamed El Hagry

Managing Director and Chief Executive Officer
Abdullah Omar Al Suwailem

The attached notes 1 to 20 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine-month period ended 30 September 2025

	Share capital ⃁	*Reserve* ⃁	*Accumulated losses* ⃁	*Fair value reserve* ⃁	*Total shareholders' equity* ⃁
As at 31 December 2023 (audited)	578,236,230	2,913,121	(74,649,555)	-	506,499,796
Net profit for the period	-	-	8,143,289	-	8,143,289
Other comprehensive loss for the period	-	-	(105,000)	-	(105,000)
Total comprehensive income for the period	-	-	8,038,289	-	8,038,289
Balance at 30 September 2024 (unaudited)	578,236,230	2,913,121	(66,611,266)	-	514,538,085
As at 31 December 2024 (audited)	578,236,230	2,913,121	(68,314,329)	(9,130,277)	503,704,745
Net loss for the period	-	-	(3,405,011)	-	(3,405,011)
Other comprehensive loss for the period	-	-	(38,505)	-	(38,505)
Total comprehensive loss for the period	-	-	(3,443,516)	-	(3,443,516)
Balance at 30 September 2025 (unaudited)	**578,236,230**	**2,913,121**	**(71,757,845)**	**(9,130,277)**	**500,261,229**

Chief Financial Officer
Mohamed El Hagry

Managing Director and Chief Executive Officer
Abdullah Omar Al Suwailem

The attached notes 1 to 20 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2025

	For the nine-month period ended 30 September	
	2025	2024
	⃁	⃁
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Profit before zakat	**1,603,910**	16,600,316
Non-cash adjustments to reconcile profit before zakat to net cash flows from operating activities :		
Depreciation of property and equipment	**1,367,783**	953,429
Depreciation of investment properties	**154,640**	155,208
Depreciation of right-of-use asset	**89,073**	31,932
Gain on sale of property and equipment	**(22,261)**	(68,218)
Fair value gain on financial asset at fair value through profit or loss	**(520,411)**	-
Finance income on time deposit	**(11,228,075)**	(25,162,237)
Finance charge on lease liabilities	**7,827**	7,011
Reversal of provision for expected credit losses	**(392,911)**	(1,005,945)
Provision for claims	**-**	433,624
Employees' defined benefits liabilities	**290,544**	171,036
	(8,649,881)	(7,883,844)
Working capital adjustments:		
Accounts receivable, net	**1,729,328**	(303,584)
Prepayments and other debit balances	**941,660**	(630,624)
Accounts payable	**(201,090)**	(55,962)
Accrued expenses and other current liabilities	**(990,468)**	(2,947,264)
Provision for claims	**-**	(1,415,706)
Cash used in operations	**(7,170,451)**	(13,236,984)
Finance income received	**10,496,707**	25,357,973
Zakat paid	**(7,510,124)**	(1,145,767)
Employees' defined benefits liabilities paid	**(265,621)**	(162,576)
Net cash flows (used in)/from operating activities	**(4,449,489)**	10,812,646
INVESTING ACTIVITIES		
Purchase of property and equipment	**(1,056,167)**	(406,045)
Proceeds from sale of property and equipment	**22,261**	68,218
Net cash flows used in investing activities	**(1,033,906)**	(337,827)
FINANCING ACTIVITY		
Payment of principal portion of lease liability	**(127,710)**	(127,710)
Net cash flows used in a financing activity	**(127,710)**	(127,710)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(5,611,105)**	10,347,109
Cash and cash equivalents at the beginning of the period	**255,049,804**	516,663,130
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**249,438,699**	527,010,239
SIGNIFICANT NON-CASH TRANSACTIONS		
Recognition of right-of-use asset against lease liability	**-**	383,182
Transfer of property and equipment to investment properties	**-**	6,107,979

Chief Financial Officer
Mohamed El Hagry

Managing Director and Chief Executive Officer
Abdullah Omar Al Suwailem

The attached notes 1 to 20 form an integral part of these interim condensed financial statements.

1 ACTIVITIES

1.1 Tourism Enterprise Company (Shams) (the "Company") is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 2050021572 and unified number 7001353452 issued in the city of Dammam dated 20 Muharram 1412H (corresponding to 1 August 1991G).

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

Currently, the main activity of the Company is to manage tourism project (Palm Beach Resort), which is located on a leased land from the Municipality of Dammam for 40 years from the date of 1 Muharram 1410H (corresponding to 3 August 1989G), ending on 30 Dhul Hijjah 1450H (corresponding to 14 May 2029). The lease contract does not contain renewal nor extension options.

1.2 The Company had the following branch as at 30 September 2025:

Commercial registration	**Date**	**Location**
2052103401	06/07/1443	Dhahran

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

2 BASIS OF PREPARATION

2.1 **Statement of compliance**

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

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2024. In addition, results shown in these interim condensed financial statements may not be an indicative for the annual results of the Company's operations.

2.2 **Basis of measurement**

These interim condensed financial statements have been prepared on a historical cost convention. Except for employees' defined benefits obligations, that has been measured at the present value of the expected benefits obligation and investment in a real estate fund and financial assets at fair value through profit or loss, that have been measured at fair value.

2.3 **Functional and presentation currency**

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

2 BASIS OF PREPARATION (continued)

2.4 New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Company has adopted the following relevant amendments to IFRS which are effective for periods beginning on and after 1 January 2025, and have no impact on the Company's transactions and balances for the current or prior periods:

Lack of exchangeability - Amendments to IAS 21

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2024.

4 PROPERTY AND EQUIPMENT

	30 September 2025	*31 December 2024*
	⃁	*⃁*
	(Unaudited)	*(Audited)*
Cost:		
At beginning of the period/year	**154,934,918**	164,791,877
Additions	**1,056,167**	543,226
Disposals	**(198,699)**	(88,150)
Reclassified to investment properties	**-**	(10,312,035)
At end of the period/year	**155,792,386**	154,934,918
Accumulated depreciation:		
At beginning of the period/year	**148,587,458**	151,470,562
Charge for the period/year	**1,367,783**	1,409,102
Disposals	**(198,699)**	(88,150)
Reclassified to investment properties	**-**	(4,204,056)
At end of the period/year	**149,756,542**	148,587,458
Net book amount as at the end of the period/year	**6,035,844**	6,347,460

5 INVESTMENT PROPERTIES

	30 September 2025	*31 December 2024*
	⃁	⃁
	(Unaudited)	*(Audited)*
Cost:		
At the beginning of the period/year	**10,312,035**	-
Reclassified from property and equipment	**-**	10,312,035
At the end of the period/year	**10,312,035**	10,312,035
Accumulated depreciation:		
At the beginning of the period/year	**4,411,569**	-
Reclassified from property and equipment	**-**	4,204,056
Charge for the period/year	**154,640**	207,513
At the end of the period/year	**4,566,209**	4,411,569
Net book amount as at the end of the period/year	**5,745,826**	5,900,466

Investment properties represent an owned plot of land and building located in Al Khobar, Kingdom of Saudi Arabia. The cost model is used to measure investment properties, and the fair value of investment properties is disclosed in the Company's annual financial statements (the fair value at 31 December 2024 was approximately ⃁ 9.8 million). The property valuation is conducted by a licensed valuator at the end of the financial year.

6 INVESTMENT IN A REAL ESTATE FUND

During 2024, the Company invested ⃁ 243,800,000 in a closed private equity fund licensed by the Capital Market Authority and managed by SEDCO Capital ("Fund Manager"). The fund is dedicated to developing a five-star hotel along the Al Khobar corniche, to be operated under the "Fairmont" brand. The Company owns 2,438 units at a price of ⃁ 100,000 per unit. The transaction costs incurred on this transaction amounting to ⃁ 5.6 million has been included in the investment carrying value.

	30 September 2025	*31 December 2024*
	⃁	⃁
	(Unaudited)	*(Audited)*
At the beginning of the period/year	**240,277,123**	-
Additions during the period/year	**-**	243,800,000
Transaction costs incurred	**-**	5,607,400
Fair value loss during the period/year	**-**	(9,130,277)
At the end of the period/year	**240,277,123**	240,277,123

There were no transactions incurred with the real estate fund during the period and the management believes there is no material fair value change during the nine-month period. Changes in fair value are charged to the other comprehensive income.

7 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

The Company classifies those equity investments at FVTPL for which it has not elected to recognize fair value gains and losses through other comprehensive income at initial recognition. As at 30 September 2025, FVTPL investments consist of a portfolio managed by a local investment bank composed of quoted shares (as at 31 December 2024: same). The movement in FVTPL investments is set out as follows:

7 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	30 September 2025	*31 December 2024*
	⃁	*⃁*
	(Unaudited)	*(Audited)*
At the beginning of the period/year	**22,707,089**	-
Additions during the period/year	**-**	23,993,059
Fair value gain (loss) during the period/year	**520,411**	(1,285,970)
At the end of the period/year	**23,227,500**	22,707,089

8 CASH AND CASH EQUIVALENTS

	30 September 2025	*31 December 2024*
	⃁	*⃁*
	(Unaudited)	*(Audited)*
Time deposits (note 8.1)	**249,000,000**	252,000,000
Cash at banks	**437,699**	3,039,910
Cash on hand	**1,000**	9,894
	249,438,699	255,049,804

8.1 These are short term Islamic Murabaha deposits with local Saudi banks and are denominated in Saudi Riyals. The Company's interest income on these deposits amounted to approximately ⃁ 11.2 million during the nine-month period ended 30 September 2025 (nine-month period ended 30 September 2024: approximately ⃁ 25.2 million).

9 SHARE CAPITAL AND RESERVE

9.1 Share Capital

The share capital of the Company is divided into 1,156,472,460 ordinary shares with a nominal value of ⃁ 0.5 each as at 30 September 2025 (30 September 2024 and 31 December 2024: same).

On 2 Safar 1447 (corresponding to 27 July 2025), the Board of Directors recommended to the Extraordinary General Assembly to change the nominal value of the Company’s shares from ⃁ 0.5 per share to ⃁ 10 per share.

Subsequent to the period end, on 24 Rabi' II 1447 (corresponding to 16 October 2025), the Extraordinary General Assembly approved the change in nominal value and consequently, the number of shares has been adjusted from 1,156,472,460 shares to 57,823,623 shares.

9.2 Reserve

During the year 2023, the Company amended its by-laws to comply with the new Companies Regulations requirements issued by Royal Decree M/132 dated 30 June 2022 and consequently, the Company is no longer required to appropriate statutory reserve. Accordingly, the reserve appropriated during the prior years will be subject to shareholders resolution in the future, either to keep it as a general reserve, or transfer it back to retained earnings.

10 ZAKAT

10.1 Charge for the period

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

10 ZAKAT (continued)

10.2 Movements in provision during the period/year

The movement in the zakat provision was as follows:

	30 September 2025	*31 December 2024*
	⃁	⃁
	(Unaudited)	*(Audited)*
At the beginning of the period/year	**19,047,477**	14,204,369
Provided during the period/year	**5,008,921**	10,171,838
Payments during the period/year	**(7,510,124)**	(5,328,730)
At the end of the period/year	**16,546,274**	19,047,477

10.3 Status of assessments

The Company has submitted its zakat returns for all years from inception up to the year ended 31 December 2024 and obtained the required certificates. The Company has agreed the zakat positions with ZATCA till the year ended 31 December 2022.

11 EARNINGS PER SHARE

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

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

	For the three-month period ended 30 September		*For the nine-month period ended 30 September*	
	2025	*2024*	***2025***	*2024*
	⃁	⃁	⃁	⃁
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Profit before Zakat attributable to equity holders of the Company	**2,236,170**	5,370,140	**1,603,910**	16,600,316
Net (loss)/profit attributable to equity holders of the Company	**(363,830)**	1,224,373	**(3,405,011)**	8,143,289
Weighted average number of ordinary shares outstanding	**57,823,623**	57,823,623	**57,823,623**	57,823,623
Basic and diluted earnings per share from profit before zakat for the period	**0.039**	0.093	**0.028**	0.287
Basic and diluted (loss)/earnings per share from net (loss)/profit for the period	**(0.006)**	0.021	**(0.059)**	0.141

The weighted average number of shares outstanding have been adjusted to reflect the reverse share split that took place subsequent to the period end (note 9) and consequently, earnings per share for the current and comparative periods have been adjusted as required by the relevant accounting standards (IAS 33).

12 REVENUE

Below is the disaggregation of the Company's revenue:

	For the three-month period ended 30 September		*For the nine-month period ended 30 September*	
	2025	*2024*	***2025***	*2024*
	⃁	⃁	**⃁**	⃁
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Type of services				
Room revenue	**1,056,337**	1,180,636	**3,989,006**	3,464,347
Service fees and other revenue	**458,888**	839,941	**2,282,899**	2,494,395
Annual rent revenue	**63,750**	94,184	**191,250**	361,114
Total revenue	**1,578,975**	2,114,761	**6,463,155**	6,319,856
Geographical markets				
Saudi Arabia	**1,578,975**	2,114,761	**6,463,155**	6,319,856
Timing of revenue recognition				
Services transferred over time	**63,750**	94,184	**191,250**	361,114
Services transferred at a point in time	**1,515,225**	2,020,577	**6,271,905**	5,958,742
Total revenue from contracts with customers	**1,578,975**	2,114,761	**6,463,155**	6,319,856

13 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. Other than the below transactions, the Company didn't have any significant transactions with related parties.

13.1 The significant related party transactions were as follows:

	30 September 2025	*30 September 2024*
	⃁	⃁
	(Unaudited)	*(Unaudited)*
Salaries and allowances of executives	**2,422,005**	1,307,748
Remuneration and bonus for board of directors and other board members	**1,287,000**	1,293,662

13.2 Amounts due to related parties presented under accrued expenses and other current liabilities in the statement of financial position comprise of the following:

	30 September 2025	*31 December 2024*
	⃁	⃁
	(Unaudited)	*(Audited)*
Accrued allowance for board of directors	**148,580**	1,568,826

14 SEGMENT INFORMATION

A segment is a distinguishable component of the Company that is engaged in managing Palm Beach Resort (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

The Board of Directors of the Company monitor the results of the Company's operations and have been identified as the Chief Operating Decision Maker (CODM). The net results of the Company are reported to the Board of Directors, for the Company as a whole. The various expenses which are included in the measurement of the net result for the Company are disclosed in the respective notes to the interim condensed financial statements.

The Company's activities are limited to managing Palm Beach Resort. The Company analyses the financial information of its operations as a whole. Accordingly, segmental analysis of the interim condensed statement profit or loss and other comprehensive income and interim condensed statement of financial position is not presented. The CODM considers the Company to be a single operating segment based on the nature of its operations and services as all of the Company's operations relate to one operating sector. In addition all of the Company's activities are concentrated in the Kingdom of Saudi Arabia. Consequently, the Company does not disclose business segments neither geographical segments.

15 COMMITMENTS AND CONTINGENCIES

The Company has various legal cases raised by various parties on the Company. The management believes that there is no significant exposure on the Company to incur additional losses as a result of the resolution of these cases beyond the provisions booked already by the Company in the previous periods.

16 CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to the shareholders through the optimization of the equity balance. The Company's overall strategy remains unchanged from the previous year. The capital structure of the Company consists of equity comprising capital, the reserve and accumulated losses. The Company is not subject to any externally imposed capital requirements.

17 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between Levels 1, 2 or 3 during the nine-month period ended 30 September 2025 (31 December 2024: same).

17 FAIR VALUE MEASUREMENT (continued)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

		Fair value measurement using		
	Carrying value	***Level 1***	***Level 2***	***Level 3***
30 September 2025	***⃁***	***⃁***	***⃁***	***⃁***
Investment in a real estate fund	**240,277,123**	**-**	**-**	**240,277,123**
Financial assets at fair value through profit or loss	**23,227,500**	**23,227,500**	**-**	**-**
	263,504,623	**23,227,500**	**-**	**240,277,123**

		Fair value measurement using		
	Carrying value	*Level 1*	*Level 2*	*Level 3*
31 December 2024	*⃁*	*⃁*	*⃁*	*⃁*
Investment in a real estate fund	240,277,123	-	-	240,277,123
Financial assets at fair value through profit or loss	22,707,089	22,707,089	-	-
	262,984,212	22,707,089	-	240,277,123

The following table provides the financial assets and liabilities measured at amortised cost:

	30 September 2025	*31 December 2024*
	⃁	*⃁*
	(Unaudited)	*(Audited)*
Financial assets measured at amortized cost		
Accounts receivable, net	**152,650**	1,489,067
Cash and cash equivalents	**249,437,699**	255,039,910
Other receivables	**936,700**	1,245,000
	250,527,049	257,773,977

	30 September 2025	*31 December 2024*
	⃁	*⃁*
	(Unaudited)	*(Audited)*
Financial liabilities measured at amortized cost		
Accounts payable	**296,815**	497,905
Accrued expenses and other current liabilities	**2,637,899**	3,593,130
Provision for claims	**5,690,586**	5,690,586
	8,625,300	9,781,621

18 RECLASSIFICATION

Certain items in the interim condensed statement of profit or loss and other comprehensive income have been reclassified for better presentation purposes, which do not have any impact on the retained earnings nor on the net profit or earnings per share for the comparative period.

The following table presents the impact of the reclassification on the interim condensed statement of profit or loss and other comprehensive income for the three-month period ended 30 September 2024:

	Previously reported ⃁	*Reclassification* ⃁	*Reclassified* ⃁
Revenue	2,114,761	-	2,114,761
Cost of revenue	(1,895,846)	(970,066)	(2,865,912)
GROSS PROFIT (LOSS)	218,915	(970,066)	(751,151)
EXPENSES			
Sales and marketing	(373,603)	197,869	(175,734)
General and administration	(2,817,014)	772,197	(2,044,817)
LOSS FROM MAIN OPERATIONS	(2,971,702)	-	(2,971,702)
Finance income from time deposits	8,341,842	-	8,341,842
PROFIT BEFORE ZAKAT	5,370,140	-	5,370,140
Zakat	(4,145,767)	-	(4,145,767)
NET PROFIT FOR THE PERIOD	1,224,373	-	1,224,373
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:			
Remeasurement losses on employee benefits obligations	(35,000)	-	(35,000)
TOTAL COMPREHENSIVE INCOME	1,189,373	-	1,189,373

18 RECLASSIFICATION (continued)

The following table presents the impact of the reclassification on the interim condensed statement of profit or loss and other comprehensive income for the nine-month period ended 30 September 2024:

	Previously reported	*Reclassification*	*Reclassified*
	⃁	⃁	⃁
Revenue	6,319,856	-	6,319,856
Cost of revenue	(5,573,227)	(2,656,306)	(8,229,533)
GROSS PROFIT (LOSS)	746,629	(2,656,306)	(1,909,677)
EXPENSES			
Sales and marketing	(1,301,947)	570,122	(731,825)
General and administration	(8,647,142)	2,086,184	(6,560,958)
Reversal for expected credit losses	1,005,945	-	1,005,945
LOSS FROM MAIN OPERATIONS	(8,196,515)	-	(8,196,515)
Gain on disposal of property and equipment	68,218	-	68,218
Provision for claims	(433,624)	-	(433,624)
Finance income from time deposits	25,162,237	-	25,162,237
PROFIT BEFORE ZAKAT	16,600,316	-	16,600,316
Zakat	(8,457,027)	-	(8,457,027)
NET PROFIT FOR THE PERIOD	8,143,289	-	8,143,289
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:			
Remeasurement losses on employee benefits obligations	(105,000)	-	(105,000)
TOTAL COMPREHENSIVE INCOME	8,038,289	-	8,038,289

19 SUBSEQUENT EVENTS

In the opinion of the management, except for the event mentioned in note 9.1, there have been no other significant subsequent events since the period ended 30 September 2025 which would require either a disclosure or have a material impact on the Company’s interim condensed financial statements.

20 APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed financial statements were approved and authorized for issuance by the board of directors on 11 Jumada I 1447H (corresponding to 2 November 2025).