

Al Azem, Al Sudairy, Al Shaikh & Partners
For Professional Consulting – Member Crowe Global

SUMOU REAL ESTATE COMPANY
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
AND INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED
SEPTEMBER 30, 2023**

SUMOU REAL ESTATE COMPANY
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
AND INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2023**

INDEX	PAGE
Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Statements	1
Condensed Consolidated Interim Statement of Financial Position	2
Condensed Consolidated Interim Statement of Profit or Loss	3
Condensed Consolidated Interim Statement of Comprehensive Income	4
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity	5
Condensed Consolidated Interim Statement of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial Statements	7 - 19

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

**TO: THE SHAREHOLDERS OF
SUMOU REAL ESTATE COMPANY
(A Saudi Joint Stock Company)
Khobar – Kingdom of Saudi Arabia**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Sumou Real Estate Company (the "Company")** and its subsidiary (collectively referred to as the "group") as at September 30, 2023, and the related condensed consolidated interim statement of profit or loss, comprehensive income for the three and nine months period ended September 30, 2023 and the related condensed consolidated interim statement of changes in shareholders' equity and cash flows for the nine-months period then ended, and a summary of significant accounting policies and other explanatory note, Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia, Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, the financial position of the company as at September 30, 2023 and its financial performance and cash flows for the nine months period then ended in accordance with International Accounting Standard (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia.



**Al Azem, Al Sudairy, Al Shaikh & Partners
For Professional Consulting**



**Abdullah M. AlAzem
License No. 335**

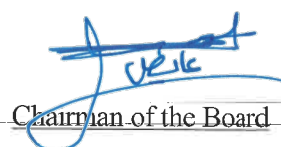
Rabie Al Thani 18, 1445H (November 2, 2023)
Khobar, Kingdom of Saudi Arabia.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023
(Saudi Riyals)

		30 September 2023	31 December 2022
	Note	(Unaudited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment, net		1,982,748	1,783,276
Investment properties		60,220,776	60,220,776
Projects under development	7	41,498,677	45,375,062
Right of use Assets, net	8	19,688,966	20,730,732
Intangible assets, net	9	601,671	786,688
Financial assets at fair value through other comprehensive income	10	64,629,627	-
Investments in companies designated by equity method	11	317,843,464	329,863,587
TOTAL NON-CURRENT ASSETS		506,465,929	458,760,121
CURRENT ASSETS			
Accrued revenue	12	79,610,738	66,402,008
Murabaha investment deposits		-	15,000,000
Due from related parties	13-a	57,137,866	32,247,290
Real estate held for sale		12,390,644	12,390,644
Prepayments and other assets		64,922,146	49,653,327
Cash and cash equivalents	6	105,057,383	83,797,263
TOTAL CURRENT ASSETS		319,118,777	259,490,532
TOTAL ASSETS		825,584,706	718,250,653
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	14	375,000,000	375,000,000
Statutory reserve		44,238,472	44,238,472
Retained earnings		110,984,831	108,727,489
Revaluation reserve for investments through OCI		1,060,391	6,221,116
TOTAL SHAREHOLDERS' EQUITY		531,283,694	534,187,077
Non-controlling interest		(858,823)	(607,554)
TOTAL SHAREHOLDERS' EQUITY		530,424,871	533,579,523
NON-CURRENT LIABILITIES			
Lease obligations - non-current portion	8	18,546,226	19,749,167
Land obligations against project under development-non-current portion		-	14,654,354
Advance payments from customers		8,712,079	-
Employee benefit obligations		5,042,550	3,550,667
TOTAL NON-CURRENT LIABILITIES		32,300,855	37,954,188
CURRENT LIABILITIES			
Zakat provision	15-b	4,147,500	4,958,878
Lease obligations - current portion	8	1,449,093	1,534,017
Accrued expenses and other liabilities		25,594,150	16,894,667
Dividends payable		37,500,000	-
Due to related parties	13-b	55,238,271	1,817,492
Land obligations against project under development - current portion		73,271,772	58,617,418
Account payables		65,658,194	62,894,470
TOTAL CURRENT LIABILITIES		262,858,980	146,716,942
TOTAL LIABILITIES		295,159,835	184,671,130
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		825,584,706	718,250,653


Finance Manager


Chief Executive Officer


Chairman of the Board

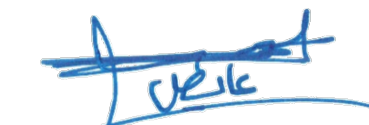
The attached notes from (1) to (24) form an integral part of these condensed consolidated interim financial statements.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2023
(Saudi Riyals)

	Note	For the three months period ended 30 September		For the nine months period ended 30 September	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Revenue	16	74,565,942	59,909,601	194,265,394	215,984,723
Cost of revenue	17	(39,752,226)	(33,765,226)	(103,707,304)	(157,616,146)
Gross operating income		34,813,716	26,144,375	90,558,090	58,368,577
General and administrative expenses	18	(2,833,727)	(2,147,110)	(8,260,222)	(6,982,785)
Net profit from main operations		31,979,989	23,997,265	82,297,868	51,385,792
Finance cost		(331,049)	(378,652)	(1,001,457)	(883,151)
The company's share of the results of the business of the Investments in companies designated by equity method	11-c	(2,178,613)	5,277,211	140,602	24,836,656
Other income		462,507	10,923	690,949	416,361
Net profit before zakat for the period		29,932,834	28,906,747	82,127,962	75,755,658
Zakat	15-b	(1,382,500)	(2,528,000)	(4,147,500)	(4,028,000)
Net profit for the period		28,550,334	26,378,747	77,980,462	71,727,658
Net profit for the period attributed to:					
Shareholders		28,634,203	26,463,895	78,231,731	71,915,355
Non-controlling interest		(83,869)	(85,148)	(251,269)	(187,697)
		28,550,334	26,378,747	77,980,462	71,727,658
Earnings per share:					
Basic and diluted earnings per share from net profit for the period attributable to the company's shareholder	19	0.76	0.70	2.08	1.91


Finance Manager


Chief Executive Officer


Chairman of the Board

The attached notes form (1) to (24) form an integral part of these condensed consolidated interim financial statements.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2023
(Saudi Riyals)

Net profit for the period

Items that will not be subsequently reclassified into profit or loss:

Net change in fair value for investments through OCI

Actuarial (losses) gain from re-measurement for employees' defined benefits

Other Comprehensive (loss) income for the period

Total comprehensive income for the period


Total comprehensive income for the period attributed to:

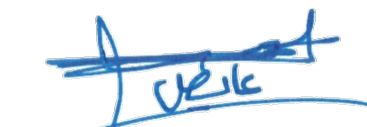
Shareholders

Non-controlling interest

For the three months period ended 30 September		For the nine months period ended 30 September	
2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
28,550,334	26,378,747	77,980,462	71,727,658
(5,160,725)	-	(5,160,725)	-
(35,640)	-	(974,389)	722,001
(5,196,365)	-	(6,135,114)	722,001
23,353,969	26,378,747	71,845,348	72,449,659
23,437,838	26,463,895	72,096,617	72,637,356
(83,869)	(85,148)	(251,269)	(187,697)
23,353,969	26,378,747	71,845,348	72,449,659


Finance Manager


Chief Executive Officer

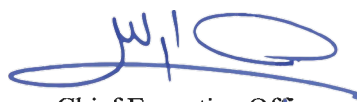

Chairman of the Board

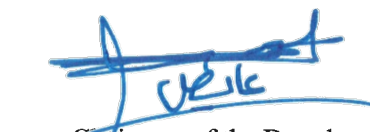
The attached notes form (1) to (24) form an integral part of these condensed consolidated interim financial statements.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings	Revaluation reserve investments through OCI	Total shareholders' equity	Non-controlling interest	Total shareholders' equity
Balance as at 1 January 2022 (Audited)	375,000,000	35,474,924	67,226,608	(23,130,863)	454,570,669	(334,698)	454,235,971
Net profit for the period	-	-	71,915,355	-	71,915,355	(187,697)	71,727,658
Other comprehensive income	-	-	722,001	-	722,001	-	722,001
Dividends distribution	-	-	(37,500,000)	-	(37,500,000)	-	(37,500,000)
Balance as at 30 September 2022 (Unaudited)	375,000,000	35,474,924	102,363,964	(23,130,863)	489,708,025	(522,395)	489,185,630
Balance as at 1 January 2023 (Audited)	375,000,000	44,238,472	108,727,489	6,221,116	534,187,077	(607,554)	533,579,523
Net profit for the period	-	-	78,231,731	-	78,231,731	(251,269)	77,980,462
Other comprehensive loss	-	-	(974,389)	(5,160,725)	(6,135,114)	-	(6,135,114)
Dividends distribution	-	-	(75,000,000)	-	(75,000,000)	-	(75,000,000)
Balance as at 30 September 2023 (Unaudited)	375,000,000	44,238,472	110,984,831	1,060,391	531,283,694	(858,823)	530,424,871


Finance Manager


Chief Executive Officer


Chairman of the Board

The attached notes form (1) to (24) form an integral part of these condensed consolidated interim financial statements.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Saudi Riyals)

	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
OPERATING ACTIVITIES		
Net profit for the period	77,980,462	71,727,658
Adjustments:		
Depreciation and amortization	1,660,585	1,513,108
The company's share of the results of the business of the Investments in companies designated by equity method	(140,602)	(24,836,656)
Gain from disposal of property, plant and equipment	-	(75,000)
Finance cost	1,001,457	883,151
Employee benefit obligations	567,309	450,743
Zakat provision	4,147,500	4,028,000
Operating assets and liabilities:		
Account receivables	-	1,150,000
Prepayments and other assets	(15,268,819)	(18,923,541)
Accrued expenses and other liabilities	8,699,483	3,856,464
Account payables	2,763,724	23,542,208
Net change in related parties balances	28,530,203	(26,209,368)
Accrued revenue	(13,208,730)	(35,963,949)
Advance payments from customers	8,712,079	(43,626,072)
Employee benefit obligations paid	(49,815)	(245,418)
Zakat paid	(4,958,878)	(1,581,447)
Net cash provided by (used in) operating activities	100,435,958	(44,310,119)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(633,274)	(981,507)
Proceeds from disposal of property, plant and equipment	-	75,000
Murabaha investment deposits	15,000,000	-
Financial assets at fair value through other comprehensive income	(64,629,627)	-
Change in the right of use assets	-	(612,978)
Dividends from investments in companies invested in through the equity method	7,000,000	44,514,608
Net change in projects under development	3,876,385	36,553,941
Net cash (used in) provided by investing activities	(39,386,516)	79,549,064
FINANCING ACTIVITIES		
Lease obligations paid	(1,844,950)	(1,534,070)
Change in lease obligations	-	289,636
Financing costs paid	(444,372)	(312,355)
Dividends distribution	(37,500,000)	(37,500,000)
Net cash used in financing activities	(39,789,322)	(39,056,789)
Net change in cash and cash equivalents	21,260,120	(3,817,844)
Cash and cash equivalents at beginning of the period	83,797,263	71,854,674
Cash and cash equivalents at end of the period	105,057,383	68,036,830
Non Cash transactions		
Dividends payable	37,500,000	-
Change in financial assets at fair value through other comprehensive income	(5,160,725)	-
Actuarial losses (gains) from re-measurement of employee benefit obligations	974,389	(722,001)
Transferred from zakat provision to general provision	-	864,447

Finance Manager

Chief Executive Officer

Chairman of the Board

The attached notes form (1) to (24) form an integral part of these condensed consolidated interim financial statements.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTS TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Saudi Riyals)

1. ACTIVITIES

Sumou Real Estate Company is a Saudi Joint Stock company operating under commercial registration number 2051034841 dated 3 Jumada Al Thani 1428H (corresponding to June 18, 2007) issued at Khobar, Kingdom of Saudi Arabia.

The address of the company's head office is in Al-Khobar, Prince Turki Street, Al-Yarmouk District, PO Box 250, Al-Khobar 31952, Kingdom of Saudi Arabia.

The main activity of the company is the general construction of residential buildings, general construction of non-residential buildings, including (schools, hospitals, hotels, etc.) construction of airports and their facilities, construction of prefabricated buildings on sites, renovations of residential and non-residential buildings, purchase and sale of land and real estate and its division and off plan sale activities..

These financial statements include assets, liabilities and the main activities of the above-mentioned commercial register and the following branches commercial registers:

Branches CR No Location and registration

1010261561	Riyadh
4030189816	Jeddah
4031275053	Makkah

The condensed consolidated interim financial statements include the financial statements for the company and its subsidiaries as follows:

Company name	Legal entity	Country of Incorporation	Actual Ownership Percentage	
			2023	2022
Al Mahafel Trading and Contracting Co. Ltd.	Limited Liability Co	Kingdom of Saudi Arabia	80%	80%

The assets, liabilities and results of operations of the above mentioned subsidiary are included in the accompanying condensed consolidated interim financial statements.

- Al Mahafel Trading and Contracting Co. Ltd. is a Saudi limited liability company registered under Commercial Registration No. 4030127728 in Jeddah, dated 15/4/1420H. The main activity of the company is represented in the general construction of government buildings, sales agents in food and beverages, construction of prefabricated buildings on sites, and general construction for residential & non-residential buildings.

2. BASIS OF PREPARATION CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2-1 Statement of compliance:

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Company's last annual Financial Statements as at and for the year ended 31 December 2022. They do not include all of the information required for a complete set of IFRS Financial Statements however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since December 31, 2022.

2-2 Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis and using the accrual basis of accounting except for the following.

- Investments at fair value through profit and loss measured at fair value.
- Employee benefits obligations that are recognized at the present value of future liabilities using the expected credit unit method.

2-3 Functional and presentation currency:

The condensed consolidated interim financial statements are presented in Saudi Riyal, which is the Company's functional currency.

SUMOU REAL ESTATE COMPANY

(SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Saudi Riyals)

2. BASIS OF PREPARATION CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

2-4 Use of estimates and judgments and assumptions:

The preparation of condensed consolidated interim financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant estimates made by the management when applying the company's accounting policies and the significant sources of uncertainties in the estimates were similar to those shown in the last annual financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and are the same policies applied in the company's annual financial statements for the year ended December 31, 2022, except for applying the new accounting policies below that are effective from January 1, 2023.

New Standards Issued, and Standards Issued and Effective

Following are the standards and amendments that become effective on January 1, 2023 or after (unless otherwise stated): and do not have a material impact on the company interim condensed consolidated financial statements.

Standard, amendment or interpretation

	Effective date
- IFRS (17) "Insurance Contracts"	January 1, 2023
- Definition of Accounting Estimates - Amendments to IAS (8)	January 1, 2023
- Deferred Tax Related to Assets and Liabilities arising from A Single Transaction – Amendments to IAS (12)	January 1, 2023
- Disclosure of accounting policies - Amendments to IAS (1) and IFRS Practice Statement (2)	January 1, 2023

New standards issued, standards issued and not yet effective

The new amended, issued standards and interpretations, which are not effective yet have not been adopted early by the company, and will be adopted on their effective date as applicable. The adoption of these standards and interpretations is not expected to have any material impact on the company on the effective date.

Standard, amendment or interpretation

	Effective date
- Amendments to IAS (1): Classifications of Liabilities as Current or Non-current	January 1, 2024
- Amendments to IAS (16): Lease Liabilities from Sale and Leaseback	January 1, 2024
- Disclosures: Supplier Finance Arrangements – Amendments IAS 7 and IFRS 7	January 1, 2024
- Lack of exchangeability – Amendments to IAS 21	January 1, 2025

4. INTERIM RESULTS

The company's management has prepared all adjustments that it deems important in order to fairly present the initial condensed consolidated financial statements and the company's initial condensed consolidated financial position as of September 30, 2023 and the results of its initial business for the period ending on that date. The preliminary financial results for that period may not represent an accurate indication of the financial results for the entire year.

5. BASIS OF CONSOLIDATION

The condensed consolidated interim financial statements incorporate the financial statements of the Company and its subsidiaries detailed in note 1. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Saudi Riyals)

5. BASIS OF CONSOLIDATION (CONTINUED)

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of the subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Consolidated profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

6. CASH AND CASH EQUIVALENTS

This item consists of the following:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Cash at banks	38,792,524	44,902,086
Restricted cash at banks (6-1)	66,264,859	38,895,177
Cash and Cash Equivalents	105,057,383	83,797,263

6-1 These balances represent the bank accounts registered for off-plan sale projects (Wafi). The use of this cash is limited to disbursement to those projects only and the cash collections related to them, and therefore they are considered cash and cash equivalents.

7. PROJECTS UNDER DEVELOPMENT

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Dar Sumou Project (7-a)	18,695,358	36,579,119
Public Benefit Market Project (7-b)	22,803,319	8,795,943
	41,498,677	45,375,062

A) Project under development represents the costs incurred in the Dar Sumou project to build and sell 412 villas in the city of Jeddah on the lands of the Ministry of Housing allocated to Sumou Real Estate Company. Below are the project details:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / year	36,579,119	67,297,279
Development, implementation and construction costs incurred	69,607,129	119,561,166
Total	106,186,248	186,858,445
Work performed during the period / year (note 17)	(87,490,890)	(150,279,326)
Balance at the end of the period / year	18,695,358	36,579,119

SUMOU REAL ESTATE COMPANY

(SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023****(Saudi Riyals)****7. PROJECTS UNDER DEVELOPMENT (CONTINUED)**

B) Project under development represents the costs incurred in the Public Benefit Market Project which belongs to the subsidiary company (Al-Mahafel Trading and Contracting Company Limited).

Below are the project details:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / year	8,795,943	-
Development, implementation and construction costs incurred	14,007,376	8,795,943
Balance at the end of the period / year	22,803,319	8,795,943

8. RIGHT OF USE ASSETS AND LEASE OBLIGATIONS, NET

The table below shows the right of use assets balance and the depreciation charged as follows:

	Land	Building	Total
<u>Cost</u>			
The balance as at January 01, 2023	21,784,442	1,408,825	23,193,267
Additions during the period	-	-	-
The balance as at September 30, 2023	21,784,442	1,408,825	23,193,267
<u>Accumulated depreciation</u>			
The balance as at January 01, 2023	1,742,756	719,779	2,462,535
Charge for the period	653,533	388,233	1,041,766
The balance as at September 30, 2023	2,396,289	1,108,012	3,504,301
<u>Net book value</u>			
As at 30 September 2023	19,388,153	300,813	19,688,966
As at 31 December 2022	20,041,686	689,046	20,730,732

The lease obligations are as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Non-current lease obligations	18,546,226	19,749,167
Current lease obligations	1,449,093	1,534,017
Total lease obligations	19,995,319	21,283,184

The finance cost recognized from lease obligations during the period ended 30 September 2023 amounted to 557,085 SR (30 September 2022: 570,796 SR).

The right of use depreciation have been distributed as follows:

	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
General and administrative expenses	388,233	325,086
Cost of revenue	653,533	653,533
	1,041,766	978,619

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Saudi Riyals)

9. INTANGIBLE ASSETS, NET

The following table shows the movement of intangible assets, which are represented in the value of accounting programs and real estate project management program as follows:

	Software	Total
Cost		
The balance as at January 01, 2023	1,233,454	1,233,454
Additions during the period	-	-
The balance as at September 30, 2023	1,233,454	1,233,454
Accumulated amortization		
The balance as at January 01, 2023	446,766	446,766
Charge for the period	185,017	185,017
The balance as at September 30, 2023	631,783	631,783
Net book value		
As at 30 September 2023	601,671	601,671
As at 31 December 2022	786,688	786,688

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income as of September 30, 2023 are represented as follows:

A) In-kind investments in the form of units in the Sumou Dhahiat Real Estate Fund project (closed private real estate fund) in the amount of 15,201,967 Saudi riyals as of September 30, 2023 (December 31, 2022: zero Saudi riyals), which were acquired at the end of the third quarter of 2023 and there was no change in the fair value of financial assets through other comprehensive income.

B) In-kind investments in the form of units in the Alinma Al-Madina Real Estate Fund project (closed private real estate fund) in the amount of 19,427,660 Saudi riyals as of September 30, 2023 (December 31, 2022: zero Saudi riyals), as it was acquired at the end of the third quarter of 2023 and there was no change in the fair value of financial assets through other comprehensive income.

C) In-kind investments in the form of units in the Alinma Ajyad Real Estate Fund project (closed private real estate fund) in the amount of 30,000,000 Saudi riyals as of September 30, 2023 (December 31, 2022: zero Saudi riyals), as it was acquired at the end of the third quarter of 2023 and there was no change in the fair value of financial assets through other comprehensive income.

The movement on the investment is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Fair value on the acquisition date (acquisition cost) - Sumou Dhahiat Real Estate Fund	15,201,967	-
Fair value on the acquisition date (acquisition cost) - Alinma Al Madinah Real Estate Fund	19,427,660	-
Fair value on the acquisition date (acquisition cost) - Alinma Ajyad Real Estate Fund	30,000,000	-
Change in the fair value of financial assets through other comprehensive income	-	-
Balance as at the end of the period / year	64,629,627	-

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Saudi Riyals)

11. INVESTMENT IN COMPANIES DESIGNATED BY EQUITY METHOD

The investments in companies designated by equity method are as follows:

	<u>Actual Ownership</u> <u>Percentage</u>		30 September 2023	31 December 2022
	2023	2022	(Unaudited)	(Audited)
Investments in Western Dhahiat Company (11-a)	25%	25%	286,609,620	296,518,530
Investments in Tanal Real Estate Development and Investment Company (11-b)	10%	10%	31,233,844	33,345,057
			317,843,464	329,863,587

a) Investments in Western Dhahiat Company

- The company owns 25% of the net assets of the Western Dhahiat Company, which operates mainly in the Kingdom of Saudi Arabia and the investment was treated using the equity method.

- Western Dhahiat Company is a limited liability company with a capital of SR 100,000. The address of the company's head office is in Jeddah. The company's activity is in the general construction of residential buildings, and non-residential buildings, the purchase and sale of land and real estate, and its division, and off-plan sales activities.

- The return on investment in the associate was calculated based on the unaudited financial statement for the period ending on September 30, 2023 which is prepared by the company's management.

The financial information of the associate company is summarized as follows:

	30 September 2023	31 December 2022
	(Unaudited)	(Audited)
Total assets	1,150,202,534	1,186,298,675
Total liabilities	3,764,053	224,550
Equity	1,146,438,481	1,186,074,125
	30 September 2023	30 September 2022
	(Unaudited)	(Unaudited)
Revenue	-	-
Expenses	(18,992,740)	(3,096,562)
Net loss	(18,992,740)	(3,096,562)

The investment movement

	30 September 2023	31 December 2022
	(Unaudited)	(Audited)
Beginning balance for the period / year	296,518,530	276,320,125
Company's share of net loss for the period/year	(4,748,185)	(847,480)
Company's share of other comprehensive loss for the period/year	(5,160,725)	21,045,885
Balance at the end of the period / year	286,609,620	296,518,530

b) Investments in Tanal Company for Investment and Real Estate Development

Tanal Real Estate Development and Investment Company is a limited liability company with a capital of 100,000 Saudi riyals. The address of the company's head office is in Riyadh. The company's activity is the management and leasing of residential and non-residential properties owned or leased.

Sumou Real Estate Company owns 40% voting rights in Tanal Real Estate Investment and Development Company on operational and administrative decisions, and this was considered as a significant influence due to the Chairman of the Board of Directors of Tanal Investment and Real Estate Development Company is the Chairman of the Board of Directors for Sumou Real Estate and also the member of board of directors in Tanal company is the deputy chairman of the board for sumou real estate company, and thus the investment was treated using the equity method.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Saudi Riyals)

11. INVESTMENT IN COMPANIES DESIGNATED BY EQUITY METHOD (CONTINUED)

Summary of the consolidated financial information of Tanal for Real Estate Investment and Development Company and its subsidiary (Ruba Buildings Real Estate Company)

The consolidated financial statements of this company and its subsidiary are prepared in accordance with International Financial Reporting Standards. The accounting policies used in preparing the consolidated financial statements of the associate are consistent with those of sumou Real Estate Company.

Summary of the consolidated statement of profit or loss and other comprehensive income

	For the nine months period ended	
	30 September	
	2023	2022
Revenue	90,286,419	525,446,647
Profit from main operations	55,250,610	262,107,962
Net profit for the period	48,887,868	256,107,962
Other comprehensive income for the period	48,887,868	256,107,962
Company's share of the profit for the period	4,888,787	25,610,796

The share in net profit was calculated based on the consolidated financial statements of Tanal Company for Investment and Real Estate Development which were available at the date of issuance of the associate's interim condensed financial statements. This may sometimes lead to some minor changes that are settled in the subsequent accounting period.

Summary of the consolidated statement of financial position

	30 September 2023	31 December 2022
	(Unaudited)	(Audited)
<u>Assets</u>		
Non-current assets	-	-
Current assets	332,083,243	355,833,444
Total assets	332,083,243	355,833,444
<u>Liabilities and partner's equity</u>		
Non-current liability	-	-
Current liability	19,744,807	22,382,877
Total equity	312,338,436	333,450,567
Total liabilities and equity	332,083,243	355,833,444

The investment movement

	30 September 2023	31 December 2022
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	33,345,057	65,007,048
Recovery of additional capital	-	(19,814,548)
Dividends Received	(7,000,000)	(39,300,000)
Share of profit for the year	4,888,787	27,452,557
Balance at the end of the period/year	31,233,844	33,345,057

c) The company's share of the results from business of associates

	30 September 2023	30 September 2022
	(Unaudited)	(Unaudited)
Tanal for Investment and real-estate Development Company	4,888,787	25,610,796
Western Dhahiat Company	(4,748,185)	(774,140)
	140,602	24,836,656

SUMOU REAL ESTATE COMPANY

(SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023****(Saudi Riyals)****12. ACCRUED REVENUE**

The item represents the accrued revenues in the value of the works executed in excess of the collections (revenues accrued - Dar Sumou project) received from customers in return for the goods or services spent on the project. In the event that the company transfers the goods or services to the customer before the customer pays the consideration or before it becomes due, the value of the executed works is recorded in excess of the collections in exchange for the consideration earned.

13. RELATED PARTY TRANSACTIONS

The related parties are represented in the dealings with the associate company, non-executive members of the board of directors, and senior management employees of the company, where the employees of the higher management are the persons who exercise authority and responsibility in planning, managing and monitoring the company's activities, directly or indirectly, including the managers.

During the normal course of its business, the company had the following important transactions with major related parties during the period ended on 30 September 2023 and 31 December 2022. as follows:

Name	Relationship
Sumou Holding company	Main Shareholder
Adeer Real Estate Company	Affiliate company
Asmou Real Estate Development Company	Affiliate company
Riyadah Gulf Management Company	Affiliate company
Adeer Holding Company	Affiliate company
Adeer Asar Real Estate Company	Affiliate company
Western Dahiet Company	Associate company
Sumou dahiet Real Estate Fund	Entity associated with board of directors
Alinma Al Madinah Real Estate Fund	Entity associated with board of directors
Alinma Ajyad Real Estate Fund	Entity associated with board of directors

- The transactions and amounts related thereto for the period ended on:

Description	Nature of the transaction	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Sumou holding company	Revenues	17,426,260	53,669,712
Adeer Holding Company	Revenues – in kind*	-	23,941,196
Adeer Holding Company	Revenues	41,000,000	26,432,755
Adeer Asar Real Estate Company	Revenue	3,206,882	1,089,174
Adeer Asar Real Estate Company	Advance payments	5,810,611	1,817,492
Riyadah Gulf Management Company	Administrative services	900,000	1,200,000
Adeer Holding Company	Rents	509,565	536,640
Asmou Real Estate Development Company	Revenues	-	6,500,000
Sumou dahiet Real Estate Fund	Revenues – in kind (10-a)	15,201,967	-
Sumou dahiet Real Estate Fund	Revenues – in cash	18,000,000	-
Alinma Al Madinah Real Estate Fund	Advance revenue**	19,427,660	-
Alinma Ajyad Real Estate Fund	Advance revenue***	30,000,000	-

- Remunerations of Managers and Senior Management Staff:

Senior management is represented by senior members of the Board of Directors and senior executives in the company who have the powers and responsibilities of planning, directing and controlling the company's activities. The following are the benefits and rewards of senior management employees.

Description	Nature of the transaction	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Members of the Board of Directors and other committees	Allowances for attending sessions and bonuses	630,000	989,181
Senior management staff	Salaries, allowances and incentives	2,531,666	3,385,000

SUMOU REAL ESTATE COMPANY

(SAUDI JOINT STOCK COMPANY)

**NOTS TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(Saudi Riyals)

13. RELATED PARTY TRANSACTIONS (CONTINUED)**a. Due from related parties is as follow:**

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Adeer Holding Company	32,247,290	32,247,290
Sumou dahiet Real Estate Fund	20,700,000	-
Western dahiet Company	2,280,295	-
Sumou holding company	1,910,281	-
	57,137,866	32,247,290

* Due from a related party is represented in in-kind investments in the form of shares in the Akhayal scheme project in the eastern region, amounting to 32,247,290 Saudi riyals as of September 30, 2023 (December 31, 2022: 32,247,290 Saudi riyals), and the details of the movement on the investment are as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / The fair value at the date of acquisition	32,247,290	23,941,196
The change in the fair value of financial assets through other comprehensive income at the period / year	-	8,306,094
Balance at the end of the period / year	32,247,290	32,247,290

b. Due to related parties represent as follow:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Adeer Asar Real Estate Co	5,810,611	1,817,492
Alinma Al Madinah Real Estate Fund (10-b)	19,427,660	-
Alinma Ajyad Real Estate Fund(10-c)	30,000,000	-
	55,238,271	1,817,492

** The revenues received in advance from the Alinma Al Madinah Real Estate Fund represent fees for managing and developing the project land in the form of in-kind units in the fund for the development manager with a nominal value of 19,427,660 Saudi riyals during the entire development period and are due in stages according to the completion criteria specified in the development agreement.

*** The revenues received in advance from the Alinma Ajyad Real Estate Fund represent fees for managing and developing the project land in the form of in-kind units in the fund for the development manager with a nominal value of 30,000,000 Saudi riyals during the entire development period and are due in stages according to the completion criteria specified in the development agreement.

14. SHARE CAPITAL

The Company's share capital is SAR 375 million as at September 30, 2023 (December 31, 2022: SAR 375 million), consisting of 37.5 million shares as at September 30, 2023 (2022: 37.5 million shares) issued and fully paid, with a par value of SAR 10 Saudi share.

15. ZAKAT PROVISION**A) Zakat assessment status:**

The company received letters of amendment for the years from 2016 to 2018 on July 16, 2020, in the amount of 21,998,593 riyals. The company paid an amount of 5,658,558 Saudi riyals and objected to the Zakat, Tax and Customs Authority on 25/01/1442H corresponding to September 13, 2020, and a lawsuit was filed with the General Secretariat of the Tax Committees on November 8, 2020 in the amount of 16,330,035 Saudi riyals. According to the Zakat consultant, a ruling was made in favor of the company in the Appeal Committee, and the decision is being implemented by the Zakat, Tax and Customs Authority.

The company received letters of amendment for the years 2019 and 2020 on October 12, 2021, amounting to 12,119,787 Saudi riyals. The company paid an amount of 3,670,719 Saudi riyals and objected to the Zakat, Tax and Customs Authority on December 9, 2021 for an amount of 8,449,068 Saudi riyals. According to the Zakat advisor, the preliminary committee ruled in favor of the company, and the Zakat, Tax and Customs Authority appealed the decision.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Saudi Riyals)

15. ZAKAT PROVISION (CONTINUED)

And based on the opinion of the zakat advisor of the company, there is no need form a provision during the current period in return for the obligation.

B) The movement of the zakat provision:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period/ year	4,958,878	2,445,894
Charge during the period/ year	4,147,500	4,958,878
Paid during the period/ year	(4,958,878)	(1,581,447)
Transferred to general provision during the period/ year	-	(864,447)
Provision balance at the end of the period/ year	4,147,500	4,958,878

16. REVENUE

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Real estate project revenues	38,685,638	33,044,309	99,430,285	119,851,820
Real estate project management fees revenue	35,880,304	26,865,292	94,835,109	52,132,903
Contracting work revenue	-	-	-	44,000,000
	74,565,942	59,909,601	194,265,394	215,984,723

The total revenue from related parties amounted to SAR 94,835,109 for the period ended September 30, 2023 (September 30, 2022: SAR 96,132,903) Note 13.

17. COST OF REVENUE

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Cost of real estate project revenue	34,040,342	29,076,412	87,490,890	105,460,246
Salaries and related benefits	5,238,088	4,093,885	14,987,929	10,942,783
Depreciation of the right to use assets	217,844	217,844	653,533	653,533
Contracting work costs	-	-	-	40,000,000
Other	255,952	377,085	574,952	559,584
	39,752,226	33,765,226	103,707,304	157,616,146

18. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Legal and professional fees	849,375	888,672	2,499,571	2,266,145
Salaries and related benefits	527,187	223,120	1,667,528	1,387,102
General provision	375,000	250,000	1,125,000	750,000
Remuneration of board members	237,000	200,000	698,223	686,684
Depreciation of property and equipment	155,073	119,419	433,802	349,471
Subscription fees	163,464	78,650	405,772	274,155
Depreciation of the right to use assets	129,411	120,390	388,233	325,086
Amortization of intangible assets	61,672	61,672	185,017	185,017
Other	335,545	205,187	857,076	759,125
	2,833,727	2,147,110	8,260,222	6,982,785

SUMOU REAL ESTATE COMPANY**(SAUDI JOINT STOCK COMPANY)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023****(Saudi Riyals)****19. EARNINGS PER SHARE**

Earnings per share relating to net income has been calculated by dividing the net income for the period by the weighted average number of shares outstanding during the period, which amounted to 37,5 million shares as on September 30, 2023 (September 30, 2022: 37,5 million shares).

Diluted earnings per share was calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period adjusted for the potential reduction in ordinary shares, As there is no contingent liability for equity instruments, the diluted earnings per share are not different from basic earnings per share.

20. CONTINGENT LIABILITIES

As of September 30, 2023, the Company has contingent liabilities in the form of letters of guarantee amounting to SAR 124,976,860 (December 31, 2022: SAR 124,976,860).

21. SEGMENT INFORMATION

The segment information is attributable to the Company's activities and business as approved by Company's management to be used as a basis for the financial reporting preparation and consistent with the internal reporting process. Transactions between the business segments are conducted as another parties' transaction.

Segments' assets, liabilities and the operational activities comprise items that are directly attributable to certain segment and items that can reasonably be allocated between various business segments. Unallocated items are included under joint assets and liabilities. The company has developed the following reports and sectors which all operate in the Kingdom of Saudi Arabia:

Contracting and real estate projects: This section of business deals with real estate projects mostly accomplished by the company with the help of subcontractors.

Real Estate Project Management: This sector constitutes real estate project management. These project are owned by real estate developers and the company charges them only for management fees.

Investments: This represents the company's direct and indirect investments in real estate and project development, which can be sold before or after the completion of development work.

The following summary financial information sector in Saudi Riyal according to the nature of the activity:

	Contracting and real estate project	Real estate project management	Investments	Joint assets and liabilities	Total
<u>As of 30 September 2023:</u>					
Total assets	212,129,334	41,868,076	487,331,801	84,255,495	825,584,706
Total liabilities	180,217,139	60,038,271	-	54,904,425	295,159,835
<u>For the period ended 30 September 2023:</u>					
Revenue	99,430,285	94,835,109	-	-	194,265,394
Gross profit	11,285,862	79,272,228	-	-	90,558,090
<u>As of 31 December 2022:</u>					
Total assets	204,272,253	7,730,000	449,722,297	56,526,103	718,250,653
Total liabilities	163,616,509	6,617,492	-	14,437,129	184,671,130
<u>For the period ended 30 September 2022:</u>					
Revenue	163,851,820	52,132,903	-	-	215,984,723
Gross profit	17,738,041	40,630,536	-	-	58,368,577

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities are exposed to various financial risks such as fair value measurement, credit risk, liquidity risk, foreign currency risk and capital management risk. Management reviews and approves policies to manage each of these risks, which are summarized as follows:

Fair value measurement of financial instruments

Fair value is the amount at which an asset is sold or a liability settled between willing parties in the arm's length transactions at the date there is a presumption that the Group is a going concern entity where there is no intention or requirement to materially reduce the volume of its operations or to conduct a transaction on adverse terms.

A financial instrument is considered to be listed in the active market if the quoted prices are readily and regularly available from an intermediary, industry group, pricing services or regulatory body, and these prices represent market transactions that have occurred on an active and regular basis on a commercial basis.

When measuring fair value, the company uses observable market information whenever possible to the inputs used in valuation methods as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that can be obtained on the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities directly (eg prices) or indirectly derived from prices.

Level 3: inputs for assets or liabilities not based on observable market information (non-observable inputs).

Capital risk management

Management policy 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. Management monitors the return on the capital used and the level of dividends distributed to shareholders.

In managing capital, the company aims to:

- To 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.
- Provide sufficient returns for shareholders.

Market risk

Market risk is the risk that a financial instrument will fluctuate due to changes in prevailing market prices such as foreign exchange rates, interest rates and stocks prices affecting the Group'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.

Foreign currency risk management

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 commercial transactions and recognized assets and liabilities are denominated in currencies other than the company's currency. Most of the company's transactions are made in Saudi Riyals. The Company's management believes that its exposure to foreign currency risk is not significant.

Other Prices risk

The Company is exposed to price risk from its investments in the equity of other companies. The Company retains these investments for strategic purposes and not for trading purposes and the Company does not trade in those investments.

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances and accounts receivable as follows:

	30 September 2023	31 December 2022
	(Unaudited)	(Audited)
Cash at banks	105,057,383	83,797,263
Due from related parties	57,137,866	32,247,290
	162,195,249	116,044,553

SUMOU REAL ESTATE COMPANY

(SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Saudi Riyals)

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.

The company manages its liquidity risk by ensuring that the necessary funds are available when needed.

23. GENERAL

The figures in these condensed consolidated interim financial statements are rounded to the nearest Saudi riyal.

24. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved by the board of directors on Rabie Al Thani 18, 1445H corresponding to November 2, 2023.