



Unaudited Interim Condensed Financial Statements And Independent Auditor's Review Report

For The Three-Month Period Ended 31 March 2024

Tamweel Al Oula Company

(A Single Shareholder Saudi
Closed Joint Stock Company)

TAMWEEL AI OULA COMPANY
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT

For the three-month period ended 31 March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDER OF TAMWEEL AL OULA COMPANY (A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)

Introduction:

We have reviewed the accompanying interim condensed statement of financial position of Tamweel Al Oula Company (the "Company") as at 31 March 2024, and the related interim condensed statements of profit or loss and other comprehensive income, changes in shareholder's equity and cash flows for the three-month period then ended, and 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") 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 statements 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 IAS 34 endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services



Waleed G. Tawfiq
Certified Public Accountant
Licence No. (437)



Al Khobar: 26 Shawwal 1445H
5 May 2024

TAMWEEL AL OULA COMPANY
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the three-month period ended 31 March 2024

	Note	Three-month period ended 31 March	
		2024	2023
		SR (Unaudited)	SR (Unaudited)
Revenue from main operations	4	76,739,711	61,525,370
Finance cost		(13,598,874)	(8,053,422)
GROSS REVENUE FROM MAIN OPERATIONS		63,140,837	53,471,948
Revenue from other activities	5	3,262,339	3,877,473
NET REVENUE FROM OPERATIONS		66,403,176	57,349,421
EXPENSES			
Selling and advertising		(15,317,035)	(13,018,856)
Depreciation and amortisation		(1,692,801)	(1,483,757)
Provision of expected credit losses on investment in Islamic finance receivables		(6,000,452)	(9,314,771)
Other general and administrative expenses		(6,574,350)	(5,891,587)
TOTAL EXPENSES		(29,584,638)	(29,708,971)
PROFIT BEFORE ZAKAT		36,818,538	27,640,450
Zakat	9	(3,681,854)	(2,764,045)
PROFIT FOR THE PERIOD		33,136,684	24,876,405
OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		33,136,684	24,876,405
Earnings per share			
Basic and diluted earnings per share (restated)		0.66	0.50
Weighted average number of outstanding shares		50,000,000	50,000,000

The attached notes 1 to 13 form part of these interim condensed financial statements.

TAMWEEL AL OULA COMPANY
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

		<i>31 March</i>	<i>31 December</i>
		<i>2024</i>	<i>2023</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS			
Bank balances and cash		33,895,463	26,304,771
Prepayments and other receivables		66,516,415	70,715,782
Net investment in Islamic finance receivables	6	2,898,800,959	3,084,217,038
Equity investment at fair value through other comprehensive income ("OCI")		892,850	892,850
Property and equipment		4,340,792	4,659,748
Right-of-use assets		3,725,029	4,597,329
Intangible assets		2,023,572	2,436,893
TOTAL ASSETS		3,010,195,080	3,193,824,411
SHAREHOLDER'S EQUITY AND LIABILITIES			
SHAREHOLDER'S EQUITY			
Share capital	10	500,000,000	500,000,000
Statutory reserve		32,018,542	32,018,542
Retained earnings		182,207,594	149,070,910
TOTAL SHAREHOLDER'S EQUITY		714,226,136	681,089,452
LIABILITIES			
Provision for zakat		18,362,445	14,680,591
Accrued expenses and other liabilities		74,968,685	46,645,060
Accounts payable		118,003,921	184,494,416
Loans and borrowings		2,021,112,740	2,188,689,750
Lease liabilities		3,475,358	3,462,114
Government grant		50,678,285	62,908,644
Amounts due to related parties		261,305	3,233,312
Employees' defined benefits liabilities		9,106,205	8,621,072
TOTAL LIABILITIES		2,295,968,944	2,512,734,959
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		3,010,195,080	3,193,824,411

The attached notes 1 to 13 form part of these interim condensed financial statements.

TAMWEEL AL OULA COMPANY

(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the three-month period ended

	<i>Share capital</i> SR	<i>Statutory reserve</i> SR	<i>Retained earnings</i> SR	<i>Total</i> SR
As at 1 January 2023 (audited)	500,000,000	19,248,439	94,919,613	614,168,052
Profit for the period	-	-	24,876,405	24,876,406
Other comprehensive loss for the period	-	-	-	-
Total comprehensive income for the period	-	-	24,876,405	24,876,405
Increase in capital (note 13)	-	-	-	-
As at 31 March 2023 (unaudited)	<u>500,000,000</u>	<u>19,248,439</u>	<u>119,796,018</u>	<u>639,044,457</u>
As at 1 January 2024 (audited)	500,000,000	32,018,542	149,070,910	681,089,452
Profit for the period	-	-	33,136,684	33,136,684
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	33,136,684	33,136,684
As at 31 March 2024 (unaudited)	<u>500,000,000</u>	<u>32,018,542</u>	<u>182,207,594</u>	<u>714,226,136</u>

The attached notes 1 to 13 form part of these interim condensed financial statements.

TAMWEEL AL OULA COMPANY
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (Unaudited)

For the three-month period ended

	<i>Three-month period ended 31 March</i>	
	<u>2024</u>	<u>2023</u>
	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
OPERATING ACTIVITIES		
Profit before zakat	36,818,538	27,640,451
Adjustments to reconcile profit before zakat to net cashflow:		
Depreciation of property and equipment	407,184	351,756
Depreciation of right-of-use assets	872,297	928,350
Amortisation of intangible assets	413,320	203,651
Finance costs and bank charges	25,815,987	17,390,268
Employees' defined benefits liabilities, charged	518,872	365,398
Charge of expected credit loss on islamic finance receivables	6,000,452	9,314,771
Interest expense on lease liabilities	13,247	46,354
Gain or Loss on sale of property and equipment	16,382	-
Grant income realised	(12,230,360)	(11,490,995)
	58,645,919	44,750,004
Changes in operating assets and liabilities:		
Net investment in Islamic finance receivables	179,415,627	(795,178,778)
Prepayments and other receivables	4,199,367	95,012,011
Amounts due to related parties	(2,972,007)	(3,327,190)
Accounts payable	(66,490,495)	147,855,020
Accruals and other current liabilities	28,336,872	11,191,816
Cash from / (used in) operations	201,135,283	(499,697,117)
Employees' defined benefits liabilities, paid	(33,739)	(25,448)
Zakat paid	-	-
Finance costs and bank charges paid	(10,131,454)	(2,774,241)
Net cash from / (used in) operating activities	190,970,090	(502,496,806)
INVESTING ACTIVITY		
Purchase of property and equipment	(104,609)	(241,195)
Net cash used in an investing activity	(104,609)	(241,195)
FINANCING ACTIVITIES		
Payment of lease liabilities	-	(136,000)
Proceeds from loans and borrowings	133,000,000	1,246,217,601
Repayment of loans and borrowings	(316,274,789)	(228,103,098)
Net cash (used in) / from financing activities	(183,274,789)	1,017,978,503
NET INCREASE IN BANK BALANCE AND CASH	7,590,692	515,240,502
Bank balances and cash at the beginning of the period	26,304,771	21,626,376
BANK BALANCE AND CASH AT THE END OF THE PERIOD	33,895,463	536,866,878

The attached notes 1 to 13 form part of these interim condensed financial statements.

TAMWEEL AL OULA COMPANY

(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)

At 31 March 2024

1 CORPORATE INFORMATION

Tamweel Al Oula Company ("the Company"), is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 2050055043 dated 15 Ramadan 1436H (corresponding to 2 July 2015).

The Company is engaged in providing financial leasing in addition to financing production assets and offering consumer finance in accordance with the license number 39/ASH/201512 dated 21 Safar 1437H (corresponding to 3 December 2015) issued by Saudi Central Bank ("SAMA").

The Company's registered office is located at PO 34232, Dammam, Kingdom of Saudi Arabia. The Company operates through the following branches:

<i>Commercial Registration Name</i>	<i>Number</i>	<i>Location</i>	<i>Date</i>
Tamweel Al Oula - Branch	2051065442	Al Khobar	17/04/1439H
Tamweel Al Oula - Branch	2252101795	Al Hasa	02/06/1439H
Tamweel Al Oula - Branch	1010691639	Riyadh	19/07/1442H
Tamweel Al Oula - Branch	4030416684	Jeddah	14/10/1442H
Tamweel Al Oula - Branch	5855360923	Khamis Mushait	13/11/1443H

The interim condensed financial statements of the Company as of 31 March 2024 were authorised for issuance on 21 Shawwal 1445H (corresponding to 30 April 2024).

2 BASIS OF PREPARATION

The interim condensed financial statements of the Company as at and for the three-month period ended 31 March 2024 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

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 2023.

2.1 Basis of measurement

These interim condensed financial statements have prepared on historical cost basis, except when otherwise disclosed in the accounting policy adopted. The statement of financial position is stated in order of liquidity.

2.2 Presentation and functional currency

The presentation and functional currency of the Company is Saudi Riyal.

3 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 2023, except for the adoption of new standards effective as of 1 January 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

TAMWEEL AL OULA COMPANY
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)
(Continued)
At 31 March 2024

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY (continued)

Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Company. Below are a list of the new standards that went into effect as of 1 January 2024:

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7. The amendments had no impact on the Company's interim condensed financial statements.
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback. The amendments had no impact on the Company's interim condensed financial statements.
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current. The amendments had no impact on the Company's interim condensed financial statements.

4 REVENUE FROM OPERATIONS

	<i>Three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Tawarruq revenue	44,360,657	31,393,363
Ijarah revenue	32,379,054	30,132,007
	76,739,711	61,525,370
	<i>Three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
External customers	66,524,519	54,990,557
Related parties	10,215,192	6,534,813
	76,739,711	61,525,370

All of the Company's revenue is generated in the Kingdom of Saudi Arabia. The Company recognises the revenue in accordance with IFRS 9 "Financial Instruments" requirements.

5 REVENUE FROM OTHER ACTIVITIES

	<i>Three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Discounts from suppliers	2,293,575	2,331,987
Others	968,764	1,545,486
	3,262,339	3,877,473

TAMWEEL AL OULA COMPANY

(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)

(Continued)

At 31 March 2024

6 NET INVESTMENT IN ISLAMIC FINANCE RECEIVABLES

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Gross investment in Islamic finance receivables	3,843,691,401	3,888,747,338
Less: unearned finance income	(818,500,397)	(684,140,707)
Investment in Islamic finance receivables (before allowance for expected credit loss on Islamic finance receivables)	3,025,191,004	3,204,606,631
Less: allowance for expected credit losses on Islamic finance receivables	(126,390,045)	(120,389,593)
Net investment in Islamic finance receivables	2,898,800,959	3,084,217,038
<i>Analysed as below:</i>		
Net investment in Islamic finance receivables, non-current	1,569,940,460	1,680,729,868
Net investment in Islamic finance receivables, current	1,328,860,499	1,403,487,170
	2,898,800,959	3,084,217,038

Below are the details of the Company's net investment in Islamic finance receivables stage wise:

31 March 2024 (unaudited)

	<i>Stage 1 (12- month ECL) SR</i>	<i>Stage 2 (life-time ECL but not credit impaired) SR</i>	<i>Stage 3 (life- time ECL credit impaired) SR</i>	<i>Total SR</i>
<i>Ijarah</i>				
Investment in Islamic finance receivables	937,489,136	219,072,919	145,400,368	1,301,962,423
Expected credit losses	(14,536,901)	(1,835,945)	(23,011,369)	(39,384,215)
	922,952,235	217,236,974	122,388,999	1,262,578,208
<i>Tawarruq</i>				
Investment in Islamic finance receivables	1,444,318,912	56,153,201	222,756,468	1,723,228,581
Expected credit losses	(15,919,351)	(1,366,305)	(69,720,174)	(87,005,830)
	1,428,399,561	54,786,896	153,036,294	1,636,222,751
	2,351,351,796	272,023,870	275,425,293	2,898,800,959

TAMWEEL AL OULA COMPANY
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)
(Continued)

At 31 March 2024

6 NET INVESTMENT IN ISLAMIC FINANCE RECEIVABLES (continued)

31 December 2023 (audited)

	Stage 1 (12- month ECL) SR	Stage 2 (life-time ECL but not credit impaired) SR	Stage 3 (life-time ECL credit impaired) SR	Total SR
<i>Ijarah</i>				
Investment in Islamic finance receivables	986,607,526	207,456,729	173,195,713	1,367,259,968
Expected credit losses	(9,778,994)	(1,452,295)	(21,056,514)	(32,287,803)
	976,828,532	206,004,434	152,139,199	1,334,972,165
<i>Tawaruq</i>				
Investment in Islamic finance receivables	1,184,602,521	387,968,465	264,775,677	1,837,346,663
Expected credit losses	(15,838,265)	(2,750,526)	(69,512,999)	(88,101,790)
	1,168,764,256	385,217,939	195,262,678	1,749,244,873
	2,145,592,788	591,222,373	347,401,877	3,084,217,038

The movement in allowance for expected credit losses on investment in finance leases is given below:

	<i>Three-month period ended 31 March</i>	
	2024	2023
	SR	SR
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
At the beginning of the period	120,389,593	76,723,615
Charge for the period	6,000,452	48,027,467
Amounts written off	-	(4,361,489)
At the end of the period	126,390,045	120,389,593

6.1 Current portion of the gross investment in Islamic finance receivables has been netted off against the ECL provision amounting to SR 126.3 million (31 December 2023: 120.3 million).

6.2 During 2023, the Company has entered into a Musharakah agreement with a local Bank ("Musharakah Partner") for Ijara and Tawarruq receivables. In accordance with the terms of this agreement, the partners are participating in the underlying Ijarah and Tawarruq transactions on agreed basis allocating 20% for the Company and the remaining 80% for the other Musharakah Partner. Such receivables represent instruments initially originated by the Company and subsequently transferred to a third party. The Company assumes credit risk to the extent of its share in the agreement, a similar transactions was entered into by the Company in prior years.

Up to 31 December 2023, the Company has derecognised net investment in Islamic finance receivables amounting to SR 563.5 million which represents 80% of the Musharaka agreement. The Company has not entered into similar agreements during the three-month period ended 31 March 2024. As of the reporting date, the total outstanding balances related to the Musharaka Partner and the Company were SR 479.2 million and SR 119.8 million, respectively (31 December 2023: SR 499.09 million and SR 124.8 million, respectively).

TAMWEEL AL OULA COMPANY

(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)

(Continued)

At 31 March 2024

6 NET INVESTMENT IN ISLAMIC FINANCE RECEIVABLES (continued)

6.3 During 2022, the Company has entered into an agreement to sell a tranche of its net investment in Islamic finance receivables amounting to SR 50 million of the gross value of the net investment in Islamic finance receivables outstanding balance to a commercial bank (the "Purchaser") within the Kingdom of Saudi Arabia. Such receivables represent instruments initially originated by the Company and subsequently sold to a third party. The Company acts as an Agent to collect the outstanding amounts on behalf of the Purchaser and is entitled to collect a fee, this is dependent on the performance of the Company in the collection of the receivables. The Company has a restricted cash amounting to SR 4.6 million representing 10% of the collected amount against the sold net investment in Islamic finance receivables. As of 31 March 2024 the balance outstanding of the transaction amounted to SR 31.2 (31 December 2023: 34.1).

7 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include partners and entities controlled, jointly controlled or significantly influenced by such parties (affiliates). Pricing policies and terms of payments of transactions with related parties are approved by the Company's management. Following is the list of related parties of the Company:

<u>Names of related parties</u>	<u>Nature of Relationship</u>
Al Kifah Holding Company	Shareholder
Al Kifah Trading Company	Fellow subsidiary
Al Kifah for Building Material Company	Fellow subsidiary
Al Kifah Contracting Company	Fellow subsidiary
Al Motaweroon Company	Fellow subsidiary
Al Kifah Real Estate Company	Fellow subsidiary
Al Kifah Paper Products Company	Fellow subsidiary
Al Kifah Precast Company	Fellow subsidiary
Al Kifah Information Technology Company	Fellow subsidiary
KiCe Construction Equipment	Fellow subsidiary
Green Vision Paper Products Company	Fellow subsidiary
Medical Infection Control Company	Fellow subsidiary
Al Kifah Ready Mix Factory Company	Fellow subsidiary
Optimal Supply for Catering Services Company	Fellow subsidiary
Alafouq Alareed Trading Company	Other related party

Following are the details of the major related party transactions occurred during the period:

<u>Related party</u>	<u>Nature of transactions</u>	<u>Amounts of transactions</u>	
		<u>Three-month period ended 31 March</u>	
		<u>2024</u>	<u>2023</u>
		<u>SR</u>	<u>SR</u>
Shareholder			
Al Kifah Holding Company	Value added tax paid on behalf of the Company	207,873	1,347,499
	Services provided	200,598	1,664,260
	Amount collected against Islamic finance receivables	-	(1,366,833)
	Dividends paid	-	60,000,000

TAMWEEL AL OULA COMPANY
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)
(Continued)
At 31 March 2024

7 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

<u>Related party</u>	<u>Nature of transactions</u>	<u>Amounts of transactions</u>	
		<u>Three-month period ended 31 March</u>	
		<u>2024</u>	<u>2023</u>
<u>Fellow subsidiaries</u>			
Al Kifah Contracting Company	Amount collected against Islamic finance receivables	(32,196,009)	(4,176,277)
	Financing	-	30,000,000
KiCe Construction Equipment Company	Heavy machinery and equipment sales financed by the Company	9,200,000	6,060,500
	Amount paid against machinery and equipment financed	(9,349,587)	(5,022,750)
	Amount collected against Islamic finance receivables	(20,049,587)	(14,466,670)
	Financing	-	-
Al Kifah Real Estate Company	Amount collected against Islamic finance receivables	(5,273,590)	(20,243,194)
	Financing	-	7,500,000
	Services provided	419,064	2,968,016
Al Kifah Precast Company	Amount collected against Islamic finance receivables	(84,420)	(21,558,964)
	Financing	-	7,500,000
Al Kifah Information Technology	Information technology fee	-	383,357
Al Motaweroon International Company	Amount collected against Islamic finance receivables	(12,786,871)	(17,890,669)
	Financing	-	-
Green Vision Paper Products Company	Financing	37,810,604	15,000,000
	Amount collected against Islamic finance receivables	-	(15,959,893)
Medical Infection Control Company	Financing	-	15,000,000
	Amount collected against Islamic finance receivables	28,466,179	(5,880,002)
Al Kifah for Building Material Company	Amount collected against Islamic finance receivables	-	(3,483,397)
	Financing	20,618,561	9,000,000
Al Kifah Ready Mix Factory Company	Financing	8,985,732	15,000,000
	Amount collected against Islamic finance receivables	-	(5,986,033)

TAMWEEL AL OULA COMPANY
(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)
(Continued)
At 31 March 2024

7 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

<u>Related party</u>	<u>Nature of transactions</u>	<u>Amounts of transactions</u>	
		<i>Three-month period ended 31 March</i>	
		2024	2023
<u>Fellow subsidiaries (continued)</u>			
Optimal Supply for Catering Services	Financing	17,320,637	25,000,000
	Amount collected against Islamic finance receivables	-	(5,693,335)
<u>Other related party</u>			
Alafouq Alareed Trading Company	Financing	-	15,000,000
	Vehicles financed by the Company	-	710,355
	Amount paid against vehicles financed	(1,680,000)	(710,355)

Amounts due from related parties - (presented under net investment in Islamic finance receivables (note 6):

	31 March 2024 SR (Unaudited)	31 December 2023 SR (Audited)
Al Motaweroon Company	29,953,487	42,740,358
KiCe Construction Equipment Company	29,925,000	40,569,167
Green Vision Paper Products Company	-	37,810,604
Al Kifah Precast Company	33,683,925	33,768,345
Al Kifah Contracting Company	-	32,196,009
Medical Infection Control Company	59,850,000	31,383,821
Optimal Supply for Catering Services Company	45,083,019	27,762,382
Al Kifah Ready Mix Factory Company	29,925,000	20,939,268
Al Kifah Real Estate Company - Branch	29,925,000	20,236,089
Alafouq Alareed Trading Company	13,188,210	14,552,098
Al Kifah Real Estate Company	14,962,500	12,858,098
Al Kifah for Building Material Company	29,925,000	9,306,439
Al Kifah Ready Mix Factory Company - Branch	11,514,845	5,939,268
Enar Renewable Energy	742,000	700,000
	328,677,986	330,761,946

TAMWEEL AL OULA COMPANY

(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)

(Continued)

At 31 March 2024

7 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Advances to related parties - (presented under prepayments and other receivables):

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Al Kifah Holding Company - Branch	-	1,961,330
KiCe Construction Equipment Company	9,987,087	9,837,500
	9,987,087	11,798,830

Amounts due to related parties - (presented under liabilities):

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Al Kifah Real Estate Company	244,994	3,220,294
Al Kifah Holding Company - Branch	16,311	-
Al Kifah for Building Material Company	-	13,018
	261,305	3,233,312

Compensation and remuneration (including salaries and other benefits) for key management personnel is disclosed as follows:

	<i>Three-month period ended 31 March</i>	
	<i>2024 SR (Unaudited)</i>	<i>2023 SR (Unaudited)</i>
Short-term employee benefit	1,167,765	423,313
Post-employment benefits	194,628	67,652
	1,362,393	490,965

TAMWEEL AL OULA COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)

(Continued)

At 31 March 2024

8 LOANS AND BORROWINGS

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
SAMA - Kafalah program (note 8.1)	1,301,593,256	1,547,256,182
Tawaruq and murabaha financing (note 8.2)	254,342,150	256,636,197
Bai Ajel (note 8.2)	289,137,821	199,920,941
SME's Bank	150,000,000	150,000,000
Social development bank financing (note 8.3)	26,039,513	34,876,430
Net loans and borrowings	2,021,112,740	2,188,689,750

Analyzed as follows:

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Non-current portion	929,364,038	1,042,276,907
Current portion	1,091,748,702	1,146,412,843
	2,021,112,740	2,188,689,750

8.1 During the year, the Company has obtained funds from SAMA under the loans guarantee program ("Kafalah") amounting to nil (the year ended 31 December 2023: SR 1.2 million) to finance its activities. These loans are repayable in equal monthly instalment with the final instalment is due in February 2026.

The loans are carried at fair value using internal rate of return equivalent to the prevailing market rate. The difference between carrying value and face value as of initial recognition date, is treated as government grant, which is amortised over the duration of the related loans.

8.2 The Company has obtained Tawarruq, Muarabaha, and Bai Ajel financing facilities from local commercial banks to finance the purchase of assets for leasing services. All the loans are of both long-term and revolving nature. The long-term loan is repayable within a 5-year period. The revolving loans are payable within the next 12 months. All the loans carry financial charges at prevailing market borrowing costs plus SIBOR. These loans are secured by promissory notes issued by the shareholder. The Company is required to comply with certain covenants under the facility agreements which includes maintenance of certain leverage ratios. The Company had no breach of covenants during the period.

TAMWEEL AL OULA COMPANY

(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)

(Continued)

At 31 March 2024

8 LOANS AND BORROWINGS (continued)

8.3 During 2018, the Company obtained long-term loans from Social Development Bank ("SDB"), a governmental agent, to finance the purchase of assets for leasing services for small and medium sized entities ("SMEs") with 3-month grace period. The Company has entered into similar agreements during 2020, 2021 and 2022 with all having 3-month grace period, except for one loan obtained during 2020 which had a 6-month grace period due to COVID-19 related extension. The loans are repayable in equal monthly instalments commencing from January 2019 with the final instalment due in October 2025.

The loans agreements do not include any covenants to maintain financial ratios during the loan period. Social Development Bank financing are carried at present value using internal rate of return equivalent to the prevailing market rate. The difference between carrying value and face value as of initial recognition date, is treated as

The loans received from SDB, carry special commission at rates significantly lower than the currently prevailing market rates. These loans carry a number of conditions, one of which is that these loans are to be used for providing loans to specific types/sectors of customers at discounted rates. The benefit being the impact of the "lower than market value" loans obtained by the Company has been identified and accounted for as "government grant" and has initially been recorded as income and such benefit is being recognised in statement of comprehensive income of the Company.

9 ZAKAT

9.1 Zakat charge

Zakat charge for the three-month period ended 31 March 2024 was SR 3.68 million (31 March 2023: SR 2.7 million).

9.2 Status of the assessment

Zakat returns for the years 2016 through 2018 have been submitted to ZATCA as part of Al Kifah Holding Company (referred to as the "Group") as part of a consolidated zakat return. The Company is not liable for any additional liability related to those years. The zakat returns for the years 2019 through 2022 have been submitted, however, the assessment has not yet been raised by ZATCA. The Company has a valid zakat certificate till 30 April 2024.

Zakat has been computed based on the Company's understanding of the zakat regulations enforced in the Kingdom of Saudi Arabia. The zakat regulations in Saudi Arabia are subject to different interpretations and new zakat regulations have been issued by ZATCA for financing companies. The assessments to be raised by ZATCA could be different from the declarations filed by the Company.

TAMWEEL AL OULA COMPANY

(A SINGLE SHAREHOLDER SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)

(Continued)

At 31 March 2024

10 SHARE CAPITAL

The authorised, issued and paid up capital consists of 50 million shares (31 December 2023: same) of SR 10 share.

Basic and diluted earnings per share for the three-month period ended 31 March 2024 and 31 March 2023 is calculated on a weighted average basis by dividing the net income for the year by the outstanding number of shares during the year. Ownership percentage and amount of share capital are as follows:

<i>Name of shareholder</i>	<u>Ownership %</u>		<i>31 March</i> 2024 SR	<i>31 December</i> 2023 SR
	<i>31 March</i> 2024	<i>31 December</i> 2023		
Al Kifah Holding Company	100%	100%	500,000,000	500,000,000

11 EARNINGS PER SHARE

Basic and diluted earnings per share for the period ended 31 March 2024 and 2023 is calculated on a weighted average basis by dividing the net income for the period by outstanding number of shares during the year.

12 COMMITMENTS AND CONTINGENCIES

As of the date of the interim condensed statement of financial position, the Company did not have any outstanding commitments or contingencies.

13 SUBSEQUENT EVENTS

There have been no events subsequent to the reporting date that would significantly affect the amounts reported in the interim condensed financial statements as at and for the three-months period ended 31 March 2024.