

**ENMA AL RAWABI COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023**

ENMA AL RAWABI COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS**To the Shareholders of Enma Al Rawabi Company
(A Saudi Joint Stock Company)****Introduction:**

We have reviewed the accompanying interim condensed statement of financial position of Enma Al Rawabi Company – (A Saudi Joint Stock Company) “the Company” as at 30 June 2023 and the interim condensed statements of comprehensive income, changes in equity and cash flows for the six-months period then ended and other explanatory notes. The Management is responsible for preparing and presenting these interim condensed financial statements in accordance with International Accounting Standard No. (34) “Interim Financial Reporting” 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 Standard on Review Engagements (2410) “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily to 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 interim condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard No. (34) “Interim Financial Reporting” endorsed in the Kingdom of Saudi Arabia

For Al-Kharashi & Co.



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


**Riyadh in:**

05 Safar 1445H


21 August 2023G

ENMA AL RAWABI COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2023
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)


	<u>Note</u>	<u>June 30,2023</u>	<u>December 31,2022</u>
		<u>(Unaudited)</u>	<u>(Audited)</u>
ASSETS			
Non-current assets:			
Property, plant and equipment, net	5	1,545,432	1,489,531
Investments Properties, net	6	518,556,197	481,883,281
Intangible assets, net	7	21,603	24,122
Total non-current assets		520,123,232	483,396,934
Current assets:			
Cash and cash equivalents	8	37,478,031	51,156,462
Account receivables, net	9	3,297,265	3,151,261
Prepaid expenses and other debit balances	10	1,471,912	1,330,608
Investments in mutual funds	11	2,749,902	3,189,832
Total current assets		44,997,110	58,828,163
TOTAL ASSETS		565,120,342	542,225,097
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	400,000,000	400,000,000
Statutory reserve		9,937,061	8,716,970
Retained earnings		126,717,626	115,736,810
Reserve for re-measurement of employee defined benefit obligations		(130,297)	(130,297)
Total equity		536,524,390	524,323,483
Non-current liabilities			
Employee defined benefits obligation	14	653,550	570,583
Total non-current liabilities:		653,550	570,583
Current liabilities			
Creditors of purchase investment properties in installments	15	5,043,731	5,043,731
Accrued expenses and other credit balances	16	22,051,511	10,456,605
Zakat Provision		847,160	1,830,695
Total current liabilities		27,942,402	17,331,031
Total liabilities		28,595,952	17,901,614
TOTAL EQUITY AND LIABILITIES		565,120,342	542,225,097


Mr. Fahad Ibrahim Al-Mousa

Chairman of Board


Mr. Saud Sayyaf
Al-Qaifil

Chief Executive
Officer


Mr. Mohamed Saber

Chief Financial
Officer

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

ENMA AL RAWABI COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	For the six-month period ended 30 June	
		2023	2022
		(Unaudited)	(Unaudited)
Revenue		21,515,055	20,048,186
Cost of revenue		(5,497,984)	(5,282,203)
Gross profit		16,017,071	14,765,983
General and administrative expenses		(3,049,655)	(2,313,504)
Operating profit for the period		12,967,416	12,452,479
(Losses) / gains investments revaluation	11	(439,930)	916,634
Capital losses		-	(26,215)
Other income		7,826	32,952
Profit before Zakat		12,535,312	13,375,850
Zakat differences		-	(508,501)
Zakat		(334,405)	(488,752)
Profit for the period		12,200,907	12,378,597
OTHER COMPREHENSIVE INCOME:		-	-
Total comprehensive income for the period		12,200,907	12,378,597
Earnings per share:			
Basic and Diluted		0.31	0.31



Mr. Fahad Ibrahim Al-Mousa

Chairman of Board



Mr. Saud Sayyaf
Al-Qaifil

Chief Executive
Officer



Mr. Mohamed Saber

Chief Financial
Officer


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ENMA AL RAWABI COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

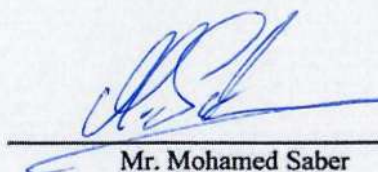
	Share capital	Statutory reserve	Retained earnings	Reserve for re-measurement of employee defined benefit obligations	Total
Balance at 1 January 2022 (Audited)	400,000,000	5,533,127	87,082,222	(50,303)	492,565,046
Profit for the period (Unaudited)	-	-	12,378,597	-	12,378,597
transfer to Statutory reserve (Unaudited)	-	1,237,860	(1,237,860)	-	-
Balance at 30 June 2022 (Unaudited)	400,000,000	6,770,987	98,222,959	(50,303)	504,943,643
Balance at 1 January 2023 (Audited)	400,000,000	8,716,970	115,736,810	(130,297)	524,323,483
Profit for the period (Unaudited)	-	-	12,200,907	-	12,200,907
Transfer to Statutory reserve (Unaudited)	-	1,220,091	(1,220,091)	-	-
Balance at 30 June 2023 (Unaudited)	400,000,000	9,937,061	126,717,626	(130,297)	536,524,390



Mr. Fahad Ibrahim Al-Mousa
Chairman of Board



Mr. Saud Sayyaf Al-Qaifil
Chief Executive Officer




Mr. Mohamed Saber
Chief Financial Officer


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ENMA AL RAWABI COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	For the six-month period ended 30 June	
		2023	2022
		(Unaudited)	(Unaudited)
Cash flows from operating activities:			
Net Profit for the period before zakat		12,535,312	13,375,850
Adjustments to reconcile net profit for the period before zakat to net cash Resulting from operating activities:			
Depreciations	5,6	4,363,147	4,317,947
Intangible assets Amortization	7	2,519	
Provision for employee defined benefit obligations, formed	14	179,095	60,468
Provision for expected credit losses, formed	9	137,232	500,518
Capital losses		-	26,215
losses (Gain) Investment revaluation	11	439,930	(916,634)
		<u>17,657,235</u>	<u>17,364,364</u>
Working Capital Adjustments :			
Trade receivables		(219,752)	8,918,669
Prepaid expenses and other debit balances		(141,304)	(237,517)
Accrued expenses and other credit balances		11,594,906	(1,599,118)
Cash flows from operating activities		<u>28,891,085</u>	<u>24,446,398</u>
Provision for expected credit losses, used	9	(63,484)	(151,900)
Provision for employee defined benefit obligations, paid	14	(96,128)	(4,380)
Legal Zakat provision, paid		(1,317,940)	(2,356,530)
Net cash flows from operating activities		<u>27,413,533</u>	<u>21,933,588</u>
Cash flows from investing activities:			
Purchases of property, plant and equipment	5	(134,724)	(318,809)
Purchases of investment properties under construction	6	(40,957,240)	(275,068)
Proceeds from Property, Plant and equipment disposals		-	17,392
Net cash flows (used in) investing activities		<u>(41,091,964)</u>	<u>(576,485)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(13,678,431)</u>	<u>21,357,103</u>
Cash and cash equivalents at the beginning of the period		<u>51,156,462</u>	<u>60,705,788</u>
Cash and cash equivalents at the end of the period		<u>37,478,031</u>	<u>82,062,891</u>


Mr. Fahad Ibrahim Al-Mousa

Chairman of Board


Mr. Saud Sayyaf
Al-Quaifil
Chief Executive
Officer


Mr. Mohamed Saber
Chief Financial
Officer

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

ENMA AL RAWABI COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX - MONTHS PERIOD ENDED JUNE 30, 2023
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. THE COMPANY AND NATURE OF THE ACTIVITY:

a. Establishment of the company:

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

- The head office of the company is located in the city of Riyadh, and the registered address of the company is: Enma Al Rawabi Company, 4631 Prince Fahd bin Salman bin Abdulaziz Street – Al-namuzajeah District, Riyadh – 8764 postal code 12734, Kingdom of Saudi Arabia.
- The Capital Market Authority announced the issuance of the decision of the Authority's Board on 13-02-1443 H corresponding to 20-09-2021 G, which includes the approval of the registration of the company's shares in direct listing in the parallel market. The legal procedures for changing the company's legal entity, the company's articles of association and other legal procedures have been completed.

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

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

b. Nature of the company's activity:

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

c. Company capital

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

d. Company's fiscal year:

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

e. Approval of the financial statements:

The company's financial statements for the six-month period ending on 30 June 2023G were approved by the Board of Directors in its session held on 01 Safar 1445H corresponding to 17 August 2023G

2. BASIS OF PREPARING FINANCIAL STATEMENTS:

Basics of preparation:

Statement of Commitment

These interim condensed financial statements for the six-months period ending on June 30, 2023G were prepared in accordance with International Accounting Standard 34 "Interim Financial Reports" endorsed in the Kingdom of Saudi Arabia and other issuances approved by the Saudi Organization for Chartered Professional Accountants. These interim condensed financial statements do not include all the information and clarifications required in the annual financial statements. Accordingly, these interim condensed financial statements should be read in conjunction with the company's financial statements ended on December 31, 2022G.

basics of measurement

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

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

Display currency and activity

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

Basis of presentation, income statements and cash flows

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies applied to these interim condensed financial statements are the same as those applied to the financial statements for the year ended December 31, 2022.

4. USE OF ESTIMATES AND JUDGMENTS:

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

Measurement of employee benefits obligations

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

Classification of investment properties

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

Investment properties valuation

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

Classification of operating lease contracts - the company as a lessor

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

Useful life of property, plant and equipment, investment property and intangible assets

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

Impairment of Trade and other receivables

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

4.USE OF ESTIMATES AND JUDGMENTS (CONTINUED):

Measuring the fair value of financial instruments

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

Impairment test

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

ENMA AL RAWABI COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

5. PROPERTY, PLANT AND EQUIPMENT, NET:

	Land	Steel Buildings	Electrical Devices	Cars	Fixtures and Furniture	Total
Cost :						
Balance 1 January 2023(Audited)	1,000,000	36,700	261,495	422,129	335,698	2,056,022
Additions during the period (Unaudited)	-	-	14,145	77,162	43,417	134,724
Disposals during the period (Unaudited)	-	-	(40,375)	-	-	(40,375)
Balance at 30 June 2023 (Unaudited)	1,000,000	36,700	235,265	499,291	379,115	2,150,371
Accumulated Depreciation:						
Balance 1 January 2023 (Audited)	-	12,470	204,013	97,531	252,477	566,491
Depreciation during the period (Unaudited)	-	550	7,499	54,744	16,030	78,823
Accumulated depreciation of Disposals during the period (Unaudited)	-	-	(40,375)	-	-	(40,375)
Balance at 30 June 2023 (Unaudited)	-	13,020	171,137	152,275	268,507	604,939
Net Book value at:						
30 June 2023 (Unaudited)	1,000,000	23,680	64,128	347,016	110,608	1,545,432
31 December 2022 (Audited)	1,000,000	24,230	57,482	324,598	83,221	1,489,531

ENMA AL RAWABI COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

6. INVESTMENT PROPERTIES, NET:

	Land	Buildings	Elevators and systems belonging to buildings	Buildings under construction	Total
Cost :					
Balance 1 January 2023(Audited)	299,440,052	268,327,714	17,190,903	660,773	585,619,442
Additions during the period (Unaudited)	40,312,500	-	162,645	482,095	40,957,240
Balance at 30 June 2023(Unaudited)	339,752,552	268,327,714	17,353,548	1,142,868	626,576,682
Accumulated Depreciation:					
Balance 1 January 2023 (Audited)	-	99,961,548	3,774,613	-	103,736,161
Depreciation during the period (Unaudited)	-	4,024,915	259,409	-	4,284,324
Balance at 30 June 2023 (Unaudited)	-	103,986,463	4,034,022	-	108,020,485
Net Book value at:					
30 June 2023 (Unaudited)	339,752,552	164,341,251	13,319,526	1,142,868	518,556,197
31 December 2022 (Audited)	299,440,052	168,366,166	13,416,290	660,773	481,883,281

Investment Properties are presented at cost less the accumulated depreciation and any impairment losses, if any. At 31December 2022 AD, the company appointed Muhammad Al-Duhaim Real Estate Evaluation Office (an independent external real estate valuer certified by the Saudi Authority for Accredited Valuers) specialized in evaluating the investment properties and has license No. (1210000368). The fair value of the investment properties amounted to 1,395,150,074 SAR for the year ended December 31, 2022 AD, and The management believes that, the fair value of the investment properties as at 30 june 2023 do not materially differ from the fair value determined as at 31 december 2022 AD.

ENMA AL RAWABI COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7. INTANGIBLE ASSETS, NET:

	computer software	Total
Cost :		
Balance 1 January 2023(Audited)	50,188	50,188
Balance at 30 June 2023(Unaudited)	50,188	50,188
Accumulated Amortization:		
Balance 1 January 2022 (Audited)	26,066	26,066
Amortization during the period (Unaudited)	2,519	2,519
Balance at 30 June 2023 (Unaudited)	28,585	28,585
Net Book value at:		
30 June 2023 (Unaudited)	21,603	21,603
31 December 2022 (Audited)	24,122	24,122

8. CASH AND CASH EQUIVALENTS:

	June 30,2023 Unaudited	December 31,2022 Audited
cash at banks	37,477,293	51,080,644
cash on hand	738	75,818
	<u>37,478,031</u>	<u>51,156,462</u>

ENMA AL RAWABI COMPANY
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NOTES TO INTERIM CONDENSED THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

9. ACCOUNT RECEIVABLES, NET:

	<u>June 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
Total account receivables	6,731,379	6,511,627
Provision for expected credit losses	<u>(3,434,114)</u>	<u>(3,360,366)</u>
	<u>3,297,265</u>	<u>3,151,261</u>

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

	<u>June 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
Balance at the beginning of the period/year	3,360,366	4,525,587
Formed during the period/year	137,232	-
Used during the period/ year	(63,484)	(333,817)
No longer required during the period / year	-	(831,404)
Balance at the end of the period/year	<u>3,434,114</u>	<u>3,360,366</u>

10. PREPAID EXPENSES AND OTHER DEBITS:

	<u>June 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
Advanced payments to suppliers	766,044	497,585
Loans and petty cash	177,482	124,051
Medical insurance in-advance	121,392	284,455
Prepaid fees and subscriptions	68,193	28,905
Prepaid employee benefits	38,888	149,535
Prepaid maintenance of elevators, alarm systems and air conditioning	5,733	21,983
Other debit balances	<u>294,180</u>	<u>224,094</u>
	<u>1,471,912</u>	<u>1,330,608</u>

ENMA AL RAWABI COMPANY
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NOTES TO INTERIM CONDENSED THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023
(ALL AMOUNTS ARE EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

11. INVESTMENTS IN MUTUAL FUNDS:

	Tharwat Riyadh Industrial Fund		Gravity Ranch Fund		Total at	
	June 30,2023	December 31,2022	June 30,2023	December 31,2022	June 30,2023	December 31,2022
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
Balance at the beginning of the period/year	3,189,832	5,131,707	5,634,000	5,634,000	8,823,832	10,765,707
Impairment provision	-	-	(5,634,000)	(5,634,000)	(5,634,000)	(5,634,000)
partial liquidation	-	(2,482,488)	-	-	-	(2,482,488)
Revaluation (losses) / gains	(439,930)	540,613	-	-	(439,930)	540,613
Balance at the end of the period/year	2,749,902	3,189,832	-	-	2,749,902	3,189,832

Tharawat Riyadh Industrial Fund:

The balance represents fair value of the investment in Tharawat Riyadh Industrial Fund as of 30 June 2023G, which is managed by Tharawat Securities Company. Noting that the cost of the investment at acquisition during 2017 was recorded in the amount of what was paid for subscription in the fund and for a number of units amounted to 1,951,219,50 units. The amount of the unit amounted to 10 Saudi riyals. The Subscription fees in the fund amounted to 487,805 Saudi riyals was recorded as an expense through profit and loss.

On 26 Shawal 1439H corresponding to 10 July 2018G an agreement was signed between the company and Tharawat Securities Company as, to deduct the investment units in the Tharawat Riyadh Industrial Fund in the full amount of the company's contribution in the fund which amounted 19,512,195 Saudi riyals as on that date against the amounts owed by the company as a result of the purchase of land under the off-plan real estate unit sale contract concluded between the company and the Riyadh Industrial Fund Company. Also during 2022 there was a partial liquidation of the fund's units so the number of units were 209,756 unit after this partial liquidation.

The fair value of thrawat industrial riyadh fund as of 30 june 2023G amounted to 2,749,903 saudi riyals so resulted a revaluation loss amounted to 439,930 saudi riyals recorded in profit and loss.

Gravity Ranch Fund:

The balance represents the amount of the investment in the Gravity Ranch Fund as of 30 June 2023G which a US technology transformation fund. The cost of acquisition of the investment was recorded during the year 2019G against the contribution in the fund amounted to 1,500,000 US dollars, equivalent to (5,634,000 Saudi riyals).

According to the decision of the Board of Directors held on 8 Shaaban 1444H corresponding to 28 February 2023G, the Board of Directors members agreed to write-off and excluded the amount of the investment in the Gravity Ranch Fund from the accounting books. There was an impairment provision of the investment formed in the full amount of the investment during the previous years, so the investment was written-off by closing its cost in the impairment provision.

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12. CAPITAL:

The company share capital is 400,000,000 Saudi riyals, fully paid, divided into 40,000,000 shares with a nominal value of SAR 10.

13. RELATED PARTIES:

Related parties represent shareholders, senior management personnel and. Transactions with related parties are carried out in accordance with the policies, terms and prices of dealing with other unrelated related parties, and those transactions are approved by the management.

The value of transactions during the year 2022 G amounted to (55,798,917 SAR), which is a balance due to the heirs of Sheikh Ibrahim bin Saad Al-Mousa, and it was paid in full during the year 2022 G.

There were no transactions with related parties during the period ending on June 30, 2023G

14. EMPLOYEE DEFINED BENEFIT OBLIGATIONS:

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	<u>Unaudited</u>	<u>Audited</u>
The present value of the defined benefit obligation	<u>653,550</u>	<u>570,583</u>
Movement of obligation was as follows:		
Balance at the beginning of the period/year	570,583	365,717
Included in the statement of comprehensive income:		
The present value of the defined benefit obligation is included in profit or loss	179,095	124,365
intrest cost	-	9,289
Remeasurement of the defined benefit obligation in other comprehensive income	-	79,994
net included in the statement of other comprehensive income	<u>179,095</u>	<u>213,648</u>
Paid during the period/year	<u>(96,128)</u>	<u>(8,782)</u>
The present value of the defined benefit obligation at the end of the period/year	<u>653,550</u>	<u>570,583</u>

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15. CREDITORS OF PURCHASE INVESTMENT PROPERTIES IN INSTALLMENTS:

The purchase of investment properties in installments is represented by the value of the land sold to the company by the Tharawat Riyadh Industrial Fund, amounted to 27,038,414 SAR, according to (the off-plan real estate unit sale contract) signed on 26 Shawal 1439H corresponding to 10 July 2018G, which stipulates the payment of the amount of the investment property unit by an amount of 5,407,683 SAR as a payment upon signing the contract and the rest of the value which amounted to 21,630,731 SAR will be paid in 5 successive installments which interlinked to their accrual dates according to the percentage of completion in the works based on the report of the engineering consultant from the date of signing the contract. Although it was expected to be completed on 31 December 2019G, The project has not been completed and the completion percentage based on the fund's valuation as on 31 December 2019G was 100% After the total amounts deducted by Tharawat Company during the year 2019G amounted to 19,512,196 SAR, which is equal to the amount of contributions in the Tharawat Riyadh Industrial Fund. During the year 2022, there was a partial liquidation, so that the amount was required to be paid was made 5,043,731 SAR. The following table shows the payments :

Payment	Percentage of payment from total value	Payment amount	percentage of Completion (cumulative)	Description of completion
1	20%	5,407,683	0%	When signing the contract
2	20%	5,407,683	40%	When the percentage of completion reaches to 40%
3	20%	5,407,683	60%	When the percentage of completion reaches to 60%
4	20%	5,407,683	80%	When the percentage of completion reaches to 80%
5	9%	2,433,457	100%	Partial liquidation
6	11%	2,974,226	100%	Payable at completed

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

	June 30,2023	December 31,2022
	Unaudited	Audited
Balance at the end of the period/year	5,043,731	5,043,731

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16. ACCRUED EXPENSES AND OTHER CREDIT BALANCES:

	<u>June 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
Advance rents (unrealized)	21,570,438	9,363,936
Accrued salary, vacation and tickets	287,677	191,906
Value Added Tax (note 1/16)	90,002	243,597
Accrued social insurance	38,666	34,677
Accrued Bonus to members of the board of directors	20,000	487,000
Other credit balances	44,728	135,489
	<u>22,051,511</u>	<u>10,456,605</u>

1/16. Value added tax :

	<u>June 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
Balance at Beginning of the period/year	243,597	55,762
Output tax during the period/year	4,896,165	6,895,298
Input tax during the period/year	(337,317)	(328,134)
Tax to be paid during the period/year	4,802,445	6,622,926
Payments during the period/year	(4,712,443)	(6,379,329)
Balance at end of the period/year	<u>90,002</u>	<u>243,597</u>

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17. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT:

The company's financial assets consist of Account receivables, other debit balances, cash and cash equivalents, and investments in mutual funds. The main financial liabilities consist of trade and other credit balances. The main purpose of these financial liabilities is to finance the company's operations and its operating activities. The company is exposed to many financial risks represented in: market risks (fair value risks, cash flow interest rates and price risks), credit risks and liquidity risks. The company's management aims to support the company's liquidity by generating cash flows from the annual profits, and reduce the impacts of potential market changes that could affect the company's operational performance.

Interest rate risk

Interest rate risk is exposure to various risks associated with the impact of fluctuations in prevailing interest rates on the company's financial position and cash flows.

Price risk

The risk is represented in the exposure of the value of a financial instrument to change as a result of changes in market prices, whether these changes are the result of factors specific to each financial instrument separately or its issuer, or as a result of factors affecting all financial instruments traded in the market. The company is exposed to the risks of changes in market prices as It holds investments in investment funds at fair value through profit or loss.

Credit risk

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

Credit risk

Credit risk represents the inability of one party to fulfill its obligations, which leads to the other party incurring a financial loss. The company's policy manages its own credit risks related to customers by setting credit limits for each customer and monitoring outstanding receivables.

Exposure to credit risk

The company's accounts are deposited with reputable financial institutions. The company does not have a significant focus on credit risk with respect to receivables and other receivable balances due to the distribution of risks on a large number of customers. Failure to fulfill the obligation, the company regularly monitors the credit rating of its clients and the volume of transactions with them during the period, and a continuous credit evaluation is carried out on their positions.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in obtaining the necessary funds to meet commitments associated with financial instruments. Liquidity risk may arise as a result of the inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed through regular monitoring to ensure that sufficient liquidity is available through cash flows from the company's main activities to meet any future commitments.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern on a commercial basis in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. Capital is the property rights of the company's shareholders. The primary objective of the company's capital management is to support its business and maximize shareholder value.

18. SUBSEQUENT EVENTS

The management believes that There have been no significant events since the end of the period that require disclosure or adjustment in the interim condensed financial statements.