

Rights Issue Prospectus Thimar Development Holding Company

Thimar Development Holding Company (National Agricultural Marketing Company - Thimar), is a Saudi public joint stock company established by Ministerial Resolution No. (364) issued on 18/04/1408H (corresponding to 08/01/1988G), and under Commercial Registration No. (1010068222) issued by the city of Riyadh on 17/05/1408H (corresponding to 07/01/1988G).

Offering fifteen million (15,000,000) ordinary shares at an offering price of ten (10) Saudi riyals per share by issuing rights shares with a total value of one hundred and fifty million (150,000,000) Saudi riyals, representing an increase in the capital of the Company by (150%) to become the capital of the Company two hundred and fifty million (250,000,000) Saudi riyals.



Trading Period: shall commence from Thursday 27/03/1445H (corresponding to 12/10/2023G) and shall end on Thursday 04/04/1445H (corresponding to 19/10/2023G)

Subscription Period: shall commence from Thursday 27/03/1445H (corresponding to 12/10/2023G) and shall end on Tuesday 09/04/1445H (corresponding to 24/10/2023G)

Thimar Development Holding Company (hereinafter referred to as "Thimar" or "the Company") is a Saudi public joint stock company established by virtue of Ministerial Resolution No. (364) issued on 18/04/1408H (corresponding to 08/01/1988G) with a license of incorporation. It was registered with the Ministry of Commerce under Commercial Registration No. (1010068222) issued in Riyadh and dated 17/05/1408 H (corresponding to 07/01/1988G). The headquarters is located in Riyadh - Olaya District in the Kingdom of Saudi Arabia- P.O Box: 88618 Postal Code 11672. On 23/03/1443H (corresponding to 29/10/2021G), the company's trade name was amended from (National Agricultural Marketing Company) to become the current trade name (Thimar Development Holding Company) based on the approval of the Extraordinary General Assembly held on 06/03/1443H (corresponding to 12/10/2021G). The Company's current capital is one hundred million (100,000,000) Saudi riyals, divided into ten million (10,000,000) ordinary shares with a nominal value of ten (10) riyals per share paid in full (hereinafter referred to by the current share) and a total of the current shares. As at the date of publication of this Prospectus, the Company does not have any major shareholders (holding 5% or more of the Company's shares).

The Board of Directors of the Company recommended on 01/12/1444H (corresponding to 19/06/2023G) to increase the capital of the Company by offering rights shares of one hundred and fifty million (150,000,000) Saudi riyals to become the capital after the increase of two hundred and fifty million (250,000,000) Saudi riyals, after obtaining all the necessary statutory approvals and the approval of the Extraordinary General Assembly.

On 23/03/1445H (corresponding to 08/10/2023G), the Extraordinary General Assembly of the Company agreed to increase the capital of the Company through the issuance of Rights Shares ("Subscription"), and this will be done by offering fifteen million (15,000,000) new ordinary shares (hereinafter referred to as "Rights Shares" or "New Shares") at an offering price of ten (10) Saudi riyals per share (hereinafter referred to as "the Offering Price"), with a nominal value of ten (10) Saudi riyals, in order to increase the capital of the Company from one hundred million (100,000,000) Saudi riyals divided into ten million (10,000,000) ordinary shares to two hundred and fifty million (250,000,000) Saudi riyals divided into twenty-five million (25,000,000) ordinary shares, an increase of 150%, after obtaining all the necessary statutory approvals and the approval of the (Extraordinary) General Assembly.

Rights shares will be issued as tradable securities (collectively referred to as "Rights") and individually as "Right" to shareholders owning shares at the end of trading on the day of the Extraordinary General Assembly, including approval of the capital increase (referred to as the "Eligibility Date") and registered in the Company's shareholders' register at the Depository Center at the end of the second trading day following the day of the Extraordinary General Assembly, which includes approval of the capital increase on 23/03/1445H (corresponding to 08/10/2023G) (collectively referred to as "Registered Shareholders") and individually as "Registered Shareholder", provided that these rights are deposited in the portfolios of registered shareholders after the Extraordinary General Assembly, taking into account the settlement procedures of approximately (1.5) rights for each one (1) share of the Company and gives each right holder the right to subscribe for one new share at the Offering Price.

All Registered shareholders and other general investors (collectively referred to as "New Investors") - who may trade rights and subscribe for New Shares - will be able to trade and subscribe for Rights Shares in the Saudi Stock Exchange ("Tadawul" or the "Market"). The trading period and the subscription period will start after (3) three work days from the approval of the Extraordinary General Assembly, which includes the approval of the capital increase, on 27/03/1445H (corresponding to 12/10/2023G), while the subscription period continues until the end of 09/04/1445H (corresponding to 24/10/2023G) (referred to as the "Subscription Period"). It is considered by the Company that the trading period and the subscription period will begin on the same day while the trading period continues until the end of the sixth day from the beginning of the period, while the subscription period continues until the end of the ninth day from the beginning of the same period. Registered shareholders will be able to trade rights during the trading period by selling part of the acquired rights or buying additional rights through the market. They also have the right not to take any action regarding the rights they have. New investors during the trading period will also be able to buy rights via the market and sell the rights purchased during the trading period.

The subscription for the new shares (during the Subscription Period) would be through one phase according to the following:

1. During this period, all registered shareholders and new investors will be allowed to subscribe for new shares.
2. The registered shareholder will be able to subscribe directly for the number of his shares or less than the number of his shares during the subscription period. In the event that the registered shareholder buys new rights, he will be allowed to subscribe to them after the end of their settlement period (two business days).
3. New investors will be allowed to subscribe for new shares immediately after the settlement of the rights purchase (2 business days).
4. Subscription will be available electronically through the investment portfolio in trading platforms and applications through which sale and purchase orders are entered, as well as through other channels and means provided by the broker.

In the event that there are shares remaining unsubscribed after the end of the subscription period (the "Rump Shares"), those shares (at a minimum offering price) will be offered to a number of institutional investors (the "Institutional Investors") (such offering shall be referred to as the "Rump Offering"). These investment institutions submit their offers to purchase the Rump shares and the receipt of these offers will be received from 10 am on Sunday 14/04/1445H (corresponding to 29/10/2023G) until 5 pm on Monday 15/04/1445H (corresponding to 30/10/2023G) (referred to as the "Rump Offering Period"). The Rump shares will be allocated to the investment institutions with the highest offer and then the lowest offer (provided that the price shall not be less than the offering price). The Rump Shares shall be allocated on a pro rata basis among Institutional Investors that provided offers at the same price. The fractional shares shall be added to the Rump Shares and treated in the same manner, and the total offering price collected from the Rump offering of the Company will be paid and the rest of the proceeds of the sale of the remaining shares and the fractions of the shares (exceeding the offering price) will be distributed without calculating any fees or deductions on their beneficiaries, from the entitled persons who did not exercise their right to subscribe in whole or in part, as well as the shareholders of the fractions of the shares, each according to what he is entitled to, no later than 02/05/1445H (corresponding to 16/11/2023G).

In the event that the investment institutions do not subscribe to all the Rump shares and fractions of the shares, the shares will be allocated to the underwriter who will purchase them at the offering price (for more details, please refer to Section (12) "Information related to the shares and the

terms and conditions of the offering" of this Prospectus). The final allocation will be announced no later than 17/04/1445H (corresponding to 01/11/2023G) (the "Allocation Date") (for more details, please refer to Section (12) "Information Related to the Shares and the Terms and Conditions of the Offering"). After the subscription process is completed, the company's capital will become two hundred and fifty million (250,000,000) Saudi riyals divided into twenty-five million (25,000,000) ordinary shares. The net proceeds of the offering will be used to support the company's activities and repay creditors. (For more details, please refer to Section (6) "Use of Offer Proceeds and Future Projects" of this Prospectus). Additionally, all shares of the Company are of one class, and no share shall give to its holder preferential rights. That the new shares will be fully paid up and fully equal to the existing shares. Each share shall entitle its holder to one vote and each shareholder of the Company (the "Shareholder") shall be entitled to attend and vote at the General Meeting of Shareholders (the "General Meeting") (whether ordinary or extraordinary). The holders of the new shares will be entitled to any dividend declared by the Company to be distributed after the date of issue (if any).

The Company was established as a Saudi public shareholding company by virtue of Ministerial Resolution No. (364) issued on 18/04/1408 H (corresponding to 08/01/1988G) authorizing its establishment. The trading of the Company's shares began on 29/03/1416H (corresponding to 26/08/1995G) with a capital of twenty-six million eight hundred and twenty-six thousand (26,826,000) Saudi riyals divided into two hundred and sixty-eight thousand and two hundred and sixty (268,260) ordinary shares with a nominal value of one hundred (100) riyals per share. In 1998, the Extraordinary General Assembly approved the division of the Company's shares from two hundred and sixty-eight thousand and two hundred and sixty (268,260) ordinary shares with a nominal value of one hundred (100) to five hundred and thirty-six thousand five hundred and twenty (536,520) ordinary shares with a nominal value of fifty (50) Saudi riyals. On 17/04/1421H (corresponding to 19/07/2000G), the Company reduced its capital from twenty-six million eight hundred and twenty-six thousand (26,826,000) Saudi riyals to thirteen million four hundred and thirteen thousand (13,413,000) Saudi riyals, thus reducing the number of shares of the Company from five hundred and thirty-six thousand five hundred and twenty (536,520) ordinary shares to two hundred and sixty-eight thousand two hundred and sixty (268,260) ordinary shares with a nominal value of fifty (50) Saudi riyals. On 17/04/1421H (corresponding to 19/07/2000G), the Company increased its capital from thirteen million four hundred and thirteen thousand (13,413,000) Saudi riyals to one hundred million (100,000,000) Saudi riyals, thus increasing the number of shares of the Company from two hundred and sixty-eight thousand two hundred and sixty (268,260) ordinary shares to two million (2,000,000) ordinary shares with a nominal value of fifty (50) Saudi riyals, by issuing rights shares. Following the issuance of the Capital Market Authority Resolution No. (4-154-2006) dated 27/02/1427H (corresponding to 27/03/2006G), which decided to divide the shares of joint stock companies in four stages and based on the decision of the Council of Ministers that the nominal value of the shares of joint stock companies shall be ten (10) Saudi riyals per share, the Company's shares were divided from two million (2,000,000) ordinary shares to ten million (10,000,000) ordinary shares with a nominal value of (10) Saudi riyals per share. The company's current capital is one hundred million (100,000,000) Saudi riyals, divided into ten million (10,000,000) ordinary shares with a nominal value of ten (10) riyals per share paid in full.

The Company's existing shares are currently traded on the Saudi Stock Exchange ("Tadawul" or the "Market"). The Company has submitted an application to the Capital Market Authority of the Kingdom of Saudi Arabia ("CMA") to register and offer the new shares. It has also submitted an application to the Saudi Tadawul Company ("Tadawul") to accept its listing. All the required documents have been submitted and all the requirements of the relevant authorities have been met, and this Prospectus has been approved. The new shares are expected to begin trading in the market within a short period after the completion of the new share allocation process and the return of the surplus (please refer to page No. (xiv) "Important Dates and Subscription Procedures"). Trading in the new shares, after registration and acceptance of listing, will be available to citizens and residents of the Kingdom of Saudi Arabia, citizens of the member states of the Gulf Cooperation Council, companies, banks, Saudi investment funds, Gulf companies and institutions, and foreign investors outside the Kingdom (through SWAPs or as qualified investors) to trade in the new shares after their listing and start trading in the market. The Qualified Foreign Investor and the Approved Client will be able to trade in the shares of the Company in accordance with the rules governing the investment of Qualified Foreign Financial Institutions in the listed shares.

This Prospectus shall be read in full and the "Important Notice" section on page (i) and section (2) "Risk Factors" contained in this Prospectus shall be considered before making an investment decision relating to the new rights or shares.

The offering of the new ordinary shares under this Prospectus is contingent on the Shareholders' approval to increase the capital in accordance with the recommendation of the Board of Directors and the Company obtaining statutory approvals. An invitation to the Extraordinary General Assembly of the Company to approve the increase of the Company's capital by issuing Rights Shares Issue has been published on 23/03/1445H (corresponding to 08/10/2023G). The Shareholders shall note that if the Shareholders' approval is not obtained for the offering of the increase of the Company's capital by issuing Rights Shares Issue, the issuance of Rights Shares Issue shall be automatically ceased. Thereupon, this Prospectus shall be null and void and Shareholders shall be notified accordingly.

Financial Advisor and Underwriter

wasatah capital
وساطة كابيتال



Lead Manager



This Prospectus contains information provided as part of the application for registration and offering of securities in accordance with the requirements of the Securities Offering Rules and the continuing obligations issued by the Capital Market Authority of KSA (hereinafter referred to as the "CMA") and the request to accept the listing of securities in accordance with the requirements of the listing rules of the Saudi Stock Exchange. The directors whose names appear in this Prospectus are jointly and severally responsible for the accuracy of the information contained herein, and confirm to the best of their knowledge and belief, after conducting all possible and reasonable studies, that there are no other facts the failure to include in this Prospectus could render any statement contained therein misleading. CMA and the Saudi Stock Exchange do not assume any responsibility for the contents of this Prospectus, do not give any assurances regarding its accuracy or completeness, and expressly disclaim any responsibility whatsoever for any loss resulting from what is stated herein or from relying on any part hereof.

This Prospectus is an unofficial English translation of the official Arabic Prospectus and is provided for information purposes only. The Arabic language Prospectus Published on the CMA's website (www.cma.org.sa) remains the only official, legal binding version and shall prevail in the event of any conflict between the two texts.

This Prospectus is issued on 26/02/1445H (corresponding to 11/09/2023G).



Important Notice

This Prospectus (the "Prospectus") contains full details of Thimar Development Holding and the Rights Shares offered for subscription. When applying to subscribe for new shares, investors will be treated on the basis that their applications are based on the information contained herein, a copy of which can be obtained from the company's headquarters and by visiting the websites of the Company (www.thimarfreash.com) the financial advisor (www.wasatah.com.sa) the lead manager (www.nefae.com) and the website of the Capital Market Authority (www.cma.org.sa).

The prospectus will be published and made available to the public within a period of not less than (14) days before the date of the Extraordinary General Assembly for the capital increase. In case that the Extraordinary General Assembly was not approved within six months from the date of CMA's approval of the registration and offering of rights shares, CMA's approval shall be considered canceled.

The Company has appointed Al Wasatah Al Maliah ("Wasatah Capital") as Financial Advisor ("Financial Advisor") and Al-Nefae Investment Group Company ("Al-Nefae Investment") as Lead Manager ("Lead Manager"). The Company has also appointed a Al Wasatah Al Maliah ("Wasatah Capital") to act as an underwriter ("Underwriter") in connection with the offering of rights issue shares to increase the capital of the Company under this Prospectus.

The Prospectus contains information provided in accordance with the requirements of the Securities Offering Rules and the Continuing Obligations issued by the Board of the Capital Market Authority under Resolution No. 3-123-2017 dated 9/4/1439H (corresponding to 27/12/2017G) based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H and amended by the Board of the Capital Market Authority Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G). The members of the Board of Directors whose names appear on page (iv) collectively and individually bear full responsibility for the accuracy of the information contained herein, and confirm to the best of their knowledge and belief, after conducting possible studies and to the extent reasonable, that there are no other facts that could not be included in the Prospectus to make any statement contained therein misleading. The Capital Market Authority and Tadawul Saudi Arabia do not assume any responsibility for the contents hereof, do not give any assurances regarding its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss resulting from what is stated herein or from reliance on any part hereof.

Although the Company has carried out all reasonable studies to investigate the veracity of the information contained herein at the date of its issuance, part of the information contained in this Prospectus has been obtained from external sources, and although neither the Company nor any of its managers, directors, financial advisor or any of the Company's advisors listed on page (vi) (the "Advisors") have any reason to believe that this information is inaccurate in substance, this information has not been independently verified, and therefore no obligation or statement shall be made regarding the accuracy or completeness of this information.

The information contained herein as at the date of its issuance is subject to change, especially since the financial position of the Company and the value of the shares can be adversely affected as a result of future developments such as inflation, interest rates, taxes or other economic, political or other factors beyond the control of the Company (please refer to Section (2) "**Risk Factors**"). The provision of this Prospectus or any oral or written information relating to the Offering Shares, or the interpretation thereof, or reliance thereon, in any manner whatsoever, shall not be taken as a pledge, confirmation or representation as to the realization of any future revenues, results or events.

This Prospectus shall not be deemed to be a recommendation by the Company or its directors or any of its advisors to participate in the subscription process for the Rights Issue Shares. The information contained in this Prospectus is of a general nature and is prepared without taking into account individual investment objectives, financial situation or special investment needs. Each person (natural or legal) receiving this Prospectus, before making an investment decision, shall be responsible for obtaining professional advice from a financial advisor licensed by CMA regarding the subscription to assess the suitability of this investment and the information contained herein for its objectives, conditions and financial needs.

Registered shareholders and other general investors ("New Investors"), who may trade rights and subscribe for New Shares, will be able to trade and subscribe for Rights Shares in the Saudi Stock Exchange ("Tadawul" or the "Market"). The Trading Period and the Subscription Period shall commence three (3) business days after the approval of the Extraordinary General Assembly, including the approval of the Capital Increase, on 27/03/1445 H (corresponding to 12/10/2023G) (the "Trading Period"), while the Subscription Period shall continue until the end of the date of 09/04/1445H (corresponding to 24/10/2023G) (the "Subscription Period"). It shall be noted that the trading period and the subscription period will start on the same day, while the trading period lasts until the end of the sixth day of the beginning of the period, while the subscription period lasts until the end of the ninth day of the beginning of the same period.

Registered shareholders will be able to trade rights during the trading period by selling part of the acquired rights or buying additional rights through the market, and new investors during the trading period will be able to buy rights through the market and sell rights purchased during the trading period.

The subscription for the new shares (during the Subscription Period) would be through one phase according to the following:

1. During this period, all registered shareholders and new investors will be allowed to subscribe for new shares.
2. The registered shareholder will be able to subscribe directly for the number of his shares or less than the number of his shares during the subscription period. In the event that the registered shareholder buys new rights, he will be allowed to subscribe to them after the end of their settlement period (two business days).
3. New investors will be allowed to subscribe for new shares immediately after the settlement of the rights purchase (2 business days).
4. Subscription will be available electronically through the investment portfolio in trading platforms and applications through which sale and purchase orders are entered, as well as through other channels and means provided by the broker.

In the event that there remaining shares that have not been subscribed for after the end of the subscription period (the "Remaining Shares"), those shares will be offered to a number of institutional investors (referred to as "Institutional Investors") (such offering shall be referred to as the "Remaining Offering"). These investment institutions submit their offers to buy the remaining shares and these offers will be received from 10:00 am on Sunday 14/04/1445H (corresponding to 29/10/2023G) until 5:00 pm on the following day Monday 15/04/1445H (corresponding to 30/10/2023G *) (the "Remaining Offering Period"). The remaining shares will be allocated to the investment institutions with the highest offer and then the lowest offer (provided that it is not less than the offering price), provided that the shares are allocated proportionally to the investment institutions that offer the same offer. With respect to the fractions of the shares, they will be added to the remaining shares and treated similarly, and the total offering price collected from the remaining offering process of the Company will be paid and the rest of the proceeds of the offering process (if any) will be distributed (beyond the offering price) without calculating any fees or deductions on their beneficiaries, each according to what it is entitled to, no later than 02/05/1445H (corresponding to 16/11/2023G). Note that the investor who did not subscribe or sell his rights, and the owners of fractional shares, may not receive any consideration if the sale is made in the remaining offering period at the offering price.

In the event that the institutional investors do not subscribe to all the remaining shares and fractions of the shares, the remainder of the shares will be allocated to the underwriter who will purchase them at the offering price (please refer to Section (12) "Subscription Terms, Conditions and Instructions"). The final Allocation will be announced no later than 17/04/1445H (corresponding to 01/11/2023G) (the "Allocation Date") (please refer to the "Subscription Terms, Conditions and Instructions" section).

Financial Information

The company audited financial statements for the financial years ended 31 December 2020G, 31 December 2021G and 31 December 2022G have been prepared as the audited preliminary financial statements for the period ended 31 March 2023G and the accompanying notes in accordance with the International Financial Reporting Standards (IFRS) approved in KSA and other standards and issuances approved by the Saudi Organization for Certified Public

Accountants (SOCPA). The Company's financial statements for the financial years ended 31 December 2020G, 31 December 2021G and 31 December 2022G and the preliminary audited financial statements for the period ended 31 March 2023G have been reviewed and audited by Osama Abdullah Al-Khurajji and Partners (Chartered Accountants and Business Consultants). Note that the Company issues its financial statements in Saudi Riyals.

It should be noted that some of the financial and statistical information contained in this Prospectus has been rounded to the nearest whole number. If the numbers in the table are collected, there may be a slight difference in the numbers mentioned in the tables compared to those mentioned in this leaflet.

Sector and Market Information

Saudi Arabia ranked seventh in the world in retail trade. The retail sector is the second largest contributor to non-oil GDP and is the most buoyant sector in this period, with high demand from the local consumer for many food and consumer goods. The market is expected to grow annually by 3.90% at a compound annual growth rate during the period from (2022G-2027G), which leads workers to reschedule their losses after being affected in local markets in the previous recession. The size of the retail market in KSA is expected to increase to 596 billion Saudi riyals (\$159 billion) by 2024G. The Kingdom also aims to increase the share of electronic payments to 70% of total payments by 2025G, free from traditional systems and rely on cash, which supports the expansion plans of companies operating in the retail sector and attracting new investments, which contributes to the Kingdom's continued control of the largest market share of retail sales. Thus, the retail sector has helped open new horizons for employment, as the number of employees exceeds two million workers. With the increase in the size of the sector, it is expected to generate new job opportunities and triple the size of its revenues in the coming years, as Saudi Arabia is undergoing a qualitative leap in various sectors and is developing in many disciplines that are in line with the Kingdom's vision.

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<https://aawsat.com>

<https://sp.spa.gov.sa>

<https://oceanx.sa>

Forecasts and Forward-Looking Statements

Forecasts included in this Prospectus have been prepared on the basis of specific and stated assumptions mentioned in the relevant places. Operating conditions may differ from the assumptions used and therefore there is no warranty or undertaking as to the accuracy or completeness of any such forecast. The Company confirms that the statements in this Prospectus were made with the necessary due diligence.

Some of the statements in this Prospectus represent statements about future aspirations. These future statements are generally inferred by the manner in which certain words are used such as 'intend/ plan', 'estimate', 'believe', 'expect', 'possible', 'will', 'intend', 'should', 'expected', 'may', 'believe' or negative expressions of these and other similar or opposite terms. These statements of aspirations reflect the Company's current view and management regarding future events, but are not a guarantee of future performance. There are many factors that may lead to actual results, performance or achievements of the company, significantly different from any future results, performance or achievements that can be expressed explicitly or implicitly in the statements of those aspirations. The most significant risks or factors that could lead to such an impact have been reviewed in more detail in other sections of this Prospectus (see section (2) "Risk Factors"). If one or more of these risks or uncertainties materializes, or if any of the assumptions relied upon prove to be incorrect or inaccurate, the actual results may differ materially from those stated in this Prospectus in terms of expectations, beliefs, estimates or plans.

Subject to the requirements of the Securities Offering Rules and Continuing Obligations, the Company shall submit a supplementary prospectus to the authority if the Company becomes aware at any time after the date of publication of this prospectus and before the offering is completed of any of the following:

1. There is a significant change in material matters contained in the prospectus or.
2. the appearance of any significant matters that shall have been included in the prospectus.

With the exception of these two cases, the Company does not intend to update or amend any information contained herein, whether as a result of additional new information, future incidents or otherwise related to the Company, the sector or risk factors. As a result of these and other risks and assumptions, the events and circumstances of the outlook set out in this Prospectus may not occur as the Company expects, or may not occur at all. Therefore, potential investors shall study all forward-looking statements in the light of these interpretations, with no undue reliance on forward-looking statements.

Company Directory

Directors and Secretary:

Name ¹	Position	Nationality	Age	Title	Shares held				Membership Date
					Live	Indirect	Total	%	
Waleed Abdulaziz Al-Shuwaieer ^{**}	Chairman	Saudi	49	Independent	-	-	-	-	14-05-2023G
Khaled Asaad Khashoggi ^{**}	Vice Chairman	Saudi	48	Independent	-	-	-	-	14-05-2023G
Malfi Manahi Al Marzouqi	Managing Director	Saudi	54	Executive	-	-	-	-	14-05-2023G
Abdul Karim bin Mohammed Al-Nuhair	Member of the Board of Directors	Saudi	50	Independent	5000	-	5000	0.050%	29-05-2023G
Aziz bin Mohammed Al-Qahtani	Member of the Board of Directors	Saudi	53	Independent	-	-	-	-	14-05-2023G
Haitham bin Faisal Askobi	Member of the Board of Directors	Saudi	56	Independent	1	-	1	0.00001%	14-05-2023G
Yasser bin Suleiman Al-Aqeel	Member of the Board of Directors	Saudi	36	Independent	10	-	10	0.0001%	14-05-2023G
Abdelazim Motamed Abdelazim	Secretary of the Board	Egyptian	38	Executive	-	-	-	-	14-05-2023G

Source: The Company Management

¹ On 18/10/1444H (corresponding to 08/05/2023G), the Ordinary General Assembly approved the election of the above-mentioned members of the Board of Directors for the current session, which began on 14/05/2023G and ends on 13/05/2026G.

^{**} On 24/10/1444H (corresponding to 14/05/2023G), the Board of Directors of the Company decided to appoint the Chairman of the Board of Directors, the Deputy Chairman of the Board of Directors and the Managing Director and to appoint the Secretary of the Board mentioned above for the current session, which began on 14/05/2023G and ends on 13/05/2026G.

^{***} On 09/11/1444H (corresponding to 29/05/2023G), the company announced the acceptance of the resignation of the member of the Board of Directors, Mr. Mohamed Abdel Wahab Al-Sakit, by passing, provided that it is effective from 28/05/2023G, and the company announced the appointment of Mr. Abdul Karim bin Mohammed Al-Nuhair as his replacement, provided that the beginning of membership is on 29/05/2023G until the end of the current session of the Board.



Company Address

Thimar Development Holding Company

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Website: www.thimarfreash.com



Company's First Authorized Representative

Malfi bin Manahi Al-Marzouqi
CEO – Member of the Board of Directors
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Company's Second Authorized Representative

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Advisors

Financial Advisor and Underwriter

Al Wasatah Al Maliah ("Wasatah Capital")

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wasatah capital
وساطة كابيتال



Lead Manager

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Legal Advisor

Al-Harith Abdullah Al-Omair and Othman Abdul Rajman Al-Arfaj Lawyers and Legal Consultants.

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The Company's chartered accountant for the financial years ended 2020G, 2021G and 2022G and the preliminary audited financial statements for the period ended 31 March 2023G

Osama Abdullah Al-Khereiji & Partners Co. (Chartered Accountants and Business Consultants)

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Note: The above Advisors and auditors have provided their written consent to the publication of their names, addresses and logos in the Prospectus, and none of them has withdrawn their consent to the date of publishing this Prospectus. None of the Advisors, auditors, their employees or any of their relatives have any shareholding or interest of any kind in the Company as of the date of this Prospectus

Summary of the offer

Investors wishing to subscribe to shares in this offering shall read the entire offering prospectus before making their investment decision related to subscribing to rights shares. This summary is not sufficient to make an investment decision. We will provide an accurate summary of this offer:

<p>The name of the issuer, its description, and information about its establishment</p>	<p>Thimar Development Holding Co (hereinafter referred to as “Thimar” or “the Company”). This company is a Saudi public joint stock company established pursuant to Ministerial Resolution No. (364) issued on 18/04/1408H (corresponding to 08/01/1988G) in accordance with the establishment license. The company is listed with the Ministry of Commerce under Commercial Registry No. (1010068222) issued in Riyadh city, on 17/05/1408H (corresponding to 07/01/1988G).</p> <p>The company has a main headquarters located in Riyadh city - Olaya district in the Kingdom of Saudi Arabia - P.O. Box: 88618, postal code 11672, dated 23/03/1443H (corresponding to 29/10/2021G). The company's commercial name was changed from (National Agricultural Marketing Company) to the current commercial name (Thimar Development Holding Co) in accordance with the approval of the Extraordinary General Assembly held on 06/03/1443H (corresponding to 12/10/2021G).</p> <p>The company's current capital is (100,000,000) one hundred million Saudi riyals, divided into (10,000,000) ten million ordinary shares with a nominal value are ten (10) riyals per share. The value of these shares is fully paid (we will refer to one share as (the current share) and in the plural as (the current shares). According to current information on the date of publication of this prospectus, the company has no major shareholders (those who own 5% or more of the company's shares).</p>
<p>Issuer activities</p>	<p>The company carries out its activities under Commercial Registration No. (1010068222) issued on 17/05/1408H (corresponding to 07/01/1988G). The company's activities, according to its commercial registry, include managing affiliated companies with holding companies, investing the funds of affiliated companies with holding companies, owning real estate and movable property necessary for holding companies, providing loans, guarantees, and financing to companies affiliated with holding companies, and owning industrial property rights for companies affiliated with holding companies.</p> <p>The main objectives of the company according to its bylaws are:</p> <ol style="list-style-type: none"> 1. Managing its subsidiaries or participating in the management of other companies in which it owns shares and providing the necessary support them. 2. Investing its money in shares and other securities. 3. Owning the real estate and movables necessary to carry out its activity. 4. Providing loans, guarantees and financing to affiliated companies. 5. Owning industrial property rights, franchise rights, and other moral rights, exploiting them, and leasing them to affiliated companies or to others.
<p>Major shareholders</p>	<p>The company has no major shareholders (those who own 5% or more of the company's shares).</p>
<p>The public</p>	<p>The public means in the Regulations of this Offer of Securities and Continuing Obligations those persons not mentioned below:</p> <ol style="list-style-type: none"> 1. affiliates of the Issuer. 2. Substantial shareholder in the Issuer. 3. directors and senior executives of the issuer; 4. directors and senior executives of affiliates of the issuer; 5. directors and senior executives of substantial shareholders of the issuer; 6. any relative of persons described at (1), (2), (3), (4) or (5) above; 7. any company controlled by any persons described at (1), (2), (3), (4), (5) or (6) above; or
<p>Nature of the offer</p>	<p>Increasing the Company's capital by issuing Rights Issue.</p>
<p>Purpose of the rights issue</p>	<p>The company proposes to issue this type of shares in order to increase its capital through a Rights Issue. It is assumed that this measure will support the company's activities and repay creditors. (If you would like more information (please see Section (6) “About the use of the offering proceeds and future projects”)</p>
<p>The issuer's capital before the offering</p>	<p>(100,000,000) one hundred million Saudi riyals.</p>
<p>Total shares' number of the issuer before the offering</p>	<p>(10,000,000) ten million ordinary shares.</p>
<p>The nominal value of per share.</p>	<p>The nominal value is ten (10) riyals per share.</p>
<p>Total offered shares' number</p>	<p>(15,000,000) fifteen million ordinary shares.</p>

Offer price	Ten (10) Saudi riyals per share.																								
Total offering value	(150,000,000) one hundred and fifty million Saudi riyals.																								
The modified price	The company's share price in the SEE was amended to (14.82) Saudi riyals per share, prior to the trading offer (Tadawul) on the day following the day of the extraordinary general assembly for the capital increase. This amendment was to reduce the share price by (7.22) Saudi riyals per share.																								
Registered Shareholders	Registered shareholders are shareholders who own shares at the end of trading on the day of the extraordinary general assembly for capital increase. These shareholders are registered in the company's shareholder register at the Securities Depository Center Co "Edaa" at the end of trading on the second trading day after the extraordinary general meeting for the capital increase.																								
The new investor	New investors are the public of individual and institutional investors - other than registered shareholders -. These investors purchased Rights Issue during the trading period.																								
The targeted investors' Classes	Registered shareholders and new investors.																								
The rights issue	Rights Issue is tradable securities that give their holder the right to subscribe to new shares after approving a capital increase. This type of right is an acquired right for all registered shareholders, and the right may be traded during the trading period. This type of rights each right gives its holder the right to subscribe for one share of new share according to the offer price. Rights Issue will be deposited in the registered shareholders' portfolios after the extraordinary general assembly for capital increase. This type of rights shall appear in the registered shareholders' portfolios under a special new symbol, Rights Issue.																								
Eligibility coefficient	Eligibility coefficient gives each listed shareholder approximately (1.5) rights for everyone (1) share he owns. This coefficient is the result of dividing the number of new shares by the number of current shares of the company.																								
Number of issued rights issues	(15,000,000) fifteen millions of Rights Issues.																								
Number of underwritten shares	(15,000,000) Fifteen million ordinary shares.																								
The value of underwriting offer	(150,000,000) One hundred and fifty million Saudi riyals.																								
The number of issued shares after the capital increase	(25,000,000) Twenty five million ordinary shares.																								
The company's capital after the capital increase	(250,000,000) Two hundred and fifty million Saudi riyals.																								
Percentage of shares offered from the Issued capital	150%																								
Analyze and describe the expected total proceeds to be obtained according to the proposed use	The total proceeds from the subscription for Rights Issue shares are expected to reach (150,000,000) one hundred, fifty million Saudi riyals, and the net proceeds from the offering are also expected to reach approximately (131,527,000) one hundred, thirty-one million, five hundred, and twenty-seven thousand Saudi riyals, after deducting the offering costs, Approximately (18,473,000) Eighteen million four hundred and seventy-three thousand Saudi riyals. The company intends to use the net proceeds from the offering to support the company's activities and repay creditors.																								
	<table border="1"> <thead> <tr> <th>Item</th> <th>The value of the proposed usage in Saudi Riyals</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>In repaying part of the debts according to the financial reorganization proposal</td> <td>58,519,517</td> <td>39%</td> </tr> <tr> <td>Real Estate Investment</td> <td>47,000,000</td> <td>31%</td> </tr> <tr> <td>Working capital funding</td> <td>10,320,925</td> <td>7%</td> </tr> <tr> <td>Repayment of dues under court rulings</td> <td>2,437,322</td> <td>2%</td> </tr> <tr> <td>Repayment of other due expenses</td> <td>13,249,236</td> <td>9%</td> </tr> <tr> <td>Offering costs</td> <td>18,473,000</td> <td>12%</td> </tr> <tr> <td>Total offering proceeds</td> <td>150,000,000</td> <td>100%</td> </tr> </tbody> </table>	Item	The value of the proposed usage in Saudi Riyals	Percentage	In repaying part of the debts according to the financial reorganization proposal	58,519,517	39%	Real Estate Investment	47,000,000	31%	Working capital funding	10,320,925	7%	Repayment of dues under court rulings	2,437,322	2%	Repayment of other due expenses	13,249,236	9%	Offering costs	18,473,000	12%	Total offering proceeds	150,000,000	100%
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If you would like more information (please see Section (6) "About the use of the offering proceeds and future projects".																									

Offering costs	It is expected that the offering costs shall reach approximately (18,473,000) eighteen million four hundred and seventy-three thousand Saudi riyals. These costs include the fees of the financial advisor, lead manager, underwriter, legal advisor, chartered accountant, marketing expenses, printing costs, distribution and other expenses related to the subscription. We confirm that this amount is an estimate. (If you would like more information please see Section (6) "About the use of the offering proceeds and future projects").
Net offering proceeds	The Net offering proceeds are expected to reach approximately (131,527,000) one hundred, thirty-one million five hundred and twenty-seven thousand Saudi riyals. If you would like more information (please see Section (6) "About the use of the offering proceeds and future projects").
The total obtained proceeds in of the last Rights Issue process, along with their analysis, description, and clarification of their use	The company has increased its capital by (86,587,000) eighty-six million five hundred and eighty-seven thousand Saudi riyals. This increase was from (13,413,000) thirteen million four hundred and thirteen thousand Saudi riyals to (100,000,000) one hundred million Saudi riyals. This means that the number of company shares has increased from (268,260) two hundred and sixty-eight thousand two hundred and sixty ordinary shares, to (2,000,000) two million ordinary shares with a nominal value of (50) fifty Saudi riyals. This increase was through the issuance of Rights Issue shares after approval by the Extraordinary General Assembly held on 17/04/1421H (corresponding to 19/07/2000G). The company was unable to make actual or planned use of the previously obtained proceeds, due to the lack of supporting documents. This increase occurred a long time ago during the year 2000G.
Due date	Shareholders who own shares have the right to own shares at the end of trading on the day of the extraordinary general assembly related to the capital increase, and those listed in the company's shareholder registry at the end of trading on the second trading day after the extraordinary general assembly related to the capital increase is held, on 23/03/1445H (corresponding to 08/10/2023G).
Offering period	<ul style="list-style-type: none"> - The trading period begins three (3) working days after the approval of the Extraordinary General Assembly on 27/03/1445H (corresponding to 12/10/2023G) and the trading period continues until the end of 04/04/1445H (corresponding to 19/10/2023G). During this period, all Rights Issue holders - whether registered investors or new investors - may undertake Rights Issue trading. - The subscription period begins three (3) working days after the approval of the Extraordinary General Assembly, on 27/03/1445H (corresponding to 12/10/2023G) and this period continues until the end of 09/04/1445H (to 24/10/2023G). During this period, all Rights Issue holders - whether registered investors or new investors - may exercise their right to subscribe to the new shares.
Rump shares	Remaining shares are shares that have not been subscribed during the subscription period.
Rump offering	If there are shares that have not been subscribed to after the end of the subscription period (the remaining shares), these shares will be offered to a number of institutional investors (investment institutions). These institutions will submit their proposals to purchase the remaining shares. These proposals shall be received starting from 10th AM on Sunday 14/04/1445H (corresponding to 29/10/2023G) and until 5th PM on the following day Monday 15/04/1445H (corresponding to 30/10/2023G) (The remaining offer period). The remaining shares will be allocated to the investment institutions with the highest offers, then the lowest and lowest (this is on the condition that it is not less than the offer price). This is on the condition that shares are allocated proportionately to institutional investors who make the same offer. As for fractional shares, they will be added to the remaining shares and treated similarly.
Payment of compensation amounts (if any)	Cash compensation amounts shall be paid to eligible persons who have not fully or partially exercised their right to subscribe to the new shares. The subscription shall also be made to those entitled to fractional shares without any deductions, no later than 02/05/1445H (corresponding to 16/11/2023G). Note that the cash compensation amounts are representing the amount that exceeds the offer price from the net proceeds from the sale of the remaining shares and fractional shares.
Listing and trading Rights	<p>The Rights Issue shall be listed on Tadawul and traded during the Rights Issue trading period (Tadawul period). Rights Issue has an independent symbol of the company's current share. The symbol shall be on the Tadawul trading screen.</p> <p>Listed shareholders have several options during the trading period. These options include selling the rights or part of them in the marketplace, purchasing additional rights through the marketplace, or taking no action toward the Rights Issue, whether by selling them or purchasing additional rights. New investors shall have the right during the trading period to purchase rights through the market, sell those rights or part of them, or not to take any action regarding these rights that were purchased during the trading period.</p> <p>The Tadawul system shall cancel the company's Rights Issue symbol on the Tadawul screen after the end of the Rights Issue trading period. This shall result in the Rights Issue ceasing to trade at the end of that period.</p>
The subscription method	The subscription method consists of submitting subscription requests electronically through the websites and electronic platforms of brokers that provide these services to those wishing to subscribe, or through any other means provided by Brokers.

Practice of the subscription in Rights	<p>Persons eligible for the practice of the subscription shall have the right to the rights Issue shares by subscribing electronically through the websites and electronic platforms of Brokers that provide these services to those wishing to subscribe, or through any other means provided by brokers. Likewise, persons eligible to subscribe have the right to exercise rights issue as follows:</p> <ul style="list-style-type: none"> - Listed shareholders during the subscription period have the right to exercise the granted to them on the due date and any additional rights they purchased during the subscription trading period in new shares. They also have the right not to take any action regarding their rights. - New investors during the subscription period have the right to exercise the rights they purchased during the subscription trading period in new shares. They also have the right not to take any action regarding their rights. <p>If listed shareholders or new investors do not exercise their subscription right to new Shares during the subscription period, the associated shares with those rights shall be offered during the Rump offering period.</p>
The Value of indicative right	The Value of indicative right is the difference between the market value of the company's shares during the trading period and the offering price.
Right trading price	Right trading price is the real price of the share. It is the price at which the share is traded, knowing that it is determined through the supply and demand mechanism, and therefore it may differ from the value of the indicative right.
Allocation date	The shares shall be allotted no later than 17/04/1445H (corresponding to 01/11/2023G).
Allocation and Refunds	<p>Shares shall be allocated to each investor according to the number of rights he has validly and completely exercised. Fractional shares shall be collected and added to the remaining shares, then offered to institutional investors during the remaining offering period.</p> <p>The company shall receive the total of collected offering price from the sale of the remaining shares. While the rest of the remaining proceeds from the offer shall be distributed without taking into account any fees or deductions (i.e., what exceeds the offering price) to those entitled to who have not subscribed, wholly or partially, to the new shares and to those entitled to fractional shares. We shall take note that investors who have not subscribed or sold their rights, or who hold fractional shares may not receive any consideration if the sale is made during the remaining offering period at the offering price; For more information, please read Section (12) about "Subscription Terms, Conditions, and Instructions" Subscription surplus (if any) shall be refunded to subscribers without any commissions or deductions from the lead manager.</p>
Date of refunding of extra subscriptions	Extra subscription (if any) shall be refunded without any commissions or deductions from the lead manager no later than 02/05/1445H (corresponding to 16/11/2023G).
Trading the new shares	The start date of trading in the new shares shall be announced on the Tadawul website. This occurs after completing all necessary procedures, provided that the time period between the end of the subscription in the Rights Issue and the deposit of shares in the shareholders' portfolios is 9 working days.
Voting rights	All company shares are of one class, meaning that any share does not give its holder any preferential rights. The new shares shall be fully paid up and equal to the existing shares. Each share entitles its holder to one vote, accordingly each shareholder of the company has the right to attend and vote at the general assembly meeting of shareholders (either ordinary or extraordinary).
Restrictions on shares	There are no restrictions imposed on trading in the company's shares, except for the legal restrictions imposed on publicly listed shares.
Restrictions on the circulation of rights	There are no restrictions imposed on the circulation of rights.
Restrictions on new shares due to capital increase	There are no restrictions imposed on shareholders in general and established shareholders after the subscription process resulting from the capital increase.

<p>Shares that have previously been listed by the issuer</p>	<p>The Company was established as a Saudi public shareholding company by virtue of Ministerial Resolution No. (364) issued on 18/04/1408 H (corresponding to 08/01/1988G) authorizing its establishment. The trading of the Company's shares began on 29/03/1416H (corresponding to 26/08/1995G) with a capital of twenty-six million eight hundred and twenty-six thousand (26,826,000) Saudi riyals divided into two hundred and sixty-eight thousand and two hundred and sixty (268,260) ordinary shares with a nominal value of one hundred (100) riyals per share. In 1998, the Extraordinary General Assembly approved the division of the Company's shares from two hundred and sixty-eight thousand and two hundred and sixty (268,260) ordinary shares with a nominal value of one hundred (100) to five hundred and thirty-six thousand five hundred and twenty (536,520) ordinary shares with a nominal value of fifty (50) Saudi riyals. On 17/04/1421H (corresponding to 19/07/2000G), the Company reduced its capital from twenty-six million eight hundred and twenty-six thousand (26,826,000) Saudi riyals to thirteen million four hundred and thirteen thousand (13,413,000) Saudi riyals, thus reducing the number of shares of the Company from five hundred and thirty-six thousand five hundred and twenty (536,520) ordinary shares to two hundred and sixty-eight thousand two hundred and sixty (268,260) ordinary shares with a nominal value of fifty (50) Saudi riyals. On 17/04/1421H (corresponding to 19/07/2000G), the Company increased its capital from thirteen million four hundred and thirteen thousand (13,413,000) Saudi riyals to one hundred million (100,000,000) Saudi riyals, thus increasing the number of shares of the Company from two hundred and sixty-eight thousand two hundred and sixty (268,260) ordinary shares to two million (2,000,000) ordinary shares with a nominal value of fifty (50) Saudi riyals, by issuing rights shares. Following the issuance of the Capital Market Authority Resolution No. (4-154-2006) dated 27/02/1427H (corresponding to 27/03/2006G), which decided to divide the shares of joint stock companies in four stages and based on the decision of the Council of Ministers that the nominal value of the shares of joint stock companies shall be ten (10) Saudi riyals per share, the Company's shares were divided from two million (2,000,000) ordinary shares to ten million (10,000,000) ordinary shares with a nominal value of (10) Saudi riyals per share. The company's current capital is one hundred million (100,000,000) Saudi riyals, divided into ten million (10,000,000) ordinary shares with a nominal value of ten (10) riyals per share paid in full</p>
<p>Risk factors</p>	<p>Investing in Rights Issue shares involves certain risks. These risks can be divided into several types: (1) Risks related to the Issuer, (2) Risks related to the market and the sector in which the Issuer operates, or The issuer's work environment (3) Risks related to the securities offered. These risks are described in detail in Section (2) "Risk Factors" of this prospectus. Interested parties shall carefully consider these risks before making any investment decision in the rights or new shares.</p>
<p>Terms of subscription for Rights Issue shares</p>	<p>A Person's eligible and wishing to subscribe to the New Shares shall complete the relevant Subscription Terms. If you would like to view the subscription terms, conditions, and instructions, please read Section (12) "Subscription Terms, Conditions, and Instructions" of this prospectus.</p>

<p>Fundamental amendments made to the information disclosed in the latest prospectus</p>	<ul style="list-style-type: none"> - The company issued Rights Issue shares on 17/04/1421H (corresponding to 19/07/2000G). We will present below the fundamental amendments that have been made to the company since that date: - In the beginning, the Capital Market Authority (CMA) issued Resolution No. (4-154-2006) dated 27/02/1427H (corresponding to 27/03/2006G). This decision ruled to split the shares of joint stock companies in four stages. This decision is based on the decision of the Council of Ministers, which ruled that the nominal value of the shares of joint stock companies is ten (10) Saudi riyals per share. Accordingly, the company's shares were divided from (2,000,000) two million ordinary shares to (10,000,000) ten million ordinary shares with a nominal value of (10) Saudi riyals per share. - During the extraordinary general assembly meeting on 10/12/2021G, it was approved to change the company's name to become Thimar Development Holding Co. The company's name was also changed from the National Agricultural Marketing Company to Thimar Development Holding Co. on 29/10/2021G. This is in addition to amending the company's main activity to include the following activities: managing its affiliated companies or participating in the management of other companies in which it owns shares, while supporting them as necessary; Investing money in stocks and other securities, owning real estate and movables necessary to carry out the company's activities, providing loans, guarantees, financing its affiliated companies, owning industrial property rights, franchise rights, other Intellectual property rights, exploiting all rights and leasing them to its affiliated companies, or to others). - Financial reorganization procedures: These procedures were carried out in accordance with the ruling issued on Wednesday 25/08/1442H (corresponding to 07/04/2021G) in Case No. 197 of 1442H. This judgement orders the conduct of the financial reorganization of Thimar Development Holding Co. and the appointment of Hani bin Saleh Al-Aqili as Secretary of the financial reorganization of the company. The company was given a period of 150 days to prepare a proposal for financial regulatory procedures from this date. The grace period has been extended according to the company's request for another 100 days, starting from 25/01/1443H, (corresponding to 05/10/2021G). The court agreed to extend the grace period by 60 days, starting from 06/05/1443H, (corresponding to 10/12/2021G). The company submitted the proposal (financial reorganization plan) to the court through the financial reorganization secretary, and the proposal was accepted for deposit by the court. Dates were also approved for the owners and creditors to vote on the proposal. Shareholders approved the proposal by 99.57% of attendees, and creditors also approved the proposal by 99.73% of attendees. The court, in turn, approved the proposal. - The Commercial Court approved the proposal to reschedule the payment of creditors on 20/11/2022G. - The Commercial Court in Riyadh approved and ratified the amendment to the financial reorganization proposal of Thimar Development Holding Co. on 08/03/2023G. <p>If you want more information, please read subparagraph (9.13) about the Fundamental information that has changed since the company was established and the company's shares were listed on Tadawul) of Section (9 Legal Information).</p>
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Note: Interested parties shall carefully consider the "Important Notice" section on Page i and Section 2 (Risk Factors) of this prospectus before making any investment decision in relation to the New Rights or Shares.

Key Dates and Subscription Procedures

Schedule	Date
The Extraordinary General Assembly shall be held with the aim of approving the capital increase and determining the due date and the eligible shareholders. This is taking into account that the eligible shareholders are the shareholders who own the shares at the end of trading on the day of the extraordinary general assembly for the capital increase. Eligible shareholders are also those listed in the register of shareholders of the Company with the Securities Depository Center Co., Edaa at the end of the trading day following the day of the Extraordinary General Assembly.	On 23/03/1445H (corresponding to 08/10/2023G).
Trading period*	The trading period shall begin after three (3) business days from the approval date of the extraordinary general assembly, which aims to approve the capital increase, on the date On 27/03/1445H (corresponding to 12/10/2023G). This period continues until the end of On 04/04/1445H (corresponding to 19/10/2023G). All shareholders holding Rights Issue shares have the right - whether listed investors or new investors - to trade Rights Issue.
Subscription period	The trading period shall begin after three (3) business days from the approval date of the extraordinary general assembly, which aims to approve the capital increase, on the date On 27/03/1445H (corresponding to 12/10/2023G). This period continues until the end of On 09/04/1445H (corresponding to 24/10/2023G). All shareholders holding Rights Issue shares have the right - whether listed investors or new investors - to exercise their right to subscribe to the new shares.
Subscription period expiry date	The subscription period ends and the receipt of subscription applications also ends at the end On 09/04/1445H (corresponding to 24/10/2023G).
Rump offering period	This period begins at 10:00AH on Sunday 14/04/1445H (corresponding to 29/10/2023G), and continues until 5:00PM on Monday 15/04/1445H (corresponding to 30/10/2023G).
Notice of final allocation**	On 17/04/1445H (corresponding to 01/11/2023G).
This period is dedicated to paying compensation amounts (if any) to eligible persons who did not participate in the subscription in whole or in part and those entitled to fractional shares.	On 02/05/1445H (corresponding to 16/11/2023G).
The expected date to start of trading in the new shares.	This date shall begin after all necessary procedures have been completed. The start date of trading in the new shares shall be announced on the Tadawul website. The time period between the end of the Rights Issue subscription and the deposit of shares into shareholders' portfolios shall be at least 9 business days.

Important note: All the mentioned dates in the above table are approximate. The actual dates shall be announced on the Tadawul website: www.saudiexchange.com.sa

* The Rights Issue trading period begins after three (3) business days starting from the date of the Company's Extraordinary General Assembly approval of the capital increase.

** The Period between the end of the Rights Issue subscription and the deposit of shares into shareholders' portfolios will be nine (9) business days.

Important advertisement dates

Announcement	The advertiser	The date of Advertisement
Calling for an extraordinary general meeting related to the capital increase.	Company	on Sunday 02/03/1445H (corresponding to 17/09/2023G)
The result of an extraordinary general meeting related to the capital increase.	Company	on Monday 24/03/1445H (corresponding to 09/10/2023G)
Amending of the company's share price, deposit rights, and the value of the indicative right	Tadawul	on Monday 24/03/1445H (corresponding to 09/10/2023G)
Determine the rights trading period and subscription period	Company	on Tuesday 25/03/1445H (corresponding to 10/10/2023G)
Addition of Rights Issue to Thimar Development Holding Co.	Edaa	on Wednesday 26/03/1445H (corresponding to 11/10/2023G)
Beginning of the trading rights period and subscription period	Tadawul	on Thursday 27/03/1445H (corresponding to 12/10/2023G)
Reminder of the start of trading rights period and the subscription period	Company	on Thursday 27/03/1445H (corresponding to 12/10/2023G)
Reminder of the last day of Rights Issue trading	Company	on Wednesday 03/04/1445H (corresponding to 18/10/2023G)
Advertising:		
- Subscription results		
- Details of the sale of un-subscribed shares (if any) and the start of the Rump offering period.	Company	on Wednesday 10/04/1445H (corresponding to 25/10/2023G)
The results of the Rump offering and notification of the final allocation.	Company	on Wednesday 17/04/1445H (corresponding to 01/11/2023G)
Depositing new shares into investors' portfolios	Edaa	on Sunday 21/04/1445H (corresponding to 05/11/2023G)
Distribution of compensation amounts (if any)	Company	on Thursday 02/05/1445H (corresponding to 16/11/2023G)

Important note: All the mentioned dates in the above table are approximate. The actual dates shall be announced on the Tadawul website: www.saudiexchange.com.sa

In addition, the new shares depositing date in investors' portfolios shall be determined in coordination with the Securities Depository Center Co., Edaa, to determine the date of deposit of the shares.

* The Period between the end of the Rights Issue subscription and the deposit of shares into shareholders' portfolios will be nine (9) business days

We shall emphasize that if an advertisement related to the offering is published in a local newspaper after its publication in prospectus, this advertisement shall include the following:

1. Issuer's name and commercial registration number.
2. Securities' data, which are their value, type, and class, in accordance with the data of the securities registration and offering application.
3. Addresses and places where the public can obtain the prospectus.
4. Prospectus publication date.
5. A statement that the advertisement is for information only and is not a form of an invitation or offer to own, purchase or subscribe to securities.
6. Name of Lead Manager, Underwriter (if any), Financial Advisor and Legal Advisor.
7. A disclaimer in the following form: "The Capital Market Authority (CMA) and the Saudi Tadawul Group (Tadawul) do not bear any responsibility for the contents of this advertisement. These bodies make no representations regarding the accuracy or completeness of this advertisement. These bodies expressly disclaim any liability whatsoever for any loss arising from this advertisement or from reliance on any part of it."

The method of submitting a subscription request

The subscription process for rights issue shares is limited to eligible persons, whether registered shareholders or new investors. In the event that the Rights Issue of the Eligible Persons is not exercised, all remaining shares for which the Rights Issue has not been subscribed by the Eligible Persons shall be offered to institutional investors through an offer during the remaining offer period. Eligible persons wishing to subscribe to new shares shall submit subscription applications through the means and services provided by the broker to investors. This is provided that the eligible person owns an investment account with one of the brokers who provide these services. Submitting subscription requests is done through Investment Portfolio on the Tadawul platforms through which buy and sell orders are entered. Investors, custodians and brokers may offer subscription through any means. The Company reserves the right to reject any request for a subscription to new shares, in whole or in part, in the event that any of the terms or requirements of the subscription are not met. Subscription orders cannot be modified or canceled after delivery. The subscription request, when submitted, is a binding contract between the company and the eligible shareholder.

Rights Shares Q & A

What are rights shares?

They are negotiable securities that give the holder the right to subscribe to the new shares offered upon the approval of the capital increase, which is an acquired right of all shareholders who own the shares on the day of the extraordinary general meeting on the capital increase and who are registered in the register of shareholders of the Company at the Depository Center by the end of the second trading day following the date of the extraordinary general meeting. Noting that each right gives the holder the right to subscribe to one share at the offering price.

To whom do you grant rights shares?

For all shareholders registered in the Company's shareholders register by the end of the second trading day following the date of the extraordinary general meeting.

When are these rights deposited?

After the extraordinary general meeting and its approval to increase the capital through the offering of rights shares, rights shall be deposited as securities in the shareholders' portfolios in the company's shareholders' register at the Depository Center at the end of the second trading day after the extraordinary general meeting, and the shares will appear in their portfolios under a new symbol for rights. Trading or subscribing to these rights will not be allowed except at the beginning of the trading and subscription periods.

How is the investor notified of the rights shares to deposit the rights in the portfolio?

The notification is made by advertising on Tadawul website as well as by the service (Tadawulaty) provided by the Securities Depository Center Company and SMS messages sent by brokerage companies.

How many rights will the restricted shareholder receive?

The number depends on the percentage of what each shareholder owns in the capital according to the Company's shareholders' register at the Depository Center at the end of the second trading day after the extraordinary general meeting.

What is the eligibility coefficient?

It is the coefficient that enables the registered shareholders to know the number of rights due to them in exchange for the shares they own at the end of the second trading day after the extraordinary general meeting. This coefficient is calculated by dividing the number of new shares by the number of existing shares of the company. Accordingly, the eligibility coefficient is approximately (1.5) rights per one (1) share owned by the registered shareholder at the date of eligibility. Therefore, if a registered shareholder owns one thousand (1,000) shares at the date of eligibility, he will be allocated (1,500) rights in exchange for the shares he owns.

Will the trading name and symbol of these rights differ from the name and symbol of the Company's shares?

Yes, the acquired right will be added to the investors' portfolios under the name of the original share, and by adding the word rights, in addition to a new code for these rights.

What is the value of the right at the beginning of its trading?

The opening price of the right will be the difference between the closing price of the Company's share on the day before listing of the right and the offering price (the indicative right value). For example, if the closing price of the Company's stock on the previous day was fifteen (15) Saudi riyals, and the offering price was ten (10) Saudi riyals, the opening price of the right would be five (5) Saudi riyals.

Who is the Restricted Shareholder?

Any shareholder who appears in the Company's shareholders' register at the end of the second trading day after the extraordinary general meeting.

Can restricted shareholders subscribe for additional shares?

Yes, restricted shareholders can subscribe for additional shares by purchasing new rights via the market in the trading period.

Is it possible for a shareholder to lose his right to subscribe even if he has the right to attend an extraordinary general meeting and vote on a capital increase by offering rights shares?

Yes, the shareholder loses his right to subscribe if he sells his shares on the day of the extraordinary general meeting or before it on a working day.

How does the subscription process work?

Subscription applications are submitted through the investment portfolio in the trading platforms through which buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the broker to investors and the custodian of shares.

Is it possible to subscribe more than once and through more than one broker?

Yes, it is possible, but it shall be taken into account that the number of shares subscribed to does not exceed the number of rights owned at the end of the rights trading period, as any increase in the number of shares subscribed to over the number of rights owned at the end of the rights trading period will result in the cancellation of the subscription application.

Can the entitled person subscribe for more shares than the rights owned by him?

The entitled person cannot subscribe for more shares than the rights owned by him.

If the Company's shares are held through more than one investment portfolio, in which portfolio are the rights deposited?

Rights will be deposited in the same portfolio in which the shares of the Company linked to the rights are deposited. For example, if a shareholder owns one thousand (1,000) shares in the Company as follows: eight hundred (800) shares in portfolio (A) and two hundred (200) shares in portfolio (B), the total rights to be deposited one thousand five hundred (1500) rights on the basis that each share has approximately (1.5) rights. Accordingly, one thousand two hundred (1,200) rights will be deposited in portfolio (A) and three hundred (300) rights in portfolio (B).

Do holders of share certificates have the right to subscribe and trade?

Yes, holders of share certificates are entitled to subscribe, but they will be able to trade only after depositing the certificates in electronic portfolios through the receiving entities or the Securities Depository Center Company (the "Depository Center"), and bringing the necessary documents.

Does the person who bought additional rights have the right to trade them again?

Yes, he is entitled to sell them and buy other rights during the trading period only.

Is it possible to sell part of the rights?

Yes, the investor can sell part of these rights and subscribe to the remaining part.

When can a shareholder subscribe to the rights purchased during the rights trading period?

After the settlement of the purchase of rights ends (which is two working days), provided that the rights are subscribed to during the subscription period.

Can the holder of the rights sell or waive the right after the expiry of the trading period?

No, it can't be. After the expiry of the trading period, the owner of the right only has the right to exercise the right to subscribe for the shares of the rights or not. In the event that the right is not exercised, the investor may be subject to loss or decrease in the value of his investment portfolio.

What happens to rights that are not sold or exercised during the trading period and underwriting phase?

In the event that all the new shares are not subscribed during the subscription period, the remaining new shares shall be offered for subscription organized by the subscription manager, and the value of the compensation (if any) shall be calculated for the rights holder after deducting the subscription price. Note that the investor may not receive any consideration if the sale is made in the remaining offering period at the offering price.

Who has the right to attend the Extraordinary General Assembly and vote to increase the Company's capital by offering rights shares?

The shareholder registered in the register of shareholders of the Company at the Depository Center after the end of the trading day of the Extraordinary General Meeting shall have the right to attend the Extraordinary General Meeting and vote on the increase of the capital of the Company by offering rights issue shares.

When is the share price adjusted as a result of an increase in the company's capital by offering priority equity shares?

The share price shall be adjusted by the market before the start of trading on the day following the day of the extraordinary general meeting.

If an investor buys securities on the day of the meeting, is he entitled to the rights resulting from the increase in the capital of the issuer?

Yes, as the investor will be registered in the register of shareholders of the Company after two working days from the date of purchase of shares (that is, at the end of trading on the second trading day following the day of the extraordinary general meeting), knowing that rights will be granted to all shareholders registered in the register of shareholders of the Company at the end of trading on the second trading day following the date of the extraordinary general meeting. However, he shall not be entitled to attend or vote at the Extraordinary General Meeting of the Capital Increase.

If the investor has more than one portfolio with more than one brokerage firm, how will the rights be calculated for him?

The investor's share will be distributed to the portfolios owned by the investor, according to the percentage of ownership in each portfolio, and in the event of fractions, those fractions will be collected, and if you complete one or more correct numbers, the correct number will be added to the portfolio in which the investor owns the largest amount of rights.

What are the trading and subscription periods?

Trading and subscription of rights begin at the same time after (3) three working days from the approval of the Extraordinary General Assembly, which includes approval of the capital increase until the end of trading on the sixth day, while the subscription continues until the ninth day, as mentioned in this Prospectus and the company's announcements.

Can I subscribe over the weekend?

No, it can't be.

Can the general public of registered non-shareholder investors subscribe to rights shares?

Yes, after completing the purchase of rights during the trading period.

Additional Help:

In case of any queries, please contact the Company at: boardsecretary@thimar.com.sa For legal reasons, the Company will only be able to provide the information contained herein and will not be able to advise on the merits of the rights issue or even provide financial, tax, legal or investment Advice. For more information on the terms and conditions of subscription, please refer to Section (12) “**Terms, Conditions and Instructions for Subscription**” and the rest of the information contained herein.

Summary of Background Information

This summary provides a brief overview of the background information contained in this Prospectus. Since it is a summary, it does not contain all the information that may be of interest to shareholders and other general institutional and individual investors. Recipients of this prospectus are required to read it in full before making an investment decision regarding new rights or shares.

Description of Exporter

Thimar Development Holding Company (hereinafter referred to as “Thimar” or “the Company”) is a Saudi public joint stock company established by virtue of Ministerial Resolution No. (364) issued on 18/04/1408H (corresponding to 08/01/1988G) with a license of incorporation. It was registered with the Ministry of Commerce under Commercial Registration No. (1010068222) issued in Riyadh and dated 17/05/1408H (corresponding to 07/01/1988G). The headquarters is located in Riyadh - Olaya District in the Kingdom of Saudi Arabia - P.O Box: 88618 Postal Code 11672. On 23/03/1443 AH (corresponding to 29/10/2021G), the commercial name of the Company was amended from (National Agricultural Marketing Company) to become the current commercial name (Thimar Development Holding Company) based on the approval of the Extraordinary General Assembly held on 06/03/1443H (corresponding to 12/10/2021G). The Company's current capital is one hundred million (100,000,000) Saudi riyals, divided into ten million (10,000,000) ordinary shares with a nominal value of ten (10) riyals per share, fully paid (referred to by the current shareholder) and a total of the current shares. As at the date of publication of this Prospectus, the Company does not have any major shareholders (holding 5% or more of the Company's shares).

Summary of Issuer Activities

The Company carries out its activities under Commercial Registration No. (1010068222) issued on 17/05/1408H (corresponding to 07/01/1988G). The activities of the company, as in its commercial register, are to manage subsidiaries of holding companies, invest the funds of subsidiaries of holding companies, own real estate and movables necessary for holding companies, provide loans, guarantees and financing to subsidiaries of holding companies, and own the industrial property rights of subsidiaries of holding companies.

The main purposes of the Company according to its articles of association are as follows:

1. Managing its subsidiaries or participating in the management of other companies in which it participates and providing the necessary support to them.
2. Investing its money in stocks and other securities.
3. Owning real estate and movables necessary to carry out its activity.
4. Providing loans, guarantees and financing to its subsidiaries.
5. Ownership, exploitation and lease of industrial property rights, franchise rights and other moral rights to its subsidiaries and others.

Issuer's Capital Structure

The Company was established as a Saudi public shareholding company by virtue of Ministerial Resolution No. (364) issued on 18/04/1408 H (corresponding to 08/01/1988G) authorizing its establishment. The trading of the Company's shares began on 29/03/1416H (corresponding to 26/08/1995G) with a capital of twenty-six million eight hundred and twenty-six thousand (26,826,000) Saudi riyals divided into two hundred and sixty-eight thousand and two hundred and sixty (268,260) ordinary shares with a nominal value of one hundred (100) riyals per share. In 1998, the Extraordinary General Assembly approved the division of the Company's shares from two hundred and sixty-eight thousand and two hundred and sixty (268,260) ordinary shares with a nominal value of one hundred (100) to five hundred and thirty-six thousand five hundred and twenty (536,520) ordinary shares with a nominal value of fifty (50) Saudi riyals. On 17/04/1421H (corresponding to 19/07/2000G), the Company reduced its capital from twenty-six million eight hundred and twenty-six thousand (26,826,000) Saudi riyals to thirteen million four hundred and thirteen thousand (13,413,000) Saudi riyals, thus reducing the number of shares of the Company from five hundred and thirty-six thousand five hundred and twenty (536,520) ordinary shares to two hundred and sixty-eight thousand two hundred and sixty (268,260) ordinary shares with a nominal value of fifty (50) Saudi riyals. On 17/04/1421H (corresponding to 19/07/2000G), the Company increased its capital from thirteen million four hundred and thirteen

thousand (13,413,000) Saudi riyals to one hundred million (100,000,000) Saudi riyals, thus increasing the number of shares of the Company from two hundred and sixty-eight thousand two hundred and sixty (268,260) ordinary shares to two million (2,000,000) ordinary shares with a nominal value of fifty (50) Saudi riyals, by issuing rights shares. Following the issuance of the Capital Market Authority Resolution No. (4-154-2006) dated 27/02/1427H (corresponding to 27/03/2006G), which decided to divide the shares of joint stock companies in four stages and based on the decision of the Council of Ministers that the nominal value of the shares of joint stock companies shall be ten (10) Saudi riyals per share, the Company's shares were divided from two million (2,000,000) ordinary shares to ten million (10,000,000) ordinary shares with a nominal value of (10) Saudi riyals per share. The company's current capital is one hundred million (100,000,000) Saudi riyals, divided into ten million (10,000,000) ordinary shares with a nominal value of ten (10) riyals per share paid in full

Issuer's Vision

Achieving the objectives of the vision in terms of food security and exporting local products.

Issuer's Message

Investing in the outstanding potential to achieve outstanding profits and results for shareholders.

Issuer's General Strategy

- Exploring outstanding investment opportunities in the agricultural and food fields.
- Engaging in successful partnerships that achieve rewarding returns for the Company.
- Supporting opportunities that can be transferred to the financial markets after helping them to achieve the necessary conditions.
- Restoring some of the Company's previously distinguished activities.

Issuer's Competitive Strengths and advantages

- The Company owns assets suitable for agricultural and livestock investment.
- The Company's experience in the field of agriculture and agricultural marketing.
- The Company has relationships with important suppliers and customers in the field of meat supply.
- The Company owns a land in Al-Kharj area suitable for agricultural and livestock production and will be fully exploited to serve the interests of the Company.
- The Company owns a factory that can be used for packaging purposes in the fields of vegetables, fruits and meat.
- The Company owns land on Al-Kharj Road (between Al-Kharj and Riyadh) suitable for livestock and commercial production.

Summary of Financial Information

The following summary of financial information is based on the Company's audited financial statements for the financial years ended 31 December 2020G, 2021G and 2022G and the audited initial financial statements for the period ended 31 March 2023G and the accompanying notes.

Statement of Financial Position

(SAR)	31 December 2020G	31 December 2021G	31 December 2022G	31 March 2022G	March 31, 2023G
Total Current Assets	91,645,131	2,333,530	827,944	4,059,704	544,039
Total non-current assets	27,846,656	11,713,391	43,318,376	43,408,501	43,210,288
Total Assets	119,491,787	14,046,921	44,146,320	47,468,205	43,754,327
Total Current Liabilities	80,318,971	139,409,488	143,226,799	139,160,406	143,630,067
Total Non-current liabilities	2,784,772	856,066	64,025	198,937	53,400
Total Liabilities	83,103,743	140,265,554	143,290,824	139,359,343	143,683,467
Shareholders' Equity	36,388,044	(126,218,633)	(99,144,504)	(91,891,138)	(99,929,140)
Total Shareholders' Equity and Liabilities	119,491,787	14,046,921	44,146,320	47,468,205	43,754,327

Source: The Company's audited financial statements for the financial year ended 31 December 2020G, 31 December 2021G and 31 December 2022G, the audited initial financial statements for the period ended 31 March 2023G.

Income Statement

Income Statement (SAR)	31 December 2020G	31 December 2021G	31 December 2022G	31 March 2022G	March 31, 2023G
Revenue	3,668,062	425,304	-	-	-
Cost of Revenues	(7,224,311)	(410,643)	-	-	-
Total Income	(3,556,249)	14,661	-	-	-
Income/ (loss) from operations	(12,325,999)	(79,416,727)	(7,672,001)	(1,263,039)	(1,179,427)
Net income/ (loss) before Zakat	(11,679,683)	(162,451,394)	(4,705,412)	2,551,461	(784,636)
Net profit / Loss of the year	(11,679,683)	(162,451,394)	(4,705,412)	2,551,461	(784,636)
Total comprehensive income (loss) of the year	(11,679,683)	(162,606,677)	27,074,129	34,327,495	(784,636)

Source: The Company's audited financial statements for the financial year ended 31 December 2020G, 31 December 2021G and 31 December 2022G, the audited initial financial statements for the period ended 31 March 2023G.

Statement of Cash Flows

Cash Flows (SAR)	31 December 2020G	31 December 2021G	31 December 2022G	31 March 2022G	March 31, 2023G
Net cash available from operating activities	1,965,240	(1,841,440)	(608,178)	1,686,249	(259,852)
Net cash used in investing activities	(4,750)	5,160	188,152	(9,717)	49,500
Net cash available from financing activities	-	-	8,924	-	-

Source: The Company's audited financial statements for the financial year ended 31 December 2020G, 31 December 2021G and 31 December 2022G, the audited initial financial statements for the period ended 31 March 2023G.

Key Performance Indicators

Financial Indicators	31 December 2020G	31 December 2021G	31 December 2022G	March 31, 2023G
Gross Profit Margin	(97%)	3%	-	-
Net Profit Margin	(318%)	(38197%)	-	-
Return on Total Assets	(9.8%)	(1157.6%)	(10.7%)	(1.8%)
Return on Total Shareholders' Equity	(32.10%)	(128.71%)	(4.75%)	(0.79%)
Debt /Total Assets Ratio	69.55%	998.55%	324.58%	328.39%
Total assets/total liabilities	x1.44	x0.10	x0.31	x0.30
Trading Ratio (One time)	x1.14	x0.02	x0.01	x0.004

Risk Factors Summary

There are a number of risks related to the issuance of rights shares, which are summarized as follows:

- Risks related to the issuer
- Risks related to the market and sector in which the issuer operates
- Risks related to the securities offered

For more information about the above-mentioned risks, kindly see Section No. (2) "Risk Factors" of this Prospectus.

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1. Definitions and Terminology

The terminology or term	Definition
The “Company”, or “Thimar” or “Issuer”	<p>Thimar Development Holding Co (hereinafter referred to as “Thimar” or “the Company”). This company is a Saudi public joint stock company established pursuant to Ministerial Resolution No. (364) issued on 18/04/1408H (corresponding to 08/01/1988G) in accordance with the establishment license. The company is listed with the Ministry of Commerce under Commercial Registry No. (1010068222) issued in Riyadh city, on 17/05/1408H (corresponding to 07/01/1988G).</p> <p>The company has a main headquarters located in Riyadh city - Olaya district in the Kingdom of Saudi Arabia - P.O. Box: 88618, postal code 11672, dated 23/03/1443H (corresponding to 29/10/2021G). The company's commercial name was changed from (National Agricultural Marketing Company) to the current commercial name (Thimar Development Holding Co) in accordance with the approval of the Extraordinary General Assembly held on 06/03/1443H (corresponding to 12/10/2021G).</p> <p>The company's current capital is (100,000,000) one hundred million Saudi riyals, divided into (10,000,000) ten million ordinary shares with a nominal value are ten (10) riyals per share. The value of these shares is fully paid (we will refer to one share as (the current share) and in the plural as (the current shares). According to current information on the date of publication of this prospectus, the company has no major shareholders (those who own 5% or more of the company's shares).</p>
Consultants or Advisors	The company's advisors whose names are mentioned on page (xiv).
Management	Company management.
Board or Board of Directors	The Company's Board of Directors includes the members whose names appear on page (vi).
Major shareholders	Major shareholders are those who own 5% or more of the company's shares. According to the information at the date of this prospectus, the Company does not have any major shareholders (those who own 5% or more of the Company's shares).
Related parties	<p>Related parties are:</p> <ol style="list-style-type: none"> 1. Affiliated companies. 2. Major shareholders in the company. 3. The Board of Directors' Members and company's senior executives. 4. The Board of Directors' Members and senior executives of the company's affiliates. 5. Members of the Board of Directors and senior executives of the company's major shareholders. 6. Any relatives of the persons referred to in (1, 2, 3, 4, or 5) above. 7. Any company under the control of any referred persons to in (1, 2, 3, 4, 5, or 6) above.
Senior Executives	Senior executives include any natural person who is responsible for carrying out administrative or supervisory tasks, individually or in partnership with others. The company's administrative body or any member of the company's administrative body is the one who assigns these tasks to senior executives. Senior executives work directly under the supervision of: (1) The management staff or a member of administrative body, (2) A member of the management staff or (3) The chief executive officer (CEO).
Administrative body	Administrative body is a group of individuals who make strategic decisions for a company. In joint stock companies, the company's board of directors is its administrative body.
The Company's bylaws	The bylaws of the company.
The Capital Market Authority	Capital Market Authority (CMA) in the Kingdom of Saudi Arabia.

The terminology or term	Definition
The Companies' Law	The Companies Law is the law issued by Royal Decree No. (R/132) dated 01/12//1443H (corresponding to 30/06/30/2022G). This law was issued in accordance with the Council of Ministers' decision approving the new Companies Law on 29/11/1443H (corresponding to 28/06/2022G). This law entered into force on 26/06/1444H (corresponding to 19/01/2023G). This new law was the effective alternative to the old Companies Law issued by Royal Decree No. (R/3) dated 28/01/1437H (corresponding to 10/11/2015G), in addition to the Professional Companies Law issued by Royal Decree No. (R/17) dated 26/01/1441H (corresponding to 25/09/2019G). The new law repeals all provisions in the old law that does not comply with it. All existing companies shall comply with the provisions of the new law from the date it enters into force. All companies shall amend their status in accordance with the provisions of the new law within a period not exceeding (two years) starting from the date the new law enters into force. The new law is fully implemented except for the provisions specified by the Ministry of Commerce and the Capital Market Authority (CMA) on 11/06/1444H (corresponding to 04/01/2023G) - everything related to it - which companies shall adhere to from the date the new law enters into force.
Stock Market	Saudi Exchange (Tadawul).
Securities Depository Center Co., Edaa	It is a closed joint stock company wholly owned by the Saudi Stock Exchange Company (Tadawul) established in 2016g, in accordance with the Saudi Companies Law issued by Royal Decree No. R/3 dated 28/01/1437 AH (corresponding to 11/11/2015 AD).
Founding shareholders	They are the founding shareholders of the company.
General Assembly	The General Assembly means a meeting attended by all shareholders of the company in accordance with the provisions of the Companies Law and the company's bylaws. This assembly may be an ordinary or extraordinary assembly.
The ordinary general assembly	The general assembly of shareholders in the company.
The extraordinary general assembly	Extraordinary general assembly of the company's shareholders.
Gulf Cooperation Council (GCC).	Arab Gulf Cooperation Council.
Domestic product	Gross domestic product (GDP) of Saudi Arabia is the market value of all final goods and services recognized domestically.
Government	Government of the Kingdom of Saudi Arabia.
Corporate Governance Regulations	Corporate Governance Regulations in the Kingdom of Saudi Arabia are a regulation issued by the Council of the Capital Market Authority (CMA) pursuant to Resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G) in accordance with the Companies Law issued by Royal Decree No. R/ 3, dated 28/01/1437H (corresponding to 10/11/2015G). These regulations were amended by Capital Market Authority (CMA) Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01//2023G) in accordance with the Companies Law issued by Royal Decree No. (R/132) dated 01/12/1443H (corresponding to 30/06/2022G).
Kingdom or Saudi Arabia	Kingdom of Saudi Arabia
Rights or Rights Issue	Rights or Rights Issue is tradable securities. The owner of these securities has the right to subscribe to new shares after approving the capital increase. Rights Issue is an acquired right of all listed shareholders. Each right gives its holder the right to subscribe for one share of new stock at the offering price. Depositing the rights takes place after the extraordinary general assembly to increase the capital. These rights shall appear in the accounts of listed shareholders under a special new symbol, Rights Issue. Listed shareholders will be notified of the deposit of the rights into their portfolios.
Financial market law	The Capital Market Law (CMA) issued by Royal Decree No. R/30 dated 02/06/1424H (corresponding to 01/08/2003G).
Rules of offering securities and continuing obligations	The rules for offering securities & continuing obligations are a set of rules issued by the Board of the Capital Market Authority (CMA) pursuant to Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) in accordance with the Capital Market Authority Law (CMA) issued by Royal Decree No. R/30 and dated 02/06/1424H. These rules have been amended by the Capital Market Authority (CMA) Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G).
Listing rules	Listing rules are a set of rules issued by the Saudi Financial Market (Tadawul). The Board of the Capital Market Authority (CMA) approved these rules in accordance with Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G). These rules were amended in accordance with Resolution No. 1-108-2022 dated 23/03/1444AH corresponding to 19/10//2022G.

The terminology or term	Definition
Lead manager	Al Nefae Investment Group
Net proceeds of the offering	The offering proceeds after deducting the offering expenses.
The price of offer or subscription	10 Saudi riyals per share.
The offered shares for subscription	15,000,000 ordinary shares.
Indicative value of the right	The difference between the market value of the company's shares during the trading period and the offering price.
Offer period	The offer period is the period that begins three (3) business days after the approval of the extraordinary general assembly held for the purpose of approving the capital increase, from the day 27/03/1445H (corresponding to 12/10/2023G) until the day " 04/04/1445H (corresponding to 19/10/2023G).
Rump offering	Remaining offer is the process of offering any remaining non-subscription shares by eligible persons to investment institutions by offering them during the remaining offer period.
Rump offering period	We need a remaining offer period if there are remaining unsubscribed shares after the end of the subscription period (Rump shares). These remaining shares will be offered to a number of institutional investors (referred to as "Institutional Investors") (this offering process is referred to as the "Rump Offering"). These investment institutions submit their offers to purchase Remaining shares. These offers will be received starting at 10:00AM on Sunday 14/04/1445H (corresponding to 29/10/2023G) and until 5:00PM on Monday 15/04/1445H (corresponding to 30/10/2023G) ("Rump Offering Period"). Remaining shares shall be allocated to investment institutions according to the highest, then lowest, then lowest offer (provided that it is not less than the offering price). These shares shall be allocated proportionately to institutional investors who make the same offer. Fractional shares shall also be added to the remaining shares and treated similarly.
Eligible people	Eligible people are all Rights Issue holders, whether they are listed shareholders or those who purchased Rights Issue during the trading period.
Listed shareholders	Listed shareholders are the shareholders who own shares on the day of the extraordinary general assembly related to the capital increase; They are listed in the company's shareholder register at the end of the trading day following the day of the extraordinary general assembly meeting.
The person	Natural person
Prospectus	Prospectus is a document prepared by the Company in connection with a subscription Rights Issue.
Riyal	The Saudi Riyal, the official currency of the Kingdom of Saudi Arabia.
The functional currency	Saudi riyal; The financial statements shall be recorded and presented in Saudi Riyals.
Shareholder	The owner or holder of shares from any given time.
Wasatah Capital	Al Wasatah Al Maliah company (Wasatah Capital) is a Saudi closed joint stock company licensed by the Capital Market Authority (CMA) pursuant to License No. (37-08125). This license allows the company to personally deal, underwrites, manage, arrange and hold securities.
Brokers or Intermediaries	Brokers or Intermediaries are market institutions licensed by the Capital Market Authority (CMA) to engage in securities dealing activity as an agent.

The terminology or term	Definition
Investment institutions	<p>Investment institutions include a group of institutions such as the following:</p> <ol style="list-style-type: none"> 1. Government agencies, companies owned directly by the government or by a private financial portfolio manager, or any recognized international body, or the market, and any other financial market recognized by the body, or Securities Depository Center Co., Edaa. 2. Public investment funds established in the Kingdom that are publicly offered, in addition to private funds that invest in securities listed on the Saudi Capital Market Authority (CMA); If the terms and conditions of the fund allow this. All these procedures shall be in compliance with the provisions and restrictions stipulated in the Investment Funds Regulations. 3. Licensed Persons to deal in securities as principal, while adhering to financial adequacy requirements. 4. An agent for a licensed person to carry out management work, provided that the licensed person has been appointed on conditions that allow him to make decisions regarding accepting participation in the offering and investment in the Saudi Financial Market (CMA) on behalf of the agent without the need to obtain prior approval from him. 5. All other legal persons may open an investment account in the Kingdom and an account with Center Co., Edaa. This is taking into account the investment controls of listed companies in securities. It shall be taken into account that the company's participation does not lead to any conflict of interest. 6. Gulf investors with legal personality, which includes companies and funds, established in the Gulf Cooperation Council countries. 7. Qualified foreign investors. 8. The ultimate beneficiary, provided that he has a legal capacity in a swap agreement concluded with a licensed person in accordance with the terms and conditions of the swap agreements.
Saudi Organization for Auditors and Accountants (SOCPA).	The Saudi Organization for Auditors and Accountants (SOCPA) in the Kingdom of Saudi Arabia, previously the Saudi Organization for Certified Public Accountants.
International Financial Reporting Standards (IFRS)	This is a set of accounting standards plus interpretations issued by the International Accounting Standards Board.
Ministry of Commerce	Ministry of Commerce in the Kingdom of Saudi Arabia (the name "Ministry of Commerce and Investment" was changed to become "Ministry of Commerce").
Subscriber	Anyone subscribing in shares are offered for subscription.
Value Added Tax (VAT)	Value Added Tax (VAT) is the tax issued in accordance with the decision of the Council of Ministers dated 02/05/1438H and the Unified Value Added Tax Agreement for the Gulf Cooperation Council countries. This type of tax came into effect on 1st of January 2018G, as a new tax added to the system of other taxes and fees. This type of tax is applied by specific sectors in the Kingdom, and in the Gulf Cooperation Council countries. The amount of this tax is (5%). The Kingdom's government decided to increase the value-added tax rate from 5% to 15%, starting in July 2020G, and a number of products were excluded, including (Staple foods and services related to health care and education).
Underwriter	Al Wasatah Al Maliah company (Wasatah Capital)
Underwriting agreement	Underwriting agreement between the company and the underwriter.
Capital	The shown balance as an independent item in shareholders' equity in the statement of financial position.
Litigation or disputes	Litigation or disputes is going to the courts or judicial and quasi-judicial committees to reach a settlement of a dispute.
Investment regulations for qualified foreign financial institutions in listed securities	It is a set of rules related to regulating investment in securities by non-Saudi persons residing outside the Kingdom. These rules were issued by the Board of the Capital Market Authority (CMA) pursuant to Resolution (1-42-2015) on 15/07/1436H (corresponding to 04/05/2015G) in accordance with the Capital Market Law (CMA) issued in accordance with Royal Decree No. R/30 on 02/06/1424 H. These rules were amended by Capital Market Authority Board Resolution No. 3-65-2019 on 14/10/1440H (corresponding to 17/06/2019G).
H	Hijri calendar.
G	Gregorian calendar.
Financial reorganization	This procedure aims to facilitate the debtor reaching an agreement with his creditors on financial reorganization under the supervision of the Financial Reorganization trustee.
Proposal	The proposal is an offer to conduct financial reorganization.

The terminology or term	Definition
Plan	The plan is the proposal after approval.
Liquidation procedures	This procedure aims to limit the creditors' claims, sell the bankruptcy assets, and distribute the proceeds to the creditors under the management of the liquidation trustee.
The trustee	The trustee is a person appointed by the court to perform the duties and responsibility of a financial reorganization trustee.
Implementation law	The implementing law is the law issued in accordance with Royal Decree No. (R/53) on 13/08/1433H (corresponding to 03/07/2012G) and its amendments.
Commercial books law	Commercial books law is the law issued in accordance with Royal Decree No. (R/61) on 17/12/1409 H (corresponding to 20/07/1989G) and its amendments.
Health insurance law	Health insurance law is the law issued in accordance with Royal Decree No. (R/10) on 01/05//1420H (corresponding to 12/08/1999G).

2. Risk factors

2.1 Risks related to the issuer

2.1.1 Risks related to the Commencement of Financial Regulatory Procedures

The National Agricultural Marketing Company (Thimar) - currently Thimar Development Holding Company - received the liquidation lawsuit from the court. This lawsuit was filed against the company by one of the creditors on 22/05/1442H (corresponding to 06/01/2021G). The company appealed the liquidation lawsuit on 21/06/1442H (corresponding to 03/02/2021G). The Ninth Circuit of the Commercial Court in Riyadh ruled to reject the creditor's claim to liquidate the company and give the company the right to conduct financial reorganization. The ruling document was issued on 25/08/1442H (corresponding to 07/04/2021G). The company received the ruling document regarding the opening of the financial reorganization procedure by the company's lawyer on 07/09/1442H (corresponding to 19/04/2021G). Events moved as follows:

- On 02/07/1443H (corresponding to 03/02/2022G), the company prepared a financial regulation proposal and then submitted it to the Ninth Circuit of the Commercial Court in Riyadh. This proposal included information about the company, its activities, its financial situation, economic situation, list of debts, lawsuits, how to deal with these issues, the way the company shall carry out its activity during the period of validity of the procedure, and its future strategy.
- On 22/07/1443H (corresponding to 23/02/2022G), the Commercial Court approved the list of claims in the company's financial reorganization procedures through the Ninth Commercial Circuit of the Commercial Court in Riyadh.
- On 20/08/1443H (corresponding to 23/03/2022G), the Commercial Court accepted the proposal to conduct a financial reorganization submitted by the company.
- On 13/09/1443H (corresponding to 14/04/2022G), the shareholders approved the company's proposal to reschedule the payment of creditors in the financial regulation plan approved by the Commercial Court in Riyadh by 99.57% of the total shareholders present.
- On 17/09/1443H (corresponding to 18/04/2022G), the creditors approved the company's proposal to reschedule the payment of creditors in the financial regulation plan approved by the Commercial Court in Riyadh at a rate of 99.73% of the total creditors present.
- On 16/01/1444H (corresponding to 14/08/2022G), the company announced that it had received the ruling of the Ninth Circuit of the Commercial Court in Riyadh "approving the financial reorganization proposal for Thimar Development Holding Company".
- On 23/03/1444H (corresponding to 19/10/2022G), the company submitted a request to postpone payment of creditors for a period of 11 months to the person responsible for financial regulation, with the aim of giving the company sufficient time to prepare everything necessary to implement the financial regulation approved plan by the Commercial Court. The Commercial Court approved the postponement request on 22/04/1444H (corresponding to 16/11/2022G). The company announced the updated financial regulation proposal on 25/04/1444H (corresponding to 19/11/2022G).
- On 17/05/1444H (corresponding to 11/12/2022G), shareholders approved the company's proposal to reschedule the payment of creditors in the financial regulation plan approved by the Commercial Court in Riyadh by 99.77% of the total shareholders present.
- On 18/05/1444H (corresponding to 12/12/2022G), the creditors approved the company's proposal to reschedule the payment of creditors in the financial regulation plan approved by the Commercial Court in Riyadh at a rate of 96.14% of the total creditors present.

Table (1): Creditors' repayment dates according to the financial reorganization proposal

Type of debt	Acceptable amount	Repayment dates					
		31/10/2023G	31/03/2025G	31/03/2026G	31/03/2027G	31/03/2028G	31/03/2029G
Employees	6,685,912,88	3,342,956,44	3,342,956,44				
Suppliers	66,183,039	33,091,518	11,030,507	11,030,507	11,030,507		
Financing bodies	32,024,465	16,012,233	3,202,446,5	3,202,446,5	3,202,4476.5	3,202,446.5	3,202,446
Governmental bodies	12,145,617	6,072,807	1,214,562	1,214,562	1,214,562	1,214,562	1,214,562
Total	117,039,023.88	58,519,514.44*	18,790,471.94	15,447,515.50	15,447,515.50	4,417,008.5	4,417,008
Percentage		50%	16.05%	13.20%	13.20%	3.77%	3.77%

Source: the financial reorganization proposal issued on 25/04/1444H (corresponding to 19/11/2022G)

* It shall be paid from the proceeds of the offering.

The Company's failure to comply with the legal or regulatory provisions for conducting financial reorganization or its inability to fulfill its obligations according to the table for repaying creditors may cause the liquidation provisions and procedures to be applied to the company. This means that the liquidating trustee sells the company's assets and distributes the proceeds to creditors. If this happens, there is no guarantee that the company's shareholders shall receive any compensation for their contribution, including the capital invested by them in the company.

2.1.2 Risks related to Inability to implement the Strategic Plan

The company's management intends to implement the strategic plan to return to activity. This was explained in the financial reorganization proposal. The company's strategic plan is divided into two parts:

First Section: Entering into partnerships and alliances with existing companies in order to achieve sustainable returns

The company aims to enter into partnerships in the following sectors: agricultural, meat, fish, cafes, restaurants, and real estate investment. The company has allocated an amount of the proceeds of the offering to enter into real estate investments. The company aims to engage in real estate investments or own real estate assets with fixed income with an average return of 6% and higher annually. The company shall look for commercial real estate assets or commercial real estate investments in Riyadh. The company aims to acquire in order to achieve periodic cash flows for the company that will help it carry out its future business. (For more information, please refer to Section (6) "About the use of the offering proceeds and future projects" of this prospectus).

Second Section: Utilizing the company's assets by entering into specific shares in investments in the food sector

The company's plan aims to establish three affiliated companies under the management of the holding company. The company intends to exploit its unexploited fixed assets. This is done by investing these fixed, specific assets of lands, buildings, and equipment as in-kind shares in strategic partnerships in the following projects: Thimar Company for Agricultural & Fish Production, Thimar Company for Animal Production and Thimar Company for Fresh Products. On 27/05/1444H (corresponding to 21/12/2022G), the company established Wasmi and Thimar Meat Company (one man company) with limited liability under Commercial Registration Certificate No. 101084794 and a capital of 100,000 Saudi riyals, owned 100% by Thimar Development Holding Company. The activity of this company is the production of fresh meat, wholesale & retail sale of meat and meat products. It is worth noting that, to this date, this company has not deposited capital, has not carried out any activities, and has no outstanding balances in the financial statements.

We shall take into consideration that: the company's inability to implement the strategy or the lack of certainty about its desired economic feasibility will have a negative and material impact on the company's business, financial results, and ability to survive.

2.1.3 Risks related to Accumulated Losses

The company began recording losses since the third quarter of 2019G. The accumulated losses on 30/09//2019G amounted to (43,556,196) Saudi riyals, during this period. This amount is equal to (43.56%) of the company's capital. The accumulated losses continued to increase during the following years, reaching (54.82%), (66.50%), (228.95%), and (233.65%) of the capital. The losses also continued on 31st of December, 2019G, 2020G, 2021G, and 2022G, respectively. On 31/03/2023G, the accumulated losses reached (234.44%) of the capital.

In addition to the above-mentioned, the company recorded operating losses in its main activity due to a decrease in sales and the exclusion of projects under implementation. In addition, losses occurred due to the company's share of the associate's loss and the formation of an allowance for expected credit losses for old balances. Decreased sales and lack of liquidity caused the company to delay paying its suppliers. This has led to some suppliers filing lawsuits with the Enforcement Court and obtaining a final enforceable judgment. (If you want more information, read Risk No. (2-1-4) "Risks Related to Executive Seizure of Company Funds" from this prospectus).

This is due to the executive suspension of the company's accounts. The company's operational operations stopped partially in 2019G and completely at the end of 2021G. Sales also decreased - from the third quarter of 2019G until 2021G - cash-only sales in Al-Azizia Market (Supermarkets and hypermarkets), which was later adjusted in 2022G. For all these reasons, the company's revenues decreased to 0.

Among the most important reasons for the development of accumulated losses of more than 100% of the company's capital was the start of financial reorganization procedures in 2021G, the bankruptcy of associated companies, the subjection of associated companies to liquidation procedures, the company's management made many adjustments in order to control the book balances in order to deal with the external accountant's failure to provide legal and accounting opinions in the years 2019G, 2020G, and 2021G.

If you want more information, read Section No. (5) "Financial Information Analysis and Management Discussion", Subparagraph No. (6) "Maintaining an opinion and refraining from expressing an opinion from the legal auditor of the financial statements" from this prospectus.

In view of the company's entry into the financial reorganization procedures on 25/08/1442H (corresponding to 07/04/2021G), the company is not subject to Article No. (132) of the Companies Law, which stipulates that "the extraordinary general assembly shall be called to meet within 180 days from the date of knowledge to consider the continuity of the company while taking any of the necessary measures to address or resolve these losses," in accordance with Article 45 of Chapter Four of the Bankruptcy Law, which exempts the debtor from applying the provisions of the Companies Law regarding the accumulated losses reaching a specified percentage of the capital, with the opening of the financial reorganization procedures.

The Capital Market Authority announced the procedures and instructions for companies listed in the market whose accumulated losses amounted to 20% or more of its capital, specifically Article 5: The accumulated losses of the company reach 50% or more of its capital,

which includes that the company shall disclose to the public immediately and without delay an independent announcement when the accumulated losses reach 50% or more of its capital, provided that the announcement includes the amount of accumulated losses and their percentage of the capital, and the main reasons that led to these losses, noting in the announcement that these procedures and instructions will be applied to them. In the event that the required disclosure coincides with the announcement of the initial or annual financial results, the company shall be exempted from disclosing an independent announcement if it includes it in the announcement of the initial or annual financial results.

There is no guarantee that the company will not incur losses, and in the event that the company incurs more losses, this would negatively and materially affect the company's business, financial position and continuity.

2.1.4 Risks related to Executive Seizure of Company Funds

At the end of 2019G, some suppliers with old and rounded balances from previous years filed lawsuits against the company and obtained final and enforceable judgments. As a result, the company's bank accounts were suspended and frozen in favor of the Execution Court and then withdrawn to the Execution Court's account. Additional amounts were withdrawn from the company's accounts at the end of 2020G. As of the date of this prospectus, the total amounts withdrawn from the company's accounts in favor of the Execution Court amounted to SAR 4,015,027. The company does not have sufficient data on these cases, and they are being followed up with the legal department. In 2021G, the company formed a provision for these amounts under debit balances - the Execution Court until the identity of its applicants is confirmed and they are processed accounting.

The executive seizure shall be made on the basis of a request submitted by the execution applicant to the execution judge. The judge shall verify the form and fulfillment of the statutory conditions of the execution bond and place the execution seal on it, including the phrase (execution bond) accompanied by the name of the execution judge, the court, and his signature.

If the debtor does not execute or does not disclose sufficient funds to pay the debt within five days from the date of notification of the execution order, it shall be considered a procrastinator and the judge shall order immediately, based on the provisions of Article 46 of the Implementation Law, the following:

1. Suspend the issuance of power of attorney bonds from him, directly or indirectly, in the funds and what belongs to them.
2. Disclosure of the debtor's existing funds and what is received in the future, to the extent that it meets the execution bond, seizing it, and executing on it.
3. Disclosure of licenses and records of the debtor's commercial and professional activities.
4. Notify a licensee of the registration of credit information of the incident of non-execution.

The execution judge may, in addition to the foregoing, as the case may be, take any of the following measures:

- a. Preventing government agencies from dealing with the debtor, seizing his financial dues with them, and obliging them to notify the execution judge thereof.
- b. Preventing financial institutions from dealing with him in any capacity.

With the opening of the financial reorganization procedures in 2021G and the opening of the way for all creditors to submit their current or future financial claims for contracts and agreements that took place before the opening of the procedure and their inventory with the Financial Regulatory Secretary and the inclusion of their accepted claims in the list of scheduled claims for payment, the company believes that all creditors have submitted their claims and no one remains. Additional claims may arise during or after the period of the financial reorganization procedure. The owners request implementation and the court to accept their claims and imposes the penalties mentioned in Article 46 of the Implementation Law on the company, which will have a negative and fundamental impact on its business, financial situation and results of its operations.

Risks related to non-publication of financial statements and information

In accordance with Article 81 of the Rules for the Offering of Securities and Continuing Obligations:

1. The issuer shall prepare and examine its preliminary financial statements in accordance with the accounting and auditing standards approved by the Saudi Organization for Auditors and Accountants, and disclose them to the public within a period not exceeding (30) days from the end of the financial period covered by those statements.
2. The issuer shall prepare and review its annual financial statements in accordance with accounting and auditing standards approved by the Saudi Organization for Auditors and Accountants, and shall disclose them to the public within a period not exceeding three months from the end of the annual financial period covered by those statements.

In accordance with the Listing Rules, Article Thirty-Six (c), the Market shall suspend the trading of the Issuer's securities in any of the following cases, including but not limited to:

1. When the issuer does not comply with the deadlines set for the disclosure of its periodic financial information in accordance with the executive regulations.
2. When the auditor's report on the financial statements of the issuer includes a dissenting opinion or refusal to express an opinion.

The market suspends the trading of securities for one trading session after the expiry of the statutory time limit. In the event that the financial information is not published or the opinion is not processed during twenty trading sessions following the first pending trading session, Saudi Tadawul shall announce the re-suspension of the company's securities until the reason for the suspension ceases to exist. Saudi Tadawul shall lift the suspension after the lapse of one trading session following the absence of the reason for the suspension. In the event that the trading of the company's shares continues to be suspended for a period of six months without the company taking appropriate measures to correct that suspension, the Authority may cancel the listing of the company's securities.

The company was subjected to the suspension of trading its shares on 15/03/1441H (corresponding to 12/11/2019G) for one session due to the delay of the company in announcing its preliminary financial results for the third quarter of 2019G, and the share was suspended on 15/04/1441H (corresponding to 11/12/2019G), after twenty trading sessions following the first suspended trading session because the reason for the suspension is not removed, and the share suspension continued because the company did not announce its financial results for subsequent periods, and it shall be noted that:

- On 06/01/1442H (Corresponding to 25/08/2020G), the Board of Directors decided to submit a request to trade the company's shares outside the platform, and the decision of the Capital Market Company (Saudi Tadawul) was issued to approve the company's request on 14/01/1442H (Corresponding to 02/09/2020G), provided that the company's shares are available for trading outside the platform starting from Sunday 18/01/1442AH (Corresponding to 06/09/2020G).
- On 01/12/1443H (corresponding to 30/06/2022G), the company's financial statements were issued for the financial period ending on 30/09/2019G until the financial year ending on 31/12/2020G, which included refraining from expressing the opinion of the chartered accountant due to the lack of accounting documents and records.
- On 22/06/1444H (corresponding to 15/01/2023G), the company's financial statements were issued from the financial period ending on 31/03/2021G to the financial year ending on 31/12/2021G, which included refraining from expressing the opinion of the chartered accountant due to the lack of accounting documents and records.
- On 24/07/1444H (corresponding to 15/02/2023G), the financial statements for the financial period ended 31/03/2022G were issued, including the opinion of the qualified chartered accountant.
- On 03/08/1444H (corresponding to 23/02/2023G), the financial statements for the period ended 30/06/2022G were issued, including the opinion of the qualified chartered accountant.
- On 08/08/1444H (corresponding to 28/02/2023G), the financial statements for the financial period ended 30/09/2022G were issued, including the opinion of the qualified chartered accountant.

Accordingly, the suspension of trading of the stock of Thimar Development Holding was removed and returned to trading on the platform on 09/08/1444AH (corresponding to 01/03/2023G), after the absence of the reasons for the suspension.

There is no guarantee that the company will announce its financial results within the statutory period or that the opinion of the chartered accountant will not include an opposing opinion or refrain from expressing an opinion, which makes the company liable to suspend its share again or cancel the listing of the security, which will negatively and materially affect the completion of the offering of Rights, the interest of shareholders and creditors, and the continuity of the company.

2.1.5 Risks related to lack of accounting documents and records

The company is not obligated to keep some accounting documents and records, and the lack of many accounting documents and data is due to the failure of officials in the previous departments to keep them according to the period referred to in the commercial books system, and the previous administration did not provide easy access to the necessary documents and files.

The lack of an important part of the financial statements and opening balances, whether electronic or paper archived, led to the delay in the issuance of the financial statements and their issuance with refraining from expressing an opinion by the chartered accountant. The loss of some documents and their lack of organization led to the issuance of the financial statements for 2020G and the comparative year with incomplete explanations. Later, when preparing the financial statements for 2021G, the external auditor amended the classification of some expenses based on the provision of some supporting documents.

The most prominent files that have been lost include, but are not limited to, the loss of inventory records documents as of 31 December 2019G, valuation statements and item cards, the loss of documents related to associate companies (Thimar Wasmī), the loss of documents related to the expenses of the Dammam project, and the loss of attachments to accounting records, including: records of the transfer of the company's assets to Thimar and Wasmī, and the loss of documents related to asset records (property, machinery and equipment). In addition, the loss of the opening balances documents as of 1 January 2019G, which means the loss of files for the past years before 2019G. The company has taken several methods to try to collect information to assess its financial position, such as inventory and re-evaluation, in an attempt to conclude whether the financial statements are not free of material misstatement, and whether such misstatement is widespread or not in the financial statements. There is no confirmation that the company is able to recover these files or that it has not lost material information that would affect the financial position with its rights and obligations. In the event that the Company fails to maintain all accounting records and regularly record all transactions in the electronic system, this may result in a deficiency in the quality of the financial statements and a delay in their issuance and certification of their balances by the chartered accountant, which will materially affect the Company and the results of its future operations.

2.1.6 Risks related to bankruptcy of associated companies

Associated companies are those in which the investor does not exercise full control over the invested company but exercises some influence over its administration, which is usually represented by owning 20-50% of the voting shares. Investments are calculated using the equity method, where the investment is mainly recognized at cost and subsequently adjusted to reflect the company's share in the profits or losses of the associate. The following are the details of the company's investments in associates:

1. Al-Watania Co for Fresh Fruit Products - a limited liability company -: The company owns 50% of its capital, representing 250,000 Saudi riyals. Its activity is in the wholesale and retail trade in vegetables, fruits and foodstuffs. The company's investment balance in Al-Watania Company for Fresh Fruit Products amounted to (0) Saudi riyals as of 31 March 2023G. The Fresh Fruits Company had an outstanding balance of 3,920,195 Saudi riyals in favor of the company dating back to previous years. The company's accumulated losses amounted to 100% of the capital from previous years. During 2021G, the company's management decided to execute the outstanding balance of the associate company in the amount of 3,920,195 Saudi riyals due to the lack of evidence on the associate company for a long time. On 24/01/2023G, the bankruptcy committee announced the opening of the administrative liquidation procedure of the associate company.
2. Thimar and Wasmi Agricultural Markets - Limited Liability Company -: The company owns 30.56% of its capital, representing SAR 3,056,000. Its activity is in the wholesale and retail trade in agricultural, industrial, food, refrigerated meat, sanitary, cleaning and consumer materials and all household materials. The company's accumulated losses amounted to more than 100% of the capital in 2019G, which was reflected in the recording of investment losses of SAR 920,258. The company has made a provision for these losses. Thimar and Wasmi Agricultural Markets had an outstanding balance of SAR 60,497,450 in favor of the company. During 2021G, the ruling of the Ninth Circuit of the Commercial Court in Riyadh was issued to open the liquidation procedure of the associate company. Accordingly, the company's management decided to eliminate the balance due from the associate company in the amount of SAR 60,497,450 and close the provision for investment losses. During the first quarter of 2023G, the company received an amount of SAR 847,395 representing its share of the indebtedness owed by the associate resulting from the liquidation.

It shall be noted that the management of the current company submitted a report to the Ministry of Commerce No. 9027 dated 24/02/1444H (corresponding to 21/09/2022G) against the board of directors of the associate company, which includes investigating them for violations of the corporate system, including non-compliance with the issuance of financial statements, and the accumulated losses exceeded more than half of the company's capital, and Thimar Holding Company incurred a loss exceeding 60 million credits in favor of Thimar and not informing the company of the material facts that occurred.

The inability of the company to effectively manage and follow up on investment due to lack of control may result in misallocation of capital or poor management decision-making, which makes the company vulnerable to incurring additional losses from investing in associates, which will negatively and materially affect the company's results and financial performance.

2.1.7 Risks related to the external auditor's refusal to express an opinion

The external auditor refrains from expressing an opinion on the financial statements when it is unable to obtain sufficient appropriate audit evidence to provide a basis for the audit opinion on those statements. The external auditor's report included a refrain from expressing an opinion in the years 2020G and 2021G and the external auditor has provided 23 and 9 reasons that are explained in the basis of refrain for each year in a row (for more information, see Section No. (5) "Financial Information: Analysis and Discussion of Management" Subparagraph No. (5.4) "Qualified Opinion and Refraining from Expressing an Opinion of the Legal Auditor of the Financial Statements" of this Prospectus).

The reasons were summarized in the inability of the external auditor to approve the opening balances as on 1 January 2019G, as well as the balances carried over on 1 January 2020G, as well as on 1 January 2021G, due to the loss of supporting documents. Accordingly, the external auditor was unable to verify the validity of the balances and determine whether there was a need to make any adjustments to the opening balances of the company. The company, represented by its board of directors, took a number of decisions to address the abstention after it reconciled the balances to make the necessary accounting adjustments that were reflected on the financial statements for the financial year ended December 31, 2021G. The external auditor's failure to express an opinion result in stopping the trading of the stock. In the event that the company's lists of abstention were issued and the company's management was unable to address the reasons for abstention, this would negatively and materially affect the company's business and the results of its future operations.

2.1.8 Risks related to the external auditor's refrain from expressing an opinion

The report of the External Auditor included reservations for the fiscal year ended 31 December 2022G, which are summarized as follows:

1. The external auditor was not provided with the financial statements of the associate company (Al-Watania for Fresh Fruit Products Co), which led to the failure to carry out alternative procedures to verify the validity of the evaluation and the existence and completeness of the balance of that investment and the related transactions and accounts. It shall be noted that during 2021G, the company's management decided to destroy the balance due from the associate company, which belongs to a previous period in the amount of 3,920,195 Saudi riyals due to the lack of evidence on the associate company for a long time. On 24/01/2023G, the bankruptcy committee announced the opening of the administrative liquidation procedure for the associate company.
2. The external auditor was not provided with the approvals of the balances of some trade payables as of 31 December 2022G, amounting to SAR 2,318,021, representing 3.49% of the total payables, which led to the failure to take alternative procedures to verify the validity, existence and completeness of the balance of trade payables and related transactions and accounts. The company was able in a later period to authenticate 85.50% of the balances of the retained payables, which was reflected in the decrease in the balance of the retained payables.
3. The external auditor was not provided with a certificate from the General Organization for Social Insurance on 31 December 2022G, and the external auditor was not provided with any information on the company's outstanding dues in favor of the institution. Accordingly, the external auditor was unable to verify the validity, existence and completeness of the balance of SAR 1,765,958. The company's management was later able to access the facility's statement of account with the General Organization for Social Insurance, which resulted in differences of SAR 739,902 in favor of the General Organization for Social Insurance. Accordingly, the company proved losses of differences, which was reflected in the removal of the reservation in the first quarter of 2023G.
4. The accumulated losses as of 31 December 2022G include an amount of SAR 40,817,863 representing 17.47% of the total accumulated losses. These are transactions that were settled on the statement of profit and loss and other comprehensive income during the years 2019G, 2020G and 2021G. Sufficient supporting documents were not submitted on time. Accordingly, he was unable to carry out alternative review procedures to verify the completeness and validity of the accumulated losses balance. Settled amounts are detailed below:
 - In 2019G, the previous administration excluded 1,041,174 Saudi riyals from the value of property, machinery and equipment at a cost of 14,392,008 Saudi riyals and a net book value of 1,041,174 Saudi riyals as depreciation expense during the year. The new administration was unable to find the supporting documents to submit to the external auditor regarding the mechanism and procedures for excluding those property, machinery and equipment and the validity of calculating the financial profits and losses resulting from that exclusion.
 - In 2019G, the previous administration closed the balance of projects under implementation and recorded an amount of 15,125,115 Saudi riyals as losses on the statement of profit and loss and other comprehensive income for the period ending on 30/09/2019G for the implementation of a project for the Dhahran Air Base in 2015 due to the withdrawal of the project because it was not completed within the specified period. The new administration was unable to access all the supporting documents to be submitted to the external auditor to be able to verify the validity of the procedure and its impact on the financial statements.
 - In 2019G, the previous administration amended the opening balances of the property, plant and equipment item and the retained earnings item by reducing the value of SAR 6,119,723 from the property, plant and equipment item and the retained earnings item. It explained that the financial statements for 2018G were issued with many accounting treatments that need to be adjusted to comply with the accounting standards, as the company did not prove the decrease in the value of the revalued property at the end of 2018G. The company also recalculated the depreciation of the property in previous years. The recalculation resulted in differences because there were facts that were not taken into account when calculating depreciation in previous years. These differences were considered as accounting errors and the financial statements were modified retroactively. The new administration was unable to access the documents supporting submission to the external auditor to be able to verify the validity of these amendments and determine whether any adjustments to the financial statements for the current year and the financial statements for previous years were necessary.
 - In 2020G, the previous administration closed inventory differences of SAR 3,740,271. The amount was recorded as part of the sales and marketing expenses in the financial statements for 2020G due to the lack of documents supporting the nature of the expense with the new administration when issuing the financial statements. They were later reclassified in the comparative year and included among the costs of the activity in the financial statements for 2021G, after the availability of documents supporting the nature of the expense. The external auditor was appointed after the inventory date and was unable to attend the inventory count. The new administration was also unable to access the inventory record, evaluation statements and item cards to submit to the external auditor. Therefore, he was unable to verify the validity, completeness and balances of the inventory at the time.
 - In 2021G, the new administration evaluated the buildings and real estate of the company due to its entry into the financial reorganization procedures and the need to determine the assets and liabilities of the company. This valuation resulted in a decrease of SAR 12,672,951 in the value of the book buildings based on the valuation of an independent real estate appraiser and was recorded as loss of decline in the value of property and machinery. Due to the loss of documents supporting the cost of buildings, the external auditor was unable to determine its validity and its impact on the financial statements.

- In 2021G, the new administration excluded property, equipment and machinery valued at 1,548,629 Saudi riyals from the company's books, after conducting an actual inventory that resulted in book differences of 1,548,629 Saudi riyals. No corresponding differences were found during the inventory, and they were recognized as losses on the statement of profit and loss and other comprehensive income for 2021G. Due to the inability of the new administration to prove the existence or determine the cost of these property, equipment and machinery in the asset, the external auditor retained this amount.
- In 2021G, the new administration reconciled the book balances of bank guarantees with the actual balances of the company's accounts in banks, which resulted in book differences of SAR 570,000 that were not mentioned in the bank statements and approvals. Accordingly, the balance was closed as losses on the statement of profit and loss and comprehensive income for the year 2021G.

The report of the External Auditor for the financial period ended 31 March 2023G also contained reservations, which are summarized as follows:

1. Repeat the reservation No. (1) contained in the financial statements for the financial year ended 31 December 2022G for not obtaining the financial statements of the associate company for the period ending 31 March 2023G.
2. The external auditor was not provided with approvals of the balances of some trade payables as of 31 March 2023G, amounting to SAR 336,228, representing 1.38% of the total payables, which led to the failure to take alternative procedures to verify the validity, existence and completeness of the balance of trade payables and related transactions and accounts. The company was able to approve 85.50% of the balances of payables held in the financial statements for the fiscal year ended 31 December 2023G, but the non-approval of the remaining balances may result in an increase in the creditors' share, which will negatively affect the company's results and financial position.
3. The accumulated losses as of 31 March 2023G include an amount of SAR 40,817,863 representing 17.41% of the total accumulated losses. These are transactions that were settled on the statement of profit and loss and other comprehensive income during the years 2019G, 2020G and 2021G. Sufficient supporting documents were not submitted on time. Accordingly, the company was unable to carry out alternative review procedures to verify the completeness and validity of the balance of accumulated losses. Until the period ending on 31 March 2023G, the company was unable to submit documents supporting the paragraphs referred to in reservation No. (4) of the financial statements ended on 31 December 2022G.

The inability of the Company to process the reservations contained in the issued financial statements will adversely and materially affect the Company's business, financial position and future prospects.

2.1.9 Risks related to relying on Rights issues to finance the financial reorganization plan

The proposal for financial reorganization dated 02/07/1443H (corresponding to 03/02/2022G) and updated on 25/04/1444H (corresponding to 19/11/2022G) includes details of the plan for the return of the company to practice its activities and develop and expand its activities to be able to meet its obligations. The plan is divided into two parts: -

Section I: Entering into existing companies that achieve sustainable returns.

Section II: Benefiting from the company's assets by entering into in-kind shares in investments in the food field.

Provided that part of the sources of funding is the issuance of Rights shares in several stages according to the future opportunities of the company's activity, the company cannot ensure the approval of the regulatory authorities on the proposed capital increases, the approval of the Extraordinary General Assembly or the success of the issuance of Rights shares. Taking into account the company's current circumstances, the weakness of its financial solvency and cash flows, the only source of funding is through the issuance of Rights. Therefore, the failure to obtain appropriate funding for the company's operations and settle its claims will negatively and materially affect the company's business, financial situation, results of its operations, continuity and future expectations.

2.1.10 Risks related to delayed implementation of the financial reorganization plan

By increasing its capital through the issuance of Rights, the Company intends to implement the announced financial reorganization proposal (for more details, see Section No. (6) "Use of Offering Proceeds and Future Projects" of this Prospectus). Although the company has prepared an action plan for the implementation of these projects according to a certain schedule, there are several factors outside the control of the company, which can lead to delays in the implementation of the plan or stop its implementation partially or completely.

These factors include, for example: obtaining regulatory approvals and government licenses, reaching appropriate agreements with other parties, the availability of qualified expertise, the availability of manpower and other factors leading to the temporary or permanent suspension of work, which affects the possibility of achieving the objectives of the financial reorganization plan, which will have a negative and fundamental impact on the profitability of the company and its financial position.

2.1.11 Risks related to business interruption

The company was exposed to operational losses that led to a lack of liquidity and non-payment of its financial obligations, and at the end of 2019G, it was subjected to the suspension of its bank accounts, which led to the reduction of business and reliance on cash sales in the Azizia market (Supermarkets and hypermarkets). The opening of the financial reorganization procedure in 2021G and the company's submission to the supervision of the Secretary of Financial Regulation in financial operations and dispositions, and the company's focus on limiting claims and preparing the proposal, led to the interruption of business, and then the company in 2022G to accept Supermarkets and hypermarkets.

Accordingly, the company does not currently bear any expenses related to the food activity, which does not currently have operational operations that generate income for it. The previous executive seizure and the opening of the financial reorganization procedures and the subsequent acceptance of supermarkets and hypermarkets led to a decrease in the company's revenues to 0 Saudi riyals. The company intends to resume its operational activities in accordance with the strategic plan announced in the financial reorganization proposal. It has allocated part of the proceeds of the offering for real estate investment (for more details, see section No. (6) "Use of offering proceeds and future projects" of this Prospectus). In the event that the company is unable to obtain an investment with the same specifications or if the required return is not achieved and part of the company's expansion and administrative operations are self-financed, this will negatively and materially affect the company's ability to continue as a continuing company.

2.1.12 Risks related to the recent transformation into a holding company

On 06/03/1443H (corresponding to 12/10/2021G), the Extraordinary General Assembly approved some amendments to the company's articles of association, including the amendment of its name from the National Agricultural Marketing Company - Fruits of Development Holding Company, as a result of which the company's objectives changed to:

- Managing its subsidiaries or participating in the management of other companies in which it participates and providing the necessary support to them.
- Investing its money in stocks and other securities
- Owning necessary real estate and movables to carry out its activity.
- Providing loans, guarantees and financing to its subsidiaries.
- Ownership, exploitation and lease of industrial property rights, franchise rights and other moral rights to its subsidiaries or others.

Until the date of this Prospectus, the company has not practiced any of the above purposes since its approval by the Extraordinary General Assembly and the approval of the Ministry of Commerce on 18/04/1443H (corresponding to 23/11/2021G), and the company does not have an approved standard operating procedures manual to manage its operational operations as a holding company. The company shall adopt and approve an operational procedures manual to ensure work efficiency, reduce errors and ensure compliance with all relevant regulations.

Holding companies depend mainly on the performance of their subsidiaries and the performance of their investments. Therefore, any failure to follow up the performance of subsidiaries or financial investments may lead to the non-achievement of the objectives and may result in losses reflected in the consolidated lists of the company, which will have a negative and material impact on the performance of the company, its financial position and future results.

2.1.13 Risks related to the continuity of the company

The accumulated losses amounted to (66.50%), (228.95%), (233.65%) and (234.44%) of the company's capital as in the financial years ended 31 December 2020G, 2021G, 2022G and the financial period ended 31 March 2023G, respectively, which requires the application of Article No. (132) of the Companies Law, which stipulates that "the extraordinary general assembly shall be called to meet within 180 days from the date of knowledge of this to consider the continuity of the company with taking any of the necessary measures to address or resolve these losses." However, due to the company's entry into financial reorganization procedures and in application of Article No. (45) of Chapter IV of the Bankruptcy Law, it exempts the debtor from applying the provisions of the Companies Law regarding the accumulated losses reaching a specified percentage of the capital, with the opening of the financial reorganization procedures.

The continuity of the company as a going concern is linked to the implementation of the financial reorganization proposal, which depends mainly on the increase of the company's capital. The inability of the company to increase its capital or to implement the financial reorganization plan and convert the company to profitability will have a negative and fundamental impact on the continuity of the company.

2.1.14 Risks related to the Corona pandemic (COVID-19) and infectious disease outbreaks

The spread of the novel coronavirus (COVID-19) began in December 2019G, and the World Health Organization declared the virus a global pandemic in March 2020G, and the virus then spread widely and quickly to affect more than 194 countries around the world, so that the world faces an unprecedented health and economic crisis. In the second half of February 2020G, when the virus spread and reached many countries around the world, many countries began to impose public health containment measures to delay its spread and strengthen the capacity of the health sector. The development of the situation in this way led to a sudden halt in economic activities and a sharp decline in economic prospects. As a result, the spread of the virus has had a significant impact on the global economy and has put pressure on individuals, businesses, and governments.

The government of the Kingdom of Saudi Arabia has imposed health and economic measures to contain the consequences of the increasing spread of the virus, like many countries in the world and the region. Health measures included imposing full and partial closure of economic and government activities, quarantine, and restricting or preventing travel.

Economic measures included financial support for citizens and those affected by the Corona pandemic, family and sick leave paid by the state, expansion of unemployment compensation, delaying tax payments, and other measures to support businesses.

Although the outbreak of the Coronavirus (COVID-19) and the measures taken by the Government of the Kingdom of Saudi Arabia in this regard did not have any significant impact on the company, it is difficult to estimate the potential impact that the new outbreak of that virus or other infectious diseases may have on the Kingdom's economy and the company's business operations, and it may also expose the company to the risks of business interruption. It is also not possible to guarantee that the precautionary measures will succeed in stopping or limiting the outbreak of the Corona virus or any of the infectious diseases. These measures are likely to have negative and substantial effects on the Saudi economy and on investor and business confidence to the extent that it is difficult to predict. This will negatively and fundamentally affect the company's business, results of its operations, its financial situation, and its future prospects.

2.1.15 Risks related to transactions with related parties

As of the date of this Prospectus, the company has not concluded any agreements or contracts with related parties, but the financial statements for the years covered in this Prospectus show that there are transactions with related parties, represented by transactions with associate companies, an associate partner in an associate company and some former board members. The following is a statement of these balances as in the fiscal year ending on 31 December 2020G, 2021G, 2022G and the financial period ending on 31 March 2023G:

Table (2): Due from Related Parties

Name of Related Party	Nature of relationship	Nature of Transaction	Fiscal year ended 31 December (SAR) Audited			The three-month period ending on 31 March 2023G (SAR) not audited
			2020G	2021G	2022G	
Thimar and Wasmi Agricultural Markets Company	Associate*	Sales	13,008,977	-	-	-
		Finance	38,568,416	-	-	-
		Payment on behalf of	9,070,950	-	-	-
National for Fresh Fruit Products Co	Associate*	Finance	3,920,195	-	-	-
Prince Faisal bin Turki**	Associate Partner	Indebtedness	22,184,085	22,184,085	22,184,085	22,184,085
Total			82,832,428	22,184,085	22,184,085	22,184,085

Source: Company

* (For more details on the balances of transactions with associates, see the risk No. (2-1-7) "Risks related to the bankruptcy of associates" of this Prospectus)

** The amount of the indebtedness dates back to March 31, 2015, when Prince Faisal bin Turki purchased a 20% share of the company's share in Thimar and Wasmi Agricultural Markets Company by direct negotiation in the amount of 37,184 thousand Saudi riyals. Under the purchase agreement, he paid the first installment in the amount of 15,000 Saudi riyals, and the balance represents the remaining amount of that deal. During 2021G, the company formed a credit loss provision in the amount of 22,184,085 Saudi riyals. It shall be noted that the company has filed a lawsuit and won it. The judgment became final in favor of the company and on 12/11/1442H (corresponding to 22/06/2021G), it was implemented against the prince under Article 49 of the implementation system and has not yet been collected.

Unlike the indebtedness Prince Faisal bin Turki, the company does not have formal mechanisms under concluded contracts through which transactions with related parties - associates - are managed. In addition, the company settles these transactions with related parties based on special agreements that have no commercial basis. The absence of formal mechanisms through which contracts are concluded with related parties will result in the existence of risks related to this transaction, which may result in differences between the company and related parties, which will incur financial and operational losses that negatively and materially affect the company's business, financial position, results of its operations and future expectations.

Table (3): Due to Related Parties

Name of Related Party*	Nature of relationship	Nature of Transaction	Fiscal year ended 31 December (SAR) audited			Three Months Period Ended 31/Mar (SAR) not audited
			2020G	2021G	2022G	
Mr. Sari Al-Mayouf	Managing Director (Former)	Finance	811,528	827,194	836,194	836,194
Mr. Ibrahim Al-Mayouf	Chairman	Finance	355,640	551,884	733,884	733,884
Total			1,167,168	1,379,078	1,570,078	1,570,078

Source: Company

* As part of the financial reorganization procedures, the parties concerned submitted their claims to the Secretary of the Financial Reorganization of the Company with a total amount of SAR 1,379,078 and were fully accepted. During the year 2022G, an amount of SAR 9,000 was recorded for Mr. Sari Al-Mayouf (former Managing Director) instead of attending the meetings of the Board of Directors. An amount of SAR 182,000 was also recorded for Mr. Ibrahim Al-Mayouf (former Chairman of the Board of Directors) for remunerations due to membership and attending the meetings of the Board of Directors, which were not included in the list of claims for financial reorganization.

It shall be noted that the transactions took place without a formal agreement and were in order to finance the expenses of the company and its working capital. The company's delay in paying dues to related parties is due to the lack of liquidity and the suspension of the company's operational activity. Financial claims will be paid within the payment plan described in the financial reorganization proposal, noting that any claim made after the opening of the financial reorganization procedure in 2021G is included among the company's obligations. The transactions that took place after the opening of the procedure will be settled according to the agreement, in the event that the company is unable to complete transactions with related parties in the future on a purely commercial basis, this may adversely affect the company's business and financial results.

2.1.16 Risks related to the concentration of the company's business in one geographical area

As of the date of this Prospectus, the company is suspended from practicing operational activities (buying - selling), but according to the financial reorganization plan, it seeks to exploit its fixed assets in Obeikan Industrial Factory and the company's farm on Al-Kharj Road, located in the central region, and the company's farm in the city of Haradh, located in the eastern region. It also seeks to enter into some investment fields such as: agriculture, meat and fish, cafes, restaurants, and real estate.

The establishment and implementation of projects and investment in one geographical area exposes it to the same general risks such as change in demand, change in supply, increase in competition, occurrence of natural disasters, etc., and this will negatively and fundamentally affect the results of the company's operations, profitability and financial situation.

2.1.17 Risks related to Relying on Major Suppliers

In the past, before stopping its operational activities, the company used to rely on major suppliers in the supply of meat, fruits and vegetables. According to the financial reorganization plan, the company seeks to enter into sample partnerships and establish subsidiaries that produce agricultural, fishery and animal products and a company specialized in packaging those products. It may need suppliers to import raw materials. The company's reliance on major suppliers without agreements or contracts of supply and sale will pose a risk of fluctuating prices of raw materials, thus fluctuating costs, in addition to not guaranteeing the availability of materials when needed. Moreover, if any of these suppliers terminates their business with the company, it will have a negative and fundamental impact on the company's business and the results of its operations.

2.1.18 Risks related to a change in the prices of the company's products

Although the company's activities stopped partially from 2019G and completely at the end of 2021G, when the company resumes its operational activities, the products will be priced based on production costs and profit margin. Any increase in production inputs or increase in profit margin will lead to an increase in product prices. Since the price is an important factor for the consumer, the level of demand may decrease and alternative goods may be available at a lower price, which will have a negative and substantial impact on the company's business and the results of its operations.

2.1.19 Risks related to leases

The Company has entered into (1) lease contract in its capacity as a tenant represented by the head office of the Company (for more details, see Section No. (9) "Legal Information" subparagraph No. (9.7.2) "Lease Contracts" of this Prospectus). The company's inability to maintain the continuity of the lease contract at the same site and renew it under the same current conditions or on preferential terms, or its inability to use the leased property for the purpose assigned to it for any reason whatsoever, will force it to vacate the leased property and find another suitable place to practice the company's activity, and with appropriate lease terms such as those currently in existence.

It shall be noted that the Council of Ministers issued Resolution No. 292 dated 16/05/1438H (corresponding to 13/02/2017G), which stipulates that the lease contract that is not registered in the electronic network is not considered a valid contract that produces its administrative and judicial effects. The electronic network of rental services was launched in cooperation between the Ministries of Justice and the Ministry of Municipal and Rural Affairs and Housing on 17/08/1439H (corresponding to 03/05/2018G). The circular of the Ministry of Justice was issued approving the application of this to all contracts concluded after 04/05/1440H (corresponding to 10/01/2019G).

As of the date of this Prospectus, the company has documented the lease contract of the company's head office electronically, but in the event that the company in the future concludes lease contracts that are not documented electronically, such contracts are not considered by the Saudi courts, and the company, as a plaintiff, may not be able to protect its rights in the event that any of the lessors breaches their contractual obligations, and in the event of any of the risks mentioned, the expected results of the company's business and its operational and financial data may be affected.

2.1.20 Risks related to the company's customers' default, procrastination and inability to pay the amounts due to the company

Due to the partial suspension of the company's activities at the end of 2019G and the total suspension in 2021G, there were no significant sales on credit, it shall be noted that the company suffered in previous periods from delayed payment of customers, as the age of trade receivables exceeded 360 days, which prompted the company to form a credit loss provision in 2019G with a value of SAR 13.19 million, representing 79.88% of the total trade receivables. This provision was strengthened in 2021G based on the decision of the Board of Directors with a value of SAR 26,517 to become the provision of SAR 13.21 million representing 100% of the total trade receivables due to late payment of the amounts due. In 2022G, part of the provision of SAR 107,969 was refunded against the amount executively collected on one of the previous customers. The provision becomes SAR 13.10 million representing 100% of the total remaining trade receivables. There is no guarantee that the company will be able to collect the amounts due to it from these customers, which may result in the write-off of the receivables in full in the event that the receivables are proven to be unable to Payment (For more details, see Section No. (5) "Financial Information and Management Discussion and Analysis" Sub-paragraph No. (12.5) "Trade Receivables" of this Prospectus).

As the company resumes its activities, part of the company's sales may represent sales on credit, which in the event that some customers are unable, delayed or procrastinated in paying the amounts due on their due dates, this will negatively and materially affect the company's cash flows, and thus its ability to meet its financial obligations and continue its business.

2.1.21 Risk related to liquidation

The company faces liquidity risks when it is unable to provide the necessary funds to meet its financial obligations arising from operating activities and its obligations on time. The company suffers from liquidity risks due to the absence of any regular and continuous operating revenues to provide sufficient liquidity. The company's current liquidity ratio reached 1.14, 0.016, 0.006 and 0.004 times as of 31 December 2020G, 2021G, 2022G and 31 March 2023G, respectively. The company does not guarantee the absence of any emergency or sudden events that may require immediate liquidity, which affects the operational performance of the company and its financial position.

2.1.22 Risks related to the inability of the company to pay its financial obligations

The company is currently undergoing financial reorganization, and the Secretary of Financial Reorganization, Mr. Hani Al-Aqili, was appointed on 25/05/1442AH (corresponding to 07/04/2021G). The role of the financial reorganization trustee is to receive creditors' claims, verify their validity, prepare a list of them, and supervise the debtor's activity from the date of his appointment until the termination of the procedure.

According to Article Sixty-Three of Chapter Four of the Bankruptcy Law, the first paragraph: "Every creditor whose debt arose before the issuance of the court's judgment to open the financial reorganization procedure shall submit to the trustee - within a period not exceeding ninety days from the date of announcing the opening of the procedure - any claim that has a status or a deferred, conditional, potential or otherwise that may have a present or future financial value, and shall attach to his claim the documents and information stipulated in the regulations and a statement of the value of his claim at the date of the court's judgment to open the procedure, the debt that has not yet matured and its maturity date, and any other document that supports his claim, and shall determine whether his claim is guaranteed and the nature of the guarantees provided to it."

Accordingly, the following table shows the claims that have been submitted and accepted and the dates of payment due to the opening of the financial reorganization procedure:

Table (4): Payment of Accepted Financial Claims in accordance with the Financial Reorganization Proposal Plan

Payment Schedule for Accepted Financial Claims in accordance with the Financial Reorganization Proposal Plan			
Claims according to the items of the statement of financial position	Claim Value Accepted	Expected to be paid in a year	Expected to be paid in more than a year
Loans	32,024,465	16,012,233	16,012,233
Accruals and other credit balances	11,019,550	5,509,775	5,509,775
Trade payables*	64,165,250	32,082,625	32,082,625
Due to related parties	1,379,078	689,539	689,539
Provision for Zakat	8,450,692	4,225,346	4,225,346
Total	117,039,035	58,519,518	58,519,518

Source: Financial statements for the financial period ended 31/03/2023G

* Trade payables includes an amount of SAR 45.2 million that has not been recorded in the company's book balances and has been recorded in the creditors' book balances. More than 68% of the balance of trade payables has not been recorded in the company's book balances, which creates a potential risk that the value of claims may increase if it is proven that the creditor is due for more than what has been recorded in the company's book balances.

There is no guarantee that the company will be able to meet the payment dates mentioned in the proposal or that the proposal has included all the claims based on the company before the opening of the financial reorganization procedures or that the company's management will be able to implement the plan and turn the company into profitability in order to be able to pay its existing obligations, which will reflect negatively and fundamentally on the continuity of the company.

It shall be noted that all claims arising after the date of 25/05/1442H (corresponding to 07/04/2021G), that is, after the opening of the financial reorganization procedure, are recorded as an obligation on the company and will be required to pay those dues, each according to the agreement. In the event that the company is unable to achieve sufficient cash flows, it will not be able to meet its obligations owed to it, which will adversely affect the company's business and financial position (for more details on the company's current obligations, see Section No. (6) "Financial Information, Discussion and Analysis of Management" Subparagraph No. (5.8.5) "Current Liabilities" of this Prospectus).

2.1.23 Risks related to claims that preceded the opening of the financial reorganization procedure and were not included in the claims

The company is currently undergoing financial reorganization, and since the main objective of the company's financial reorganization proposal is to pay all debts owed by the company and to develop the necessary plans to cover all debts, including potential or overdue debts that may arise after the ratification of the proposal, which are:

1. Claims rejected by the debtor and considered before the court.
2. Claims received from government agencies (Zakat, Income Tax and Customs Authority, General Organization for Social Insurance) related to previous years and were rejected by the debtor.
3. Late claims are those claims related to rights that arose before the opening date of the procedure but were not proven and recorded in the company's records for any reason or were not submitted by the creditor to the trustee during the statutory period.

In the event that the company receives any claims, it will study them by the financial department and then submit them to the trustee for decision. In the event that they are approved by the trustee, the amendment of the proposal will be requested and presented to the trustee. In the event that the proposal is closed and implemented, the company is not legally responsible for any claims due before the implementation of the proposal and the debt holder did not claim them until after the closure and implementation of the proposal. The creditor is considered excessive and is not entitled to claim the debt.

It shall be noted that in the event that additional claims are not included, and those claims are accepted by the Company and the Trustee, the Company's financial obligations will increase, which will have a negative impact on the Company and its financial position.

2.1.24 Risks related to Existing and Potential Sharia Zakat Entitlements

The company, like other registered establishments and companies operating in the Kingdom, is obliged to submit its Zakat declarations for the purpose of renewing the Zakat certificate. The company was registered as a taxpayer under the distinctive number (3000653872). The company is not obligated to pay its obligations to the Zakat, Income and Customs Authority. It obtained a final Zakat assessment from the beginning of its establishment until 31 December 2005 in the amount of SAR 1,440,098. This assessment has not been paid to date. The company also submitted its Zakat declaration for the years from 2006 to 2019G. The total claims of the Authority for those years amounted to SAR 13,452,152 according to the information available on the Authority's electronic portal and has not been paid to date. In 2020G, the Authority issued an electronic Zakat assessment to the company in the amount of SAR 25,219. The company then submitted its Zakat declaration for the fiscal year ending on 31 December 2020G, according to which the Zakat due amount amounted to SAR 884,690 and has not been paid to date. The company also submitted its Zakat declarations for the year 2021G.

Zakat is payable to the assigned companies. The Zakat, Tax and Customs Authority (ZATCA) wrote to the company on 27/06/1441H (corresponding to 21/02/2020G) and notified it of the application of mandatory collection procedures. Mandatory collection includes: seizure of movable and immovable property with banks, seizure of imports with the ZATCA, seizure of any amounts with the Ministry of Finance, stopping any disposal of immovable property (real estate), denial of entry into government competitions, recruitment of any workers, or issuance and renewal of work licenses for practicing the activity.

With the opening of the financial reorganization procedures on 25/08/1442AH (corresponding to 07/04/2021G), the Authority submitted its claims to the Secretary of the Financial Reorganization of the Company in a total amount of SAR 17,199,377, part of which was accepted in the amount of SAR 8,450,692 and the rest was rejected in the amount of SAR 8,748,685. The list of claims in the financial reorganization procedures of the Company was approved by the Ninth Commercial Circuit of the Commercial Court in Riyadh on 22/07/1443H (corresponding to 23/02/2022G) and was included in the Zakat provision of SAR 15,776,941 as of 31 March 2023G.

The company cannot predict whether the Zakat, Tax and Customs Authority will accept negotiations with the company to settle the zakat payments due or whether the authority will accept its zakat estimates or require it to pay any zakat differences in the future. If the Zakat, Tax and Customs Authority (ZATCA) requires the company to pay such differences or make a mandatory collection, this will negatively and materially affect the company's profits, results of its operations, financial position and future prospects.

2.1.25 Risks related to VAT entitlements

The Saudi Council of Ministers decided on 02/05/1438H (corresponding to 30/01/2017G) to approve the unified agreement for value-added tax for the countries of the Cooperation Council for the Arab States of the Gulf, which came into force from 14/04/1439H (corresponding to 01/01/2018G), as a new tax of 5% of the sale price, to be added to the rest of the taxes and other fees on specific sectors in the Kingdom, including the sectors in which the company operates. On 17/10/1441H (corresponding to 09/06/2020G), the Board of Directors of the General Authority for Zakat and Income No. (20-3-2) was issued to increase the value-added tax rate to become 15% of the sale price starting from 07/10/1438H (corresponding to 01/07/2020G).

It shall be noted that the company was registered as a taxpayer on 01/12/1438H (corresponding to 23/08/2017G) with a tax registration number (300065387200003) on the effective date of 14/04/1439H (corresponding to 01/01/2018G) that the company did not commit to pay the value added tax. Accordingly, the company was subjected to penalties and value-added fines, and the company registered the balance of the value added tax due on it in favor of the Zakat, Tax and Customs Authority, according to the amounts invoiced in the records of the electronic system under the item of value added tax due (7,357,931) Saudi riyals, including delay fines as of 31 March 2023G.

With the opening of the financial reorganization procedures on 25/08/1442H (corresponding to 07/04/2021G), the Authority submitted its claims to the Secretary of the Financial Reorganization of the Company in a total amount of SAR 4,733,580.75, part of which was accepted in the amount of SAR 1,928,967.31 and the rest was rejected in the amount of SAR 2,804,613.44 representing the cumulative delay fines until 2021G. The list of claims in the financial reorganization procedures of the Company was approved by the Ninth Commercial Circuit of the Commercial Court in Riyadh on 22/07/1443H (corresponding to 23/02/2022G) and is included in the value added tax balance (7,357,931) Saudi riyals as of 31 March 2023G.

Since VAT is by its nature borne by the final consumer, the company raises the prices of its products to reflect the value of the added tax. Consequently, the prices of its services, including VAT, will increase, which may reduce demand for them and thus negatively affect the company's operations and profits. However, if the company does not succeed in transferring the value added tax completely to the customer due to competition or other factors, it will be forced to bear the value of the tax not collected from the customer, which will negatively affect its profits and operations.

2.1.26 Risks related to the company's compliance with the application of accounting standards and their amendments

The Company's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and other issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and the Company commits to apply them and the amendments or changes that occur to them from time to time.

It shall be noted that the financial statements for the fiscal year ended 31 December 2021G included a decrease in the value of buildings of (12,672,951) Saudi riyals and did not comply with International Standard No. 36 IAS "Impairment of Assets", as there were no indications of a decline in the value of the asset and the usable value was not calculated before recognizing the decline in value.

Therefore, the company's non-compliance with the application of standards may lead to poor accuracy of the financial report, and any changes in these policies or the mandatory application of some new standards may adversely affect the financial statements and thus the financial results of the company and its financial position.

2.1.27 Risks related to the quality of the financial report

The financial statements included some errors in their explanations as follows:

1. Disclosure of assets and property available for sale:

In the financial statements for the fiscal year 2021G and 2022G, Arabic and English, Note No. 8 Assets and property available for sale, in the lists of 2021G, it was clarified that part of the iron and scrap piles worth 230,000 Saudi riyals were sold, noting that the company received a request to buy this part with this value without clarifying whether it includes VAT or not. It was later found that the buyer's price offer, including VAT, that is, the sale amount is 200,000 Saudi riyals and the amount of 30,000 Saudi riyals is VAT. This item was amended in the lists of 2022G without indicating the reason for the change in the value of the sale for the same transaction.

2. Inventory Note:

In the English version of the financial statements for the financial year ended 31 December 2020G, Note No. 7 to the inventory shows an item called "Spare Parts" with a value of SAR 2,907,384 (SAR 2,719,040 as of 31/12/2019G). It shall be noted that the amount is a typographical error and was not reflected in the total inventory balance of SAR 20,653.

3. Explanation of the movement of the provision for credit losses for trade receivables:

In the financial statements for the fiscal year 2021G, Arabic and English, Note No. 10 Net balances of trade receivables, the movement of the provision for credit losses of trade receivables shows an opening balance of (12,438,576) Saudi riyals and a closing balance of (13,190,471) Saudi riyals in the fiscal year for the comparative year 2020G, despite the lack of movement in the provision in the year 2020G; a typographical error in writing the opening balance and correct that the balance of 01/01/2020G is (13,190,471) Saudi riyals.

4. Clarification of related parties:

- In the financial statements for the fiscal year 2022G English only, note 12 due to related parties, it appears that the balance of 31/12/2022G is (1,379,078) instead of (1,570,078); a typographical error in the English version only and was not reflected in the total.
- In the financial statements for the first quarter of 2023G, English only, note 10 due to related parties, an amount of (1,580,078) instead of (1,570,078) appears in the balance of 01/01/2023G, and an amount of (1,379,078) in the balance of 31/03/2023G instead of (1,570,078); a typographical error in the English version was not reflected in the total.

5. Explanation of Property, Plant and Equipment:

In the financial statements for the financial year 2021G, Arabic and English, Note No. 5 Property, plant and equipment, a decline in the value of buildings without indicators of decline in value and without taking into account the value of use and relying on the book value only, amounting to 18,092,561 Saudi riyals as of 31 December 2021G, it was not clarified that due to the suspension of the company's activities, the value of use was considered zero. The valuation process resulted in a decrease in value during the year of SAR 12,672,951.

6. In the financial statements for the fiscal year 2021G, Arabic and English, the item included selling and marketing expenses on the accrued rental expenses of SAR 304,956 for 2019G and 2020G, which violates the principle of entitlement, due to the lack of documents when issuing the financial statements for 2020G. The expense was recognized when documents were available in 2021G and was not referred to in the notes.
7. Clarification of trade payables:

In the financial statements for the fiscal year 2022G, Arabic and English, Note No. 16 Trade payables, it was stated in detail that the amount of creditors' claims is (68,529,529) Saudi riyals instead of (68,682,529) Saudi riyals, a typographical error.

The repetition of these typographical errors and the lack of explanations make it difficult to read the financial information, which will affect the quality of decision-making based on the financial information from these lists, which may negatively and materially affect the results of the company's operations.

2.1.28 Risks related to dependence on the human element

As a result of the suspension of the company's operational work and the opening of the financial reorganization procedures, the company did not have a sufficient number of employees with technical expertise and will need to employ qualified people when it resumes its operational activities. The company aims to attract and employ qualified people to ensure the efficiency and quality of its work through effective management and proper operation, as the success of the company depends on its ability to attract and retain them, but the company may face what drives it to dispense with its employees in order to reduce the volume of spending and monthly expenses, and the company may have to rely on an external service provider to carry out the responsibilities of some departments to reduce the cost.

The number of employees in the company reached (8) employees only as of 31/03/2023G, and therefore the company's loss of skilled human resources or its inability to retain them will negatively affect the company's business and may affect the company's profitability in the event that the company has to pay higher salaries and benefits in exchange for retaining them.

2.1.29 Risks related to the violation of work regulations

The Labor Law and its executive regulations oblige all employers to have the labor contract with any employee and worker in writing, in duplicate, and authenticated electronically, in accordance with Ministerial Resolution No. (1563209) dated 18/08/1440H (corresponding to 23/04/2019G), which stipulates the adoption of the launch of the electronic labor contract documentation program, as it stipulates that establishments shall abide by documenting the contracts of the contracted workers. The decision stipulates that establishments that are not committed to documenting contracts allow their workers whose contracts have not been documented to move to another employer without the consent of the current employer. It shall be noted that the company is not committed to documenting the contracts of its employees, which exposes it to the risk of employees moving to another employer without the consent of the current employer. The company is also not committed to registering Saudi workers participating in the pension branch in the unemployment system (Sanid) according to its statement, which exposes it to the fines stipulated in this system, which may affect its business and financial position.

Compliance with Emiratisation requirements is a legal requirement issued by the Ministry of Human Resources and Social Development in the Kingdom, whereby all companies operating in the Kingdom, including the company, are obligated to employ a certain percentage of Saudi employees among their total employees and maintain that percentage. The company was unable to issue the Saudization certificate and the company did not comply with the wage protection system due to the inability of the company to issue a list of the names of non-Saudi workers. The previous administration did not renew the residencies for workers during the last period, which led to the accumulation of residence renewal fees. With the departure of the previous administration, six workers left work.

At the present time, the current administration has not been able to submit a report on the interrupted employment due to the need to renew the residences and then create the report. Therefore, the situation of the company will not be addressed until after the availability of cash, the company shall renew the residences and correct the conditions of its employees in order to be able to comply with the work regulations. In the event that the necessary liquidity is not available to do so, this will have a material negative impact on the company's business.

2.1.30 Risks related to the adequacy of insurance coverage

As of the date of this Prospectus, the company does not have any valid insurance policies for workers. It shall be noted that according to Article (14) of the Health Insurance Law - if the employer does not participate or does not pay the cooperative health insurance premiums, he is obligated to pay all the installments due, in addition to paying a fine not exceeding the value of the annual subscription for each individual with the possibility of depriving him of recruiting workers for a permanent or temporary period -, the inability of the company to conclude new insurance policies or renew the expired policies may expose it to the imposition of penalties and fines, which will have a negative and material impact on the performance of the company and the results of its operations.

The company, as an insurer, did not provide insurance policies to cover some of the risks that the company's assets or property may be exposed to in the course of its activity (such as vehicle insurance, property insurance against fire accidents and some natural disasters and all risks related to assets and property). These accidents may result in serious damage that will lead to material losses that the company will not be able to partially or fully compensate due to the lack of adequate insurance coverage, which will negatively affect the company's operations and its ability to bear the amounts resulting from losses in addition to temporarily stopping its operations. This will have a negative impact on its financial results and profits.

2.1.31 Risks related to potential liabilities

Any potential liabilities of the Company, such as lawsuits, claims not filed with the Financial Reorganization Trustee and other liabilities or costs related to the Company's activity, if realized, will adversely affect the Company's financial position, financial position, results of its operation and future prospects. It is worth mentioning that any lawsuits or financial claims not included in the financial reorganization provision, or any financial claim issued by a judicial ruling after the financial reorganization provision shall be enforceable and the penalties mentioned in Article 46 of the Implementation Law shall apply to the creditor, which may adversely affect the company's business if the company does not comply with them. The company has potential liabilities, as the company supported the provision of potential liabilities to meet the cases filed against the company with an amount of 843,720 Saudi riyals during the fiscal year ended 31 December 2022G, bringing the balance of the provision to 3,932,071 Saudi riyals as of 31 December 2022G, in order to meet the cases whose claimants did not submit their claim to the Secretary of Financial Reorganization and those cases did not fall within the approved list of claims. There is no guarantee of the existence of any other potential liabilities that have not been hedged, and in the event of other liabilities that may adversely affect the financial position of the company.

2.1.32 Risks related to litigation and legal claims

As of the date of this Prospectus, the company is a party to (3) of the cases filed against it, which are estimated at a total value of (3,300,000) Saudi riyals. The company also has (4) cases filed by the company, which are estimated at a total value of (240,272,000) Saudi riyals (for more details on the cases, see Section No. (9) "Legal Information" Subsection No. (9.11) "Litigation" of this Prospectus). The company cannot expect the result of these cases, which may end by obliging it to pay the claimed amounts of money. The company may also become a party to other lawsuits or judicial disputes that may lead to incurring high costs and sums of money for more details, see the risk No. (2.1.32) "Risks related to potential liabilities" of this Prospectus). Which will have a material negative impact on the company's business, financial position, and the results of its operations.

2.1.33 Risks related to non-obtaining or non-renewal of licenses and certificates

As of the date of this Prospectus, the Company and the Subsidiary have a number of licenses, certificates and approvals that have not been reviewed and have expired, or have not been issued by the Company, as follows:

- Municipality license
- Safety Certificate
- Certificate of Social Insurance

The failure of the company and the subsidiary company to obtain these licenses, certificates or approvals may lead to the possibility of imposing fines or penalties. The company's failure to comply with the requirements of the Ministry of Municipal and Rural Affairs and Housing in terms of renewing/issuing municipal licenses for offices/branches through which it carries out its commercial activity is considered a violation and the company may be subject to the penalties stipulated in the list of penalties for municipal violations issued on 05/02/1442H (corresponding to 22/09/2020G), which may reach (50,000) thousand riyals, in addition to closing the office and doubling the penalty in the event of repetition, which may adversely affect the company's operations, results of its operations and financial position.

The civil defense system issued by Royal Decree No. (M/10) dated 10/5/1406AH (corresponding to 21/01/1986G) and amended by Royal Decree No. (M/66) dated 02/10/1424H (corresponding to 26/11/2003G) shall comply with the requirements of security and safety. Failure to comply will expose the company to the penalties and fines stipulated in Article (30), which stipulates imposing a penalty for violating any of the provisions of this system, its regulations or decisions based on it, with imprisonment for a period not exceeding six months, or a fine not exceeding 30,000 riyals or both. The company's failure to obtain civil defense licenses will result in the company being unable to obtain new municipal licenses or renew existing licenses. In the event that it is unable to obtain safety licenses from the civil defense, it may lead to the closure of the office until the legal procedures for obtaining civil defense licenses are completed.

2.1.34 Risks related to trademark and website protection

As of the date of this Prospectus, the company has a trademark, which was registered with the Ministry of Commerce – Trademark Department, before the authority to register trademarks was transferred to the Saudi Authority for Intellectual Property (for more information, please see paragraph (9.9) "Trademarks and Intellectual Property Rights" of Section (9) "Legal Information" of this Prospectus).

However, the logo it currently uses in its transactions has not been registered as a trademark with the competent government authority (the Saudi Authority for Intellectual Property). Issuing a trademark registration certificate grants the company the exclusive use of this mark on its products and places it on the exterior of the building or offices it occupies. Therefore, in the event that the company continues to use its trademarks without granting the company's logo the legal protection of the crisis in accordance with this trademark system, it will expose the interests of the company related to it to risks and may be used by others.

The company is also not committed to registering its website with the Communications, Space and Technology Commission, which exposes it to the risk of being violated and used by third parties who may resort to adding only one phrase (sa), which may affect the reputation of the company and will result in filing lawsuits and claims before the competent courts to protect these rights.

2.1.35 Risks related to the new corporate system and the amended governance regulation

On 01/12/1443H, Royal Decree No. (M/132) was issued to amend some articles of the new Companies Law, noting that existing companies upon the entry into force of the law shall amend their status in accordance with its provisions within a period not exceeding (two) years starting from the date of its entry into force. As an exception to this, the Ministry of Commerce and the Capital Market Authority shall determine, each within its competence, the provisions contained therein to which these companies are subject during that period. As of the date of preparation of this Prospectus, the company has made an amendment to the company's articles of association, but the text of Article (49) of it did not take into account its compatibility with the text of (32) of the Companies Law, which authorized the competent judicial authority at the request of the partner or shareholder to charge the company with the expenses it costs to file a liability lawsuit against the company, regardless of its result, if it has filed the lawsuit in good faith, and it is in the interest of the company to file this lawsuit. In addition, the company has not updated the company's purposes in accordance with the activities of the National Classification of Economic Activities (ISIC4).

The company also did not comply with some of the provisions of the Corporate Governance Regulations as follows:

- Lack of commitment to develop a clear policy on the distribution of dividends in the interests of shareholders and the company in accordance with the company's articles of association.
- Failure to provide a copy of the information about the candidates for membership of the Board of Directors on the company's website.
- The company did not commit to making available to shareholders through the company's website any of the following: Publishing the invitation for the General Assembly -Obtaining information related to the agenda items of the General Assembly, especially the report of the Board of Directors, the auditor, the financial statements and the report of the Audit Committee.
- The company did not commit to proposing the policy and types of bonuses granted to employees, such as fixed bonuses, performance-related bonuses, and bonuses in the form of shares.
- The company did not appoint a unit manager, internal audit department or internal auditor and propose his remuneration.
- The company did not commit to publishing the report of the Audit Committee on the website of the Capital Market for the fiscal years 2020G, 2021G and 2022G.

The Company's violation of any of the requirements of the corporate governance system and procedures or failure to apply them exposes the Company to penal violations by the Capital Market Authority, which will have a material negative impact on the Company's business, financial position, results of its operations and future prospects.

2.1.36 Risks related to accounting errors.

The Company may face accounting errors resulting from the misapplication of accounting standards and exclusions, which affect the accuracy of presentation and disclosure, whether quantitative or descriptive in the financial statements or timely supplementary margins, notes and schedules, which make the financial statements misleading and inappropriate for users of financial statements from third parties, which have no authority to view detailed books and records.

The Company announced on Tadawul website on 26/01/1445H (corresponding to 13/08/2023G) the preliminary financial results for the period ending in 30/06/2023G (six months) with an explanation in the announcement that the amounts of the financial statements for the year ended 31 December 2021G and the financial statements for the year ended 31 December 2022G have been amended. These amendments have had effects on several items on the financial statements for the comparative year ended 31 December 2022G and the opening balance of retained earnings of 2022G. The net positive impact on retained profits and losses amounted to SAR 2,437,566 as at 31 December 2022G, resulting from adjustments for accounting errors during the financial years 2021G and 2022G. Taking into account that accounting errors, which were adjusted, were mainly concentrated in payables, accrued expenses and claims provision on the company. The following table shows a summary of the adjustments of previous years until 31 December 2022G.

Item	As of 01 January 2022G,	Adjustments	As of 01 January 2022G, after amendment	As at 31 December 2022G	Amendment	As of 31 December 2022G, after amendment
Employee Benefit Obligations	856,066	-	856,066	64,025	(20,784)	84,809
Trade payables*	66,483,175	(282,797)	66,200,378	66,380,936	(282,795)	66,098,141
Accrued expenses and other credit balances**	20,558,049	3,130,886	23,688,935	23,533,384	1,947,515	25,480,899
Due to related parties***	1,379,078	-	1,379,078	1,570,078	(191,000)	1,379,078

Item	As of 01 January 2022G,	Adjustments	As of 01 January 2022G, after amendment	As at 31 December 2022G	Amendment	As of 31 December 2022G, after amendment
Provision for claims**	3,187,780	(3,187,780)	-	3,932,071	(3,932,071)	-
Total Adjustments	-	339,691	-		(2,437,567)	

* The differences represent adjustments to accounts payable owed by the Group in respect of years prior to 2022G that have not been adjusted in previous years, which necessitates reversing the effect of prior years' actual adjustments amounting to SAR 282,797 in the opening balances provided in the statement of financial position as at 01 January 2022G, and excluding the effect of amounts recognized in 2023G.

** The differences are adjustments to expenses owed by the Group related to years prior to 2022G that have not been adjusted in previous years. It also included the de-recognition of the provision for enforcement court balances executed against them and deducted from receivables.

*** The differences consisted of the reclassification of SAR 191,000 from related party dues to accrued expenses and other credit balances.

**** The item is an accrued claims provision that has been reversed on outstanding balances due to unrecorded liabilities in prior years.

There is no confirmation of the recurrence or discovery of any previous accounting errors that may affect the accuracy of the presentation and disclosure of financial information, which may materially adversely affect the Company's business, financial position, results of operations and future prospects.

2.2 Risks related to the Market and Sector in which the Issuer Operates

2.2.1 Risks related to the Economic Performance of the Kingdom

The expected future performance of the Company depends on a number of factors related to the economic conditions in the Kingdom in general, including, but not limited to, inflation, GDP growth, average per capita income, etc. The Kingdom's total and partial economy depends mainly on oil and oil industries, which still control a large share of GDP. Therefore, any unfavorable fluctuations in oil prices will have a direct and fundamental impact on the plans and growth of the Kingdom's economy in general and on government spending rates, which may negatively affect the company's financial performance, given its work within the Kingdom's economic system and its impact on government spending rates.

The continued growth of the Kingdom's economy depends on several other factors, including the continued growth of the population and the investments of the government and private sectors in infrastructure. Therefore, any negative change in any of these factors will have a significant impact on the economy and thus will have a negative and fundamental impact on the company's business, financial results and future prospects.

2.2.2 Risks of Growth Opportunities

The Company's ability to develop its business depends on the level of competition in the market, the availability of material and human resources, the ability of its management team, regulations, and others. There is no guarantee that the Company will achieve growth in its activity and achieve the Company's strategic plan referred to in the financial organization, as the company may face difficulties in attracting skilled workers who are able to promote the company, expand its activity, develop its market share and increase its sales. Therefore, if the Company is unable to implement its strategic plan, its ability to develop its activity, increase its market share, increase its business profits and enhance returns to its shareholders may be affected, which means that the financial situation of the Company is negatively affected.

2.2.3 Risks related to the Competitive Environment

The Company and its subsidiaries operate in a competitive environment and face strong competition and there is no guarantee that the Company will continue to be able to compete effectively with other companies in the market. The Company's competitiveness depends on distinguishing the Company's products from other products offered in the market, by providing high-quality products at reasonable prices. In the event that current or potential competitors provide products of higher quality or with better competitive prices than those provided by the company, the company does not guarantee that they will keep pace and adapt quickly to evolving industry trends or changing market requirements, which will have a negative impact on the company's financial results and profitability.

2.2.4 Risks related to Non-compliance with current regulations and laws and/or the issuance of new regulations and laws

The Company and its subsidiaries (within the Kingdom) are supervised by a number of government agencies in the Kingdom; thus, the Company and its subsidiary are exposed to the risks of changes in the laws, regulations, circulars and policies in the Kingdom. Compliance costs for these laws are high. In the event of changes to the current laws or regulations or the issuance of new laws or regulations, this will lead to the Company incurring additional unexpected financial expenses for purposes related to compliance with those regulations and meeting the requirements of these laws. Moreover, the Company may be subject to penalties and fines imposed by the competent

supervisory authorities in the event of non-compliance with these regulations and regulations on a continuous basis, on its business, results of operations, financial position and future prospects.

2.2.5 Risks related to Political and Economic Instability in the Middle East

Some countries in the Middle East are currently experiencing economic, political or security instability. There are no guarantees that these economic, political and security conditions in these or any other countries will not have a negative impact on the Company's business, results of its operations, financial situation and future prospects.

2.2.6 Risks related to the Imposition of New Fees or Taxes

Although the Company is not currently subject to any type of taxes other than Zakat and VAT, which is currently 15% of the sale price, it is likely that other fees or taxes will be imposed on companies by the government in the future. Therefore, if new taxes are imposed on companies or fees other than those currently applied, this will negatively affect the Company's net profits.

2.2.7 Risks related to the High Price of Energy and Water

The Council of Ministers issued its decision No. (95) dated 17/03/1437H (corresponding to 28/12/2015G) to raise the prices of energy products, electricity consumption tariffs, water sale pricing, and sewage services for the residential, commercial, and industrial sectors, as part of policies related to rationalizing energy consumption and reducing government subsidies in the Kingdom. The Ministry of Energy also issued a statement on 24.03.1439H (12/12/2017G) on the plan of the Fiscal Balance Program to correct the prices of energy products, starting from 14/04/1439H (01/01/2018G). Knowing that the Company's operational operations depend on the availability of energy and electricity products, so any interruption or reduction in the supply of these products or any increase in their prices would significantly affect the Company's profitability, results of its operations and future expectations.

2.2.8 Environment, Occupational Safety and Health

Like other companies in the same sector, the Company's operations are subject to a wide range of laws and regulations related to environmental protection, health and safety in the Kingdom, which increasingly impose strict standards that the Company shall adhere to on an ongoing basis. The costs of adhering to these laws and regulations and the fines resulting from them may be significant, and adhering to new and stringent standards requires incurring additional capital expenditures or modifications in operating practices. Environmental, health and safety incidents may arise outside of the Company's control. For example, the Company's operations can result in a number of waste and polluting materials that, if not properly controlled and managed, or if left untreated or properly managed, can lead to a risk of environmental pollution. Failure to comply fully with environmental legislation and regulations can lead to the closure of the Company's industrial facilities. Additionally, it will expose the Company to violations, fines or penalties that may be imposed by the regulatory authorities thereon, which will negatively affect its operations so as to limit the growth of its revenues, suspension of its work or licensing. This will affect its ability to carry out its business and thus negatively affect its financial results and profitability.

2.3 Risks Related to Offered Securities

2.3.1 Risks related to Shareholders' Poor Awareness of the Trading Mechanism and their Exercise of their Rights

In 2013, the Capital Market Authority, in cooperation with Tadawul Saudi Arabia, developed a mechanism for offering, registering and trading rights as securities that allows registered shareholders to subscribe, sell their rights in whole or in part, or buy or trade rights during the rights trading period. This mechanism allows investors (non-shareholders) to purchase rights from eligible shareholders during the rights trading period. Although the Authority has published awareness materials and special workshops to introduce investors to rights and the method of raising capital by issuing rights shares, how to participate and trade, etc., it may be difficult for some shareholders and investors to understand the mechanism of trading rights, especially the method of calculating the final price, which may miss the opportunity for shareholders to take an appropriate decision in a timely manner. It shall be noted that an investor who buys a right and then does not subscribe to the shares may lose all of his investment paid for the right in the event that institutional investors subscribe to the new shares during the remaining offering period at the offering price.

2.3.2 Risks related to Potential Volatility in the Price of Rights

The market price of rights may be subject to significant fluctuations due to the change in factors affecting the Company's stock. This volatility may be significant due to the difference between the allowed daily volatility (10% up and down from the previous day's closing price) for the rights, compared to the allowed daily volatility for the Company's shares. The trading price of the rights depends on the trading price of the Company's shares and the market's view of the fair price of the rights. These factors may negatively affect the trading price of the rights.

2.3.3 Risks related to Potential Fluctuations in Share Price

The market price of the rights during the trading period may not be indicative of the market price of the Company's shares after the offering. Furthermore, the Company's share price may not be stable and may be significantly affected by fluctuations resulting from market conditions related to the Company's existing rights or shares. These fluctuations may also result from many factors, including

but not limited to: stock market conditions, poor performance of the Company, inability to implement the Company's future plans, new competitors entering the market, change in the vision or estimates of experts and analysts of the stock market, and any announcement of the Company or any of its competitors related to mergers and acquisitions or strategic alliances.

The sale of large quantities of shares by shareholders or the belief in the likelihood of such a sale will adversely affect the price of the Company's shares in the market. In addition, shareholders may not be able to sell their shares in the market without adversely affecting the price of the shares. There is no guarantee that the market price of the Company's shares will not be lower than the offering price, and if this happens after investors subscribe to the new shares, the subscription cannot be canceled or modified. Investors may incur losses as a result. Furthermore, there is no guarantee that a Shareholder will be able to sell its Shares at a price equal to or greater than the Offering Price after subscribing for the New Shares.

2.3.4 Risks related to Non-profitability or the Sale of Rights

There is no guarantee of earnings per share by trading at a higher price. In addition, there is no guarantee that it can be sold in the first place, which indicates that there is no guarantee of sufficient demand in the market to exercise rights or receive compensation from the Company. Noting that the investor who did not subscribe or sell his rights, and the owners of fractional shares, may not receive any compensation if the sale is made in the remaining offering period at the offering price.

2.3.5 Risks related to Future Data

Future results and performance data of the Company are not actually foreseeable and may differ from what is found in this Prospectus. Actual results that cannot be predicted or quantified are determined by the Company's achievements and ability to evolve. The inaccuracy of the data and results is one of the risks that the shareholder shall recognize in order not to affect his investment decision. Whereas, in case that future results and performance data differ substantially from what is stated in this Prospectus, this will result in the shareholders losing part or all of their investments in the shares of the Company.

2.3.6 Risks related to the Possible Issuance of New Shares

In case that the Company decides to issue new shares (other than the rights shares mentioned in this Prospectus), and the existing shareholders do not exercise their rights when issuing new rights, the ownership of the shares will decrease proportionally in addition to the voting right and the right to receive profits. Any additional offering may have a material impact on the market price of the share.

2.3.7 Risks related to Low demand for Rights and Shares of the Company

There is no guarantee that there will be sufficient demand for the rights during the trading period to enable the holder of the rights (whether a registered shareholder or a new investor) to sell the rights and make a profit from them, or to enable him to sell the rights at all. There is also no guarantee that there will be sufficient demand for the Company's shares by institutional investors during the remaining offering period. In the event that investment institutions do not offer the remaining shares at a high price, there may not be sufficient compensation to distribute to rights holders who have not exercised their right to subscribe and those entitled to share fractions. Furthermore, there is no guarantee that there is sufficient market demand for shares acquired by an underwriter either through the exercise of the rights of priority to such shares, through the remaining offering or through the open market.

2.3.8 Risks of Low Equity Ratios

If the holders of rights do not subscribe in full for the new shares, their ownership and voting rights will decrease. There is also no guarantee that if the registered rights holder wishes to sell his rights during the trading period, the return he receives will be sufficient to fully compensate him for the decrease in his ownership in the capital of the Company as a result of the increase in its capital. There is also no guarantee that there will be an amount of compensation distributed to eligible shareholders who have not exercised their right to subscribe or to fractional shareholders in the event that the investment institutions do not, in the remaining offering period, submit offers for the remaining shares at a high price, or that the amount of compensation (if any) will be sufficient to compensate for the low percentage of ownership in the Company's capital.

2.3.9 Risks of not exercising rights in a timely manner

The subscription period starts after (3) three working days from the approval of the Extraordinary General Assembly, including the approval of the capital increase, on 27/03/1445H (corresponding to 12/10/2023G) and will end on 09/04/1445H (corresponding to 24/10/2023G). The rights holders and the financial intermediaries representing them shall take appropriate measures to follow all necessary instructions before the end of the subscription period. If the eligible shareholders are unable to exercise the subscription rights properly by the end of the subscription period, based on their priority rights, there is no guarantee that there will be an amount of compensation distributed to eligible shareholders who are not participating or who have not properly carried out the subscription exercise procedures or to fractional shareholders.

2.3.10 Dividend Risk

Future earnings per share depend on a number of factors including the profitability of the Company, maintaining its good financial position, capital needs, distributable reserves, credit power available to the Company, and general economic conditions. An increase in the Company's capital may lead to a decrease in earnings per share in the future on the background that the Company's profits will be distributed to a larger number of shares as a result of an increase in its capital.

The Company does not guarantee that any dividend will actually be distributed, nor does it guarantee the amount to be distributed in any given year. The distribution of profits shall be subject to certain restrictions and conditions stipulated in the Articles of Association of the Company.

2.3.11 Risks related to Speculation in Rights

Speculation in rights is subject to risks that may cause substantial losses. The daily oscillation range allowed for the rights trading price exceeds the daily oscillation range allowed for the market price (which is 10% up and down from the previous day's closing price). There is also a positive relationship between the Company's share price and the indicative right value. Therefore, the daily price limits (i.e., the daily fluctuation range) for rights trading will be affected by the daily price limits for stock trading. In the event that the speculator does not sell the rights before the end of the trading period, and does not exercise these rights to subscribe for new shares, he may incur some losses. Therefore, investors shall review the full details of the mechanism of listing and trading new rights and shares and how they work, and be familiar with all the factors affecting them, in order to ensure that any investment decision is based on full awareness. (Please refer to Section (12) "Information Related to Shares and Offering Terms and Conditions" herein).

3. Background of the Company and the Nature of its Business

3.1 Company Profile

Thimar Development Holding Company (hereinafter referred to as "Thimar" or "the Company") is a Saudi public joint stock company established by virtue of Ministerial Resolution No. (364) issued on 18/04/1408H (corresponding to 08/01/1988G) with a license of incorporation. It was registered with the Ministry of Commerce under Commercial Registration No. (1010068222) issued in Riyadh and dated 17/05/1408 H (corresponding to 07/01/1988G). The headquarters is located in Riyadh - Olaya District in the Kingdom of Saudi Arabia- P.O Box: 88618 Postal Code 11672. On 23/03/1443H (corresponding to 29/10/2021G), the company's trade name was amended from (National Agricultural Marketing Company) to become the current trade name (Thimar Development Holding Company) based on the approval of the Extraordinary General Assembly held on 06/03/1443H (corresponding to 12/10/2021G). The Company's current capital is one hundred million (100,000,000) Saudi riyals, divided into ten million (10,000,000) ordinary shares with a nominal value of ten (10) riyals per share paid in full (hereinafter referred to by the current share) and a total of the current shares. As at the date of publication of this Prospectus, the Company does not have any major shareholders (holding 5% or more of the Company's shares).

3.2 The history of the Company and the most important developments in its capital structure

The Company was established as a Saudi public shareholding company by virtue of Ministerial Resolution No. (364) issued on 18/04/1408 H (corresponding to 08/01/1988G) authorizing its establishment. The trading of the Company's shares began on 29/03/1416H (corresponding to 26/08/1995G) with a capital of twenty-six million eight hundred and twenty-six thousand (26,826,000) Saudi riyals divided into two hundred and sixty-eight thousand and two hundred and sixty (268,260) ordinary shares with a nominal value of one hundred (100) riyals per share. In 1998, the Extraordinary General Assembly approved the division of the Company's shares from two hundred and sixty-eight thousand and two hundred and sixty (268,260) ordinary shares with a nominal value of one hundred (100) to five hundred and thirty-six thousand five hundred and twenty (536,520) ordinary shares with a nominal value of fifty (50) Saudi riyals. On 17/04/1421H (corresponding to 19/07/2000G), the Company reduced its capital from twenty-six million eight hundred and twenty-six thousand (26,826,000) Saudi riyals to thirteen million four hundred and thirteen thousand (13,413,000) Saudi riyals, thus reducing the number of shares of the Company from five hundred and thirty-six thousand five hundred and twenty (536,520) ordinary shares to two hundred and sixty-eight thousand two hundred and sixty (268,260) ordinary shares with a nominal value of fifty (50) Saudi riyals. On 17/04/1421H (corresponding to 19/07/2000G), the Company increased its capital from thirteen million four hundred and thirteen thousand (13,413,000) Saudi riyals to one hundred million (100,000,000) Saudi riyals, thus increasing the number of shares of the Company from two hundred and sixty-eight thousand two hundred and sixty (268,260) ordinary shares to two million (2,000,000) ordinary shares with a nominal value of fifty (50) Saudi riyals, by issuing rights shares. Following the issuance of the Capital Market Authority Resolution No. (4-154-2006) dated 27/02/1427H (corresponding to 27/03/2006G), which decided to divide the shares of joint stock companies in four stages and based on the decision of the Council of Ministers that the nominal value of the shares of joint stock companies shall be ten (10) Saudi riyals per share, the Company's shares were divided from two million (2,000,000) ordinary shares to ten million (10,000,000) ordinary shares with a nominal value of (10) Saudi riyals per share. The company's current capital is one hundred million (100,000,000) Saudi riyals, divided into ten million (10,000,000) ordinary shares with a nominal value of ten (10) riyals per share paid in full.

The Company carries out its activities under Commercial Registration No. (1010068222) issued on 17/05/1408H (corresponding to 07/01/1988G). The activities of the Company, as in its commercial register, are to manage subsidiaries of holding companies, invest the funds of subsidiaries of holding companies, own real estate and movables necessary for holding companies, provide loans, guarantees and financing to subsidiaries of holding companies, and own the industrial property rights of subsidiaries of holding companies.

The main purposes of the Company according to its articles of association are as follows:

1. Managing its subsidiaries or participating in the management of other companies in which it participates and providing the necessary support to them.
2. Investing its money in stocks and other securities.
3. Owning real estate and movables necessary to carry out its activity.
4. Providing loans, guarantees and financing to its subsidiaries.
5. Ownership, exploitation and lease of industrial property rights, franchise rights and other moral rights to its subsidiaries and others.

3.3 Vision, Mission and Strategy

Company Vision

Achieving the objectives of the vision in terms of food security and exporting local products.

Company Mission

Investing in outstanding potential to achieve outstanding profits and results for shareholders.

Company Strategy

- Exploring outstanding investment opportunities in the agricultural and food fields.
- Engaging in successful partnerships that achieve rewarding returns for the Company
- Supporting opportunities that can be transferred to financial markets after helping them to achieve the necessary conditions
- Restoring some of the Company's previously distinguished activities.

3.4 Competitive Advantages

- The Company owns assets suitable for agricultural and livestock investment.
- The Company's experience in the field of agriculture and agricultural marketing.
- The Company has relationships with important suppliers and customers in the field of meat supply.
- The Company owns a land in Al-Kharj area suitable for agricultural and livestock production and will be fully exploited to serve the interests of the Company.
- The Company owns a factory that can be used for packaging purposes in the fields of vegetables, fruits and meat.
- The Company owns land on Al-Kharj Road (between Al-Kharj and Riyadh) suitable for livestock and commercial production.

3.5 Branches of the Company

The Company does not have any branches inside or outside the Kingdom of Saudi Arabia.

3.6 Subsidiaries

Table (5): Subsidiaries

Company Name	Capital (SAR)	Place of Incorporation	Its legal entity	Commercial Registration Number	Activity	Ownership Percentage
Wasmi & Fruit Meat Company	100,000	Riyadh	Limited Liability Company	1010848794	- Production of fresh meat. - Wholesale of meat products. - Retail sale of meat and meat products.	100%

* The capital has not been deposited so far and the Company has not carried out any activities and there are no outstanding balances within the current summary financial statements.

3.7 Investments in other companies

The Company has investments in companies in the Kingdom of Saudi Arabia. The table below shows a summary of the ownership of Thimar Development Holding in these companies:

Table (6): Investments in Other Companies

Company Name	Capital (SAR)	Place of Incorporation	Its legal entity	Activity	Ownership Percentage
Thimar and Wasmi Agricultural Markets Company*	10,000,000	KSA	Limited Liability Company	Wholesale and retail trade in materials and supplies of agricultural, industrial and food products, refrigerated meat, sanitary, cleaning and consumer materials and all household items	30.56%
National Fresh Fruit Products Company**	500,000	KSA	Limited Liability Company	Wholesale and retail trade in vegetables, fruits, foodstuffs, cooked and uncooked catering services, import and export services and marketing to others	50%


* During 2021G, a judgment was issued by the Ninth Circuit in the Commercial Court in Riyadh to open the liquidation procedure for Thimar and Wasmi Agricultural Markets Company. Based on the result of the liquidation, which showed the bankruptcy of the associate Company, the Company's management decided to return and close the provision for investment losses in the associate Company and to eliminate the balance of indebtedness owed by the associate Company. There are no outstanding balances within the current summary financial statements. During this period, the Company received an amount of SAR 847,395 represented by its share of the indebtedness owed by the associate resulting from the liquidation.

** The accumulated losses of the Company amounted to 100% of its capital since previous years, and the Company's management decided to stop calculating the equity due to the existence of an outstanding lawsuit to liquidate the Company, which has not been resolved. The bankruptcy committee announced the opening of the administrative liquidation procedure for the Company, the National Company for Fresh Fruit Products. In 2021G, the balance of the indebtedness owed by the associate company was dissolved and there are no outstanding balances within the financial statements.

3.8 Trademarks

In marketing its services, the Company relies on its trademark, which supports its business and competitive position, and gives it a clear distinction in the market among customers. The Company has registered its trademark with the Ministry of Commerce and Industry according to the table below:

Table (7): Trademarks

Brand	The Company owning the trademark	Country	Category	Registration number	Date of Registration	Status	Protection End Date
	National Agricultural Marketing Company (Thimar)	KSA	31	1436000820	16/04/1436H	Valid	11/01/1446H

3.9 Company Activity

The main activities of Thimar Development Holding Company (National Agricultural Marketing Company -Thimar) are divided into two main activities:

Production of agricultural products: Since its establishment, the Company has been mainly engaged in the production of fresh agricultural products. The Company also imports some agricultural products from inside and outside the Kingdom of Saudi Arabia, and sells them through sales outlets.

Animal production: The Company raises and trades livestock that it sells to customers, including but not limited to government agencies, palaces, hotels, and hospitals.

After converting the Company into a holding Company, it has become among its activities the management of subsidiaries of holding companies, investing the funds of subsidiaries of holding companies, owning real estate and movables necessary for holding companies, providing loans, guarantees and financing for subsidiaries of holding companies, and owning industrial property rights for subsidiaries of holding companies.

In order to optimize the use of its assets and its leading role in food security, the Company intends to invest in companies that carry out the following activities: livestock breeding, the supply of live and chilled meat, agricultural marketing, and the exploitation of existing assets such as agricultural land in Al-Kharj, commercial land on Al-Kharj Road, and the factory located in Al-Obeikan Industrial in Riyadh.

3.10 Business Interruption

The Company achieved losses as a result of the decline in its operational business and therefore led to a lack of liquidity and non-payment of its financial obligations. During 2019G, all the Company's bank accounts were suspended, which led to the reduction of business to sale in the Azizia market (simplified and refrigerators) and reliance on selling and buying in cash only. One of the creditors requested the liquidation of the Company on 22/05/1442H. The Company objected to the liquidation request on 21/06/1442 H. The Ninth Circuit of the Commercial Court ruled to reject the creditor's request and give the National Agricultural Marketing Company - Thimar - its right to conduct financial reorganization. The creditors were limited to preparing the financial organization plan so that it can improve its economic performance and change the activities of the Company and turn it into a holding Company, which led to the cessation of the Company's business completely after hiring the open-air markets and supermarkets in addition to the financial reorganization procedures.

3.11 Employees

Company Personnel and Saudization Percentage

The Company falls under the (red) range of the Saudization ranges program, and the following table shows the number of employees and the percentage of Saudization in the Company.

Table (8): Staffing

	2020G		2021G		2022G	
	Number	Percentage%	Number	Percentage%	Number	Percentage%
Saudis	5	12%	3	21%	2	25%
Non-Saudis	36	88%	11	79%	6	75%
Total	41	100%	14	100%	8	100%

[†]Source: Legal Prospectus

3.12 A share program for employees existing before submitting the application for registration and offering securities subject to this Prospectus:

As of the date of this Prospectus, the Company does not have any share allocation programs for its employees.

3.13 Arrangements involving employees in capital

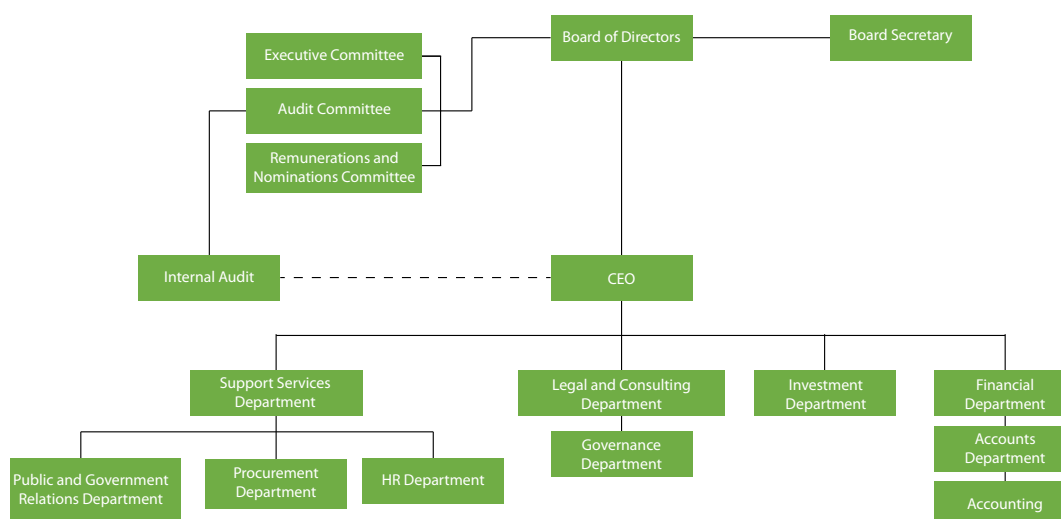
As of the date of this Prospectus, there are no arrangements involving employees in the capital of the Company.

4. The Company's Organizational Structure

4.1 Organizational Structure

Below is a diagram showing the Company's organizational structure as of the date of issuing this Prospectus:

Diagram (1): Organizational Structure



4.2 Board of Directors and Board Secretary

The following table shows the Board members as of the date of this Prospectus:

Table (9): Board Members

Name*	Position	Nationality	Age	Status	Owned Shares				Membership Date
					Direct	Indirect	Total	%	
Waleed bin Abdulaziz Ash-Shuwayer**	Chairman	Saudi	49	Independent	-	-	-	-	14-05-2023G
Khaled Asaad Khashoqji**	Vice Chairman	Saudi	48	Independent	-	-	-	-	14-05-2023G
Melfi Manahi Al-Marzouqi	Managing Director	Saudi	54	Independent	-	-	-	-	14-05-2023G
Abdul Karim bin Muhammad Al Nuhair***	Board Member	Saudi	50	Independent	5000	-	5000	0.050%	29-05-2023G
Aziz bin Mohammed Al-Qahtany	Board Member	Saudi	53	Independent	-	-	-	-	14-05-2023G
Haitham bin Faisal Al-Askobi	Board Member	Saudi	56	Independent	1	-	1	0.00001%	14-05-2023G

Name*	Position	Nationality	Age	Status	Owned Shares				Membership Date
					Direct	Indirect	Total	%	
Yasser bin Sulaiman Al-Aqeel	Board Member	Saudi	36	Independent	10	-	10	%0.0001	14-05-2023G
Abdul Azim Motamed Abdul Azim	Board Secretary	Egyptian	38	-	-	-	-	-	14-05-2023G

Source: Company's Management

* On 18/10/1444H (corresponding to 08/05/2023G), the Ordinary General Assembly approved the election of the above-mentioned Board members for the current session, starting on 14/05/2023G and ending on 13/05/2026G.

**On 24/10/1444H (corresponding to 14/05/2023G), the Board decided to appoint the above-mentioned Chairman, Vice Chairman, Managing Director, and Board Secretary for the current session, starting on 14/05/2023G and ending on 13/05/2026G.

***On 09/11/1444H (corresponding to 29/05/2023G), the Company announced that it had accepted the resignation of Board Member, Mr. Mohammed bin Abdul-Wahhab As-Skeet pursuant to the Circulation. The resignation shall be effective as of 28/05/2023G. The Company announced the replacement of Mr. Mohammed bin Abdul-Wahhab As-Skeet by appointing Mr. Abdul Karim bin Muhammad Al Nuhair, as of 29/05/2023G until the end of the current Board session.

Table (10): Number of Board Meetings

Administrative Body	2020G	2021G	2022G	31 March 2023G
Board Members	-	3	3	2

*The Company failed to obtain documents and data for FY 2020G.

Source: Company's Management

4.3 Board Committees:

The Board consists of three (3) committees, namely: (1) the Executive Committee, (2) the Audit Committee, and (3) the Remunerations and Nominations Committee. These Committees support the Board in following up on the Company's activities and providing the Company's Management with the necessary guidance and direction. The Committees were formed as follows:

4.3.1 Executive Committee

The Executive Committee consists of four (4) members appointed by the Board. The purpose of the Executive Committee is to assist the Board in overseeing the Company's interests with the highest level of efficiency while adhering to government-related best practices. The Executive Committee's responsibilities and duties include:

- To provide support to the Board to supervise competency.
- To support, guide, and assist the Executive Management in performing its tasks, and follow up on its activities periodically.
- To recommend to the Board to identify and approve priorities and objectives regarding the allocation of the Company's financial resources and capital expenditures for projects, including financial and other matters such as mergers, acquisitions, investments, disposal of investments, restructuring, and reorganization.
- To act as the Board's advisor regarding policies and strategies that affect the Company's role.
- To develop and review medium-term and long-term strategies and plans according to market changes, and ensure their effective implementation.
- To occasionally perform any additional tasks as it deems necessary and at its own discretion/or as assigned thereto by the Board.
- To review any amendment to the Company's business regulations and policies and make recommendations thereto to the Board.
- To draft and review a strategy and plan for the Company and communicate with the Executive Management to present the same.
- To study any matter presented thereto by the Executive Management.
- To agree on business policy guidelines based on the Company's approved strategy.
- To make a presentation of the Company's budget and plans for the Board, once approved, to verify budgets and plans.
- To recommend to the Board to ensure appropriate levels of delegation of power to the Company's Senior Management.
- To ensure that there is an effective administrative and organizational structure within the Company that is consistent with the Company's procedures for the effective implementation of the business plan.

- To make such decisions that exceed the power of the Executive Management assigned by the Board regarding capital expenditures or purchases of up to an amount authorized by the Board to the Committee in accordance with the approved powers.
- To supervise the Company's performance, including the performance of agreed-upon key indicators in all aspects of the Company's business, and to submit reports to the Board as necessary.
- To assess the risks to which the Company is exposed to mitigate and monitor those risks on an ongoing basis.
- To monitor the proper implementation of the Company's business plan as approved by the Board.
- To identify and activate new job opportunities that fall outside the scope of the Company's current core activities and study geographical diversity.

The Executive Committee consists of the following members:

Table (11): Members of the Executive Committee

Name	Position	Membership Date
Waleed bin Abdulaziz Ash-Shuwayer	Chairman	14/05/2023G
Melfi bin Manahi Al-Marzouqi	Board Member	14/05/2023G
Khaled bin Asaad Khashoqji	Board Member	14/05/2023G
Abdul Karim bin Muhammad Al Nuhair	Board Member	14/05/2023G

*The Company failed to obtain documents and data for FY 2020G.

Source: The Company

Table (12): Number of Executive Committee Meetings

Administrative Body	2020G*	2021G	2022G	31 March 2023G
Executive Committee	-	5	2	-

*The Company failed to obtain documents and data for FY 2020G.

Source: The Company

4.3.2 Audit Committee

The Audit Committee consists of three (3) members appointed by the General Assembly upon the recommendation of the Board. The Audit Committee is responsible for monitoring the Company's business and verifying the integrity and integrity of its reports, financial statements, and internal control systems. The Committee's tasks include, in particular, the following:

- To obtain the necessary assurances on the effectiveness of the Company's internal control systems, and prepare a written report including its recommendations and views on the adequacy of such systems and the effort it has made to ensure their efficiency within the scope of the Committee's competence, provided that this report is submitted on an annual basis, unless required to be submitted earlier.
- To consider draft policies and powers and comment thereon in light of its supervisory role prior to their approval by the Board.
- To review the regulations of the Board and its committees and comment thereon in light of its supervisory role prior to their approval by the Board.
- To review the Executive Management's reports on the internal control system and its components, and comment thereon.
- To consider the matters referred thereto by the Board to give recommendations regarding them to the Board in light of its supervisory role.
- To consider the initial and annual financial statements of the Company and its subsidiaries before submitting the same to the Board and recommending their approval.
- To consider any important or unusual issues contained in the financial reports.
- To verify accounting estimates applied by the Company and express opinions and recommendations to the Board thereon.
- To express a technical opinion, upon the request of the Board, as to whether the Board's annual report and the Company's financial statements are fair, balanced, and understandable, and include information that allows shareholders and investors to evaluate the Company's financial position or situation, performance, business model, and strategy.
- To examine carefully what the Company's Chief Financial Officer or his deputy, or the Company's internal audit, or the Auditor may raise.
- To consider the internal audit report, including internal audit comments and relevant recommendations, and develop the necessary plan to implement the corrective measures for these comments.

- To monitor and supervise the performance and activities of the Company's Internal Audit Department to ensure the availability and effectiveness of the necessary resources in performing the works and tasks assigned thereto.
- To review and approve the Internal Audit Charter.
- To consider and approve the strategic and annual internal audit plan.
- To make a recommendation to the Board to appoint the Director of the Internal Audit Department and propose his remuneration in accordance with the Company's internal regulations.
- To adopt the organizational structure of the internal audit function in a way that ensures its independence and effective and efficient performance of its work.
- To consider and review the Company's risks.
- The Internal Audit Unit/Department shall prepare and submit a written report on its activities on a quarterly basis to the Board, the Audit Committee, and the Executive Management. Such report shall include an assessment of the Company's internal control system and the final opinion and recommendations of the Audit Unit/Department. Such report shall also specify the procedures taken by each department for addressing the findings and recommendations from the previous audit, and any remarks thereon, particularly failures to promptly address such findings and recommendations and the reasons for such failure.
- The Audit Unit/Department operates according to a comprehensive annual audit plan approved by the Audit Committee and Executive Management, and this plan shall be updated on an annual basis.
- To make a recommendation to the Board to nominate and dismiss the External Auditor, determine his fees, and assess his performance, after checking his independence and reviewing the scope of his work and his contracting terms.
- To verify the independence of the External Auditor, determine the objectivity and fairness of his reports, and the effectiveness of audit work, taking into consideration the related rules and standards.
- To review the External Auditor's plan and work, verify that he has not submitted technical or administrative work that is outside the scope of the audit work, and comment thereon.
- To consider the External Auditor's report and comments on the financial statements and follow up on the action taken in this respect.
- To answer the External Auditor's inquiries in coordination with Executive Management.
- To study the External Auditor's report and his comments on the financial statements and follow up on the action taken in this respect after they are approved by the Committee.
- To review the reports of regulatory authorities and verify that the Company has taken the necessary measures thereto.
- To verify the Company's and its employees' compliance with internal rules, regulations, policies, and instructions and those issued by relevant supervisory and regulatory authorities.
- To review and advise on the systems and practices established by the Board to monitor compliance with laws, regulations, and conflict of interest policies.
- To verify the existence of an effective policy for reporting administrative, financial, and behavioral violations and fraudulent cases.
- To review the contracts and transactions proposed to be conducted by the Company with related parties, and submit its appropriate comments thereon to the Board.
- To submit to the Board the issues it deems necessary to take action on and make recommendations for the measures to be taken.

The Audit Committee consists of the following members:

Table (13): Audit Committee's Members

Name	Position	Membership Date
Aziz Mohammed Al-Qahtany	Chairman	14/05/2023G
Ziad Mohammad Al -Badini	Board Member	14/05/2023G
Mohammad Dakhil Al -Saadi	Board Member	14/05/2023G

Source: The Company

Table (14): Number of Audit Committee Members' Meetings

Administrative Body	2020G [†]	2021G	2022G	31 March 2023G
Audit Committee	-	3	2	4

[†]The Company failed to obtain documents and data for FY 2020G.

Source: The Company

4.3.3 Remunerations and Nominations Committee

The Remunerations and Nominations Committee consists of three (3) members appointed by the Board. The tasks and responsibilities of the Remunerations and Nominations Committee include:

- To prepare and submit a clear policy for the remuneration of Board members, the Board committees, and the Executive Management to the Board for consideration in preparation for its approval by the General Assembly, provided that these policies shall follow, disclose, and ensure the implementation of performance-related standards.
- To clear the relationship between the granted remuneration and the applicable remuneration policy, and state any major lack of policy commitment.
- To periodically review the remuneration policy and evaluate its effectiveness in achieving the desired objectives.
- To make recommendations to the Board on the remuneration to be granted to the Board members, Board committees' members, and Senior Executives as per the adopted policy.
- To propose clear policies and standards for membership in the Board of Directors and Executive Management.
- To recommend to the Board to nominate and re-nominate members in accordance with the approved policies and standards.
- To recommend to the Board to nominate members of the subsidiary committees.
- To prepare a description of the capabilities and qualifications required for membership in the Board of Directors and to fill Executive Management positions.
- To determine the time the members shall dedicate to the work of the Board of Directors.
- To annually review the need for skilled and experienced individuals suitable for the membership of the Board of Directors and the positions in the Executive Management.
- To review the structure of the Board and Executive Management and provide recommendations to the Board regarding possible changes.
- To verify annually of the independence of the independent members and the absence of any conflict of interest if a member is also a Board member in another company.
- To develop job descriptions for executive members, non-executive members, independent members, and senior executives.
- To establish special procedures in case positions of Board members or a Senior Executive become vacant.
- To identify the Board's weaknesses and strengths, and propose relative solutions in accordance with the Company's interest.

Table (15): Members of the Remunerations and Nominations Committee

Name	Position	Membership Date
Khaled bin Asaad Khashoqji	Chairman	14/05/2023G
Waleed bin Abdulaziz Ash-Shuwayer	Board Member	14/05/2023G
Mohammed Khalid Almutairi	Board Member	14/05/2023G

Source: The Company

Table (16): Number of Remunerations and Nominations Committee Members' Meetings

Administrative Body	2020G*	2021G	2022G	31 March 2023G
Remunerations and Nominations Committee	-	2	1	1

*The Company failed to obtain documents and data for FY 2020G.

Source: Company's Management

4.4 Executive Management

The following table shows the names of the Executive Management team members as mentioned in this prospectus:

Table (17): Executive Management team members

Name	Position [†]	Nationality	Age	No. of shares		Ownership		Appointment date
				Direct	Indirect	Direct	Indirect	
Melfi bin Manahi Al-Marzouqi	CEO	Saudi	54	0	0	0	0	22/03/2023G
Faisal bin Fayez Al-shammari	Administrative Affairs and Human Resources Supervisor	Saudi	27	0	0	0	0	01/10/2022G

Source: Company's Management

[†] The company has a number of employees registered under the subsidiary "Wasmi and Themar Meat Company – a limited liability company wholly owned by Themar Development Holding Co. these employees will be transferred by the Company after increasing the capital and resolving the company's situation with Social Insurance and the Labor Office.

4.5 Remunerations of the Board of Directors and Senior Executives:

Remuneration and Nominations Committee is responsible for proposing the remuneration due to the members of the Board and senior executives, subject to the Company's Articles of Association. The remuneration of the Board of Directors, as stipulated in Article (19) of the Articles of Association, consists of a specific amount, an attendance allowance for meetings, specific benefits, or a specific percentage of net profits, and the member may combine two or more of these benefits, and if the reward is a specific percentage of the Company's profits, this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly, after at least 5% of dividends of the Company's paid-up capital are distributed to the shareholders, and in all cases the remuneration and monetary or in-kind benefits that a member of the Board of Directors receives shall not exceed the amount of SAR five hundred thousand annually in accordance with the controls set by the Ministry of Commerce. Members' remuneration may be of varying amounts to reflect the extent of the member's experience, competence, tasks assigned to him, his independence, the number of meetings he attended, and any other considerations at the discretion of the Board of Directors. The Board of Directors' report to the Ordinary General Assembly shall include a comprehensive statement of everything that the members of the Board of Directors obtained during the year in terms of remunerations, expense allowances, and other benefits, and it shall also include a statement of what the members of the Board of Directors received in their capacity as employees or administrators, or what they received against technical, administrative, or consulting work and also include a statement of the number of Board meetings and the number of meetings attended by each member from the date of the last General Assembly. The remuneration of independent board members shall not be a percentage of the profits achieved by the Company or be based directly or indirectly on the company's profitability as determined by the competent authority. The following table shows the salaries, remunerations and allowances received by the Board of Director members during the past three years:

Table (18): Remunerations of Board of Directors and Senior Executives:

The following table shows the remuneration and compensation of the Board of Directors members for their membership in the Board and Committees:

(SAR)	2020G ^{**}	2021G	2022G
Board of Directors members [†]	-	540,000	660,000
CEOs	-	2,853,000 [†]	679,042

Source: Company's Management

[†] Mr. Sarry Ibrahim Al Maiouf's remuneration for the year 2021G is estimated at SAR 2,205,000.

^{**}The Company failed to obtain documents and data for the FY 2020G.

5. Financial Information and Management Discussion and Analysis

5.1 Company's Profile

Thimar Development Holding Company (formerly known as Thimar National Agricultural Marketing Company) was registered as a Saudi joint stock company under Commercial Registration No. 1010068222, issued in Riyadh on 17 Jumada Al-Ula 1408H (corresponding to 7 January 1988G). The Company's share capital is SAR 100,000,000 divided into 10,000,000 shares with a nominal value of SAR 10.

Name Change: Based on the Extraordinary General Assembly Meeting held on 12 October 2021G, the Company's name was changed from National Agricultural Marketing Company to Thimar Development Holding Company. The Company's activities include managing its subsidiaries or participating in managing other companies in which the Company holds shares and providing the necessary support thereto. The Company's activities also include owning immovable and movable property necessary to carry out its activity, providing loans, guarantees, and funds to its subsidiaries, owning, using, and leasing industrial property rights, franchise rights, and other moral rights to its subsidiaries or third parties, and investing its funds in stocks and other securities.

Financial Restructuring Procedure: On 6 January 2021G, the Saudi British Bank (SABB), the Company's main lender, filed a request to Riyadh Commercial Court to liquidate the Company due to its failure to pay off debts because of its deteriorating financial situation. On 4 February 2021G, the Company objected to SABB's request, by which the Court issued an order to perform the Company's financial restructuring on 4 April 2021G. Pursuant to the ruling issued on Wednesday, 25 Shaaban 1442H (corresponding to 7 April 2021G) in Case No. 1970 of 1442H which ruled to perform the Company's financial restructuring, Hani bin Saleh Al-Aqili was appointed as the Company's Financial Restructuring Trustee. The Company was given 150 days to prepare the proposal as of the date of reopening the proceedings. This deadline was extended at the Company's request for 100 days, as of 25 Muharram 1443H (corresponding to 2 September 2021G). However, the Court agreed to extend the deadline for 60 days, as of 6 Jumada Al-Awwal 1443H (corresponding to 10 December 2021G).

Recently, the Company's Management developed a strategic plan to develop the Company and to expand and diversify its activities to fulfill its obligations and seize the great opportunities in the local market in the post-lockdown phase during the outbreak of the COVID-19 pandemic. Therefore, the Company was converted into a holding company under the name (Thimar Development Holding Company), a Saudi company listed on Tadawul and registered under Commercial Registration No. 1010068222. Below are the Company's activities:

- Managing its subsidiaries or participating in managing other companies in which the Company holds shares and providing the necessary support thereto;
- Investing its funds in stocks and other securities;
- Owning immovable and movable property necessary to carry out its activities;
- Providing loans, guarantees, and funds to its subsidiaries; and
- Owning, using, and leasing industrial property rights, franchise rights, and other moral rights to its subsidiaries or third parties.

Suspension of Share Trading: On 11 December 2019G, the trading in Thimar's shares was suspended, as the Company failed to publish its financial results for Q3 2019G. Said suspension persisted as the Company also did not provide its financial records for subsequent periods. Tadawul approved the Company's request to trade its shares over the counter (OTC) as of 6 September 2020G, and to execute several share transactions.

Resuming Trading: Trading of the Company's shares resumed in March 2023G after publishing the financial statements for the previous periods along with the interim financial statements for Q1 2023G on Tadawul website and after resolving issues related to refraining from expressing opinions in the External Auditor's report.

Unconsolidated Subsidiary: The Company established an unconsolidated subsidiary named Wasmi and Thimar Meat Company (A single shareholder company) as a limited liability company incorporated in the Kingdom of Saudi Arabia pursuant to the Companies Law and under the certificate of incorporation No. 101084794, dated 27/05/1444H (corresponding to 21/12/2022G). The Company's authorized share capital is SAR 100,000. The Company's activity is the production of fresh meat and the wholesale and retail sale of meat and meat products. Some activities require obtaining licenses from the Ministry of Industry and Mineral Resources. The Company's first financial year begins from the date of its registration.

Address: The address of the Company's main office is P.O. Box: 88618, Building No. 3549, Al Orouba Road, Olaya District, Riyadh 12333, Kingdom of Saudi Arabia. The Company's executive management is also located in Riyadh.

5.2 Board Members' Declarations Regarding Financial Information

The Company's Board members declare that:

1. The financial information contained in this Prospectus has been extracted from the audited consolidated financial statements for the financial years ended 31 December 2020G, 31 December 2021G, and 31 December 2022G, and the financial statements for Q1 2023G, and its accompanying notes without any material modification thereto, which includes financial information presented on a consolidated basis and in a form consistent with the financial statements approved annually by the Company.
2. Except as disclosed in Section (2) "**Risk Factors**," Subparagraph No. (2.1.3) "**Accumulated Losses Risks**" and Subparagraph No. (2.1.12) "**Business Interruption Risks**" hereof, there was no material adverse change in the Company's financial and commercial position during the three financial years ended 31 December 2020G, 31 December 2021G, 31 December 2022G, and Q1 2023G, which immediately preceded the date of submitting an application for registration and offering securities subject to this Prospectus, in addition to the end of the period covered by the Certified Public Accountant's report until the Prospectus is approved.
3. The Company does not have information about any governmental, economic, financial, monetary, or political policies or any other factors that have materially affected or may materially affect (directly or indirectly) the Company's operations except as disclosed in this Section and Section (2) "**Risk Factors**" hereof.
4. There are no commissions, discounts, brokerage fees, or any non-cash compensation granted by the issuer during the three years immediately preceding the date of applying to register and offer Rights subject to this Prospectus were granted to any of the Board members, senior executives, or those responsible for offering or issuing securities, or experts.
5. The Company does not have any holdings in contractual securities or other assets whose value is subject to fluctuations or whose value is difficult to ascertain, which may significantly affect the assessment of the financial position.
6. The Company does not have any contingent liabilities, guarantees, or any significant fixed assets to be purchased or leased, other than as disclosed in this Section, subparagraph (5.8.8) "**Contingent Liabilities**" hereof.
7. "The Company has no loans or other debts including bank overdrafts. The Board of Directors also declares that there are no guarantee liabilities (including personal guarantees, not covered by a personal guarantee, secured by a mortgage, or not secured by a mortgage), liabilities under acceptance, acceptance credit, and hire purchase liabilities, except as disclosed in this Section, subparagraph (5.8.5) "**Current Liabilities**" and subparagraph (5.8.4) "**Non-Current Liabilities**" hereof.
8. To their knowledge, there are no mortgages, liens, encumbrances, or costs on the Company's property as of the date of this Prospectus.
9. Except as disclosed in this Section, subparagraph (5.8.8) "**Contingent Liabilities**", the Company has no contingent liabilities or guarantees.
10. The Company's capital is not subject to any option contracts.
11. The Company did not witness any changes in capital during the three years immediately preceding the date of submitting the application for registration and offering securities subject to this prospectus.
12. The Company is not aware of any seasonal factors or economic cycles related to the activity that may have an impact on the Company's business and financial position, except as disclosed in Section (2) "**Risk Factors**" hereof.
13. The Company does not have any issued debt instruments or approved but not issued yet debt instruments, and it does not have any loans covered by a personal guarantee, secured by a mortgage, or not secured by a mortgage.

5.3 Significant Accounting Policies

5.3.1 Basics of Preparation

5.3.1.1 Applicable Accounting Standards

- The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), including the Financial Reporting Standard During Bankruptcy Proceedings: Preventive Settlement or Financial Restructuring approved in the Kingdom of Saudi Arabia, which requires the impact of the financial restructuring procedure on the financial statements and the disclosure of additional information due to entering into the procedure. The financial statements show the impact of transactions and events directly related to financial restructuring procedures, separately from the Company's ongoing activities.
- The Capital Market Authority (CMA) has allowed the listed companies to use the option of the Fair Value Model - or the Revaluation Model - or continue to apply the Cost Model to measure properties and investment properties as of 1 January 2022G. CMA also obligated listed companies to continue using the Cost Model to measure property, plant, equipment, and intangible assets.
- The condensed interim financial statements have been prepared in accordance with IAS 34 ("Interim Financial Reporting") approved in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, including the Financial Reporting Standard During Bankruptcy Proceedings: Preventive Settlement or Financial Restructuring approved in the Kingdom of Saudi Arabia, which requires the impact of the financial restructuring procedure on the financial statements and the disclosure of additional information due to entering into the procedure. The financial statements show the impact of transactions and events directly related to financial restructuring procedures, separately from the Company's ongoing activities. These condensed interim financial statements shall be read in conjunction with the most recent annual financial statements as of 31 December 2022G.
- These condensed interim financial statements do not include all the information and disclosures required to issue a complete set of financial statements prepared in accordance with IFRS. However, specific accounting policies and notes are included to explain events and transactions that are significant to understanding changes in financial position and performance since the last annual financial statements. In addition, results for the three-month period ended 31 March 2023G are not necessarily indicative of the results that may be expected for the year ended 31 December 2023G.

5.3.1.2 Accounting Convention/ Measurement Basis

These financial statements have been prepared using the accrual accounting principle, the going concern concept, and the historical cost basis. Another basis is used if IFRS requires using another measurement basis, as described in the applicable accounting policies.

5.3.1.3 Functional and Presentation Currency

The financial statements are presented in Saudi riyals, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest Saudi Riyals, except where otherwise indicated.

5.3.1.4 New IFRS Standards, Amendments to Standards and Interpretations Not Yet Adopted

The Company has applied for the first time the following amendments to the standards for reporting periods commencing on 1 January 2022G:

5.3.1.5 Amendments to IFRS 3 and IAS 16 and 37

- IFRS 3 "Business Combinations" updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- IAS 16 "Property, Plant and Equipment" prohibits the Company from deducting from the cost of property, plant, and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, the Company will recognize such sales proceeds and related costs in the statement of profit or loss.
- IAS 37 "Provisions, Contingent Liabilities, and Contingent Assets" sets out the costs the Company includes when assessing whether a contract will result in a loss or not. Implementing these amendments does not have any material impact on the financial statements during the year.

5.3.1.6 Standards Issued But Not Yet Effective

Below are amendments to the standards issued but not yet effective which are applicable for annual periods beginning on or after 1 January 2023G, with early adoption permitted, but have not been applied by the Company in preparing these financial statements. The Company does not expect a material impact on the financial statements if the following standards and amendments are applied:

Classification of liabilities (amendments to IAS 1 “Presentation of Financial Statements”).

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

Amendments to IAS 1 (Practice Statement 2) and IAS 8

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

Amendment to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

5.3.1.7 Changes in Accounting Policies

During the financial year 2022G, the Company applied IAS 16 using the revaluation model to measure the lands it owns and included under the Property, Plant, and Equipment item, as the Saudi Capital Market Authority decided to allow listed companies to use the fair value or revaluation model option to measure properties and investment properties as of 1 January 2022G, and obligated listed companies to continue using the cost model to measure property, plant, equipment, and intangible assets

The policy amendment in IAS 8 stipulates that the initial application of a policy to revalue assets in accordance with IAS 16 “Property, Plant, and Equipment” is considered a change in an accounting policy to be dealt with as a revaluation in accordance with IAS 16, rather than in accordance with IAS 8.

5.3.1.8 Significant Applied Accounting Policies

Below are the significant accounting policies applied by the Company in preparing its financial statements for all presented accounting periods except as stated in the above-mentioned paragraph.

Classification of Assets and Liabilities into Current / Non-current

Assets

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as a current asset if:

- Expected to be realized or intended to be sold or amortized in the normal operating cycle;
- Held primarily to be traded;
- Expected to be sold within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

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

Liabilities

A liability is considered a current liability if:

- Expected to be settled in a normal operating cycle;
- Held primarily to be traded;
- Due to be settled within twelve months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

Cash and Cash Equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents consist of bank balances, cash deposits, cash at banks, short-term deposits with an original maturity of three months or less, and other short-term highly liquid investments, if any, with an original maturity of three months or less from the date of its creation and it shall become available to the Company without any restrictions. It also includes overdraft accounts, which are an integral part of the Company's cash management and are expected to be changed from overdraft to current accounts.

Murabaha Time Deposits at Banks

Murabaha time deposits at banks include deposits with the bank with an original maturity of more than three months and less than one year from the date of deposit.

Inventory

Inventories are measured at the lower of cost or net realizable value ("NRV"). Cost shall be determined as follows:

- Products and packaging materials at purchase cost on a weighted average basis, including (inventory purchase costs, purchase price, import duties, other taxes (other than those that can be subsequently recoverable from the tax authorities), and transport, handling, and other costs directly attributable to the acquisition. Trade discounts, rebates, and other similar items are deducted in determining the costs of purchase.
- Net realizable value (NVR) consists of the estimated selling price less additional manufacturing costs to completion and an appropriate share of selling and distribution expenses. Any reduction in the cost of inventory to net realizable value shall be recognized as an expense in the period in which the reduction occurs. Any reversal of an impairment must be recognized in the profit and loss statement in the period in which the impairment occurs.
- A provision for obsolete and slow-moving inventory is set aside, when necessary, and the cost of the inventory is recognized as an expense and included in the cost of revenue.

Property, Plant, and Equipment

Recognition and Measurement

Property, plant, and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The asset acquisition cost includes all costs related to the acquisition of the asset.

- Any item of property, plant, and equipment is derecognized after it has been disposed of or when no future economic benefits are expected from its use or disposal.
- Gains and losses on disposal of an item of property, plant, and equipment are determined by comparing the net proceeds of disposal with the carrying amounts of property, plant, and equipment and recognized after deducting other income (expenses) in the form of gains or losses.
- Subsequent expenditure is capitalized only when it increases future economic benefits to the Company and can be measured reliably.
- Financing costs related to loans to finance the construction of qualifying assets are capitalized during the year necessary to complete and prepare the assets for their intended purpose.
- If significant parts of an item of property, plant, and equipment have different useful lives, then they are accounted for as separate items of property, plant, and equipment.
- The cost of replacing a significant part of an item of property, plant, and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits will flow to the Company and those costs can be measured reliably. The carrying value of a replaced item is eliminated when significant parts of property, plant, and equipment are required to be replaced at intervals of time. The Company lists such parts as individual assets with specific useful lives and are depreciated accordingly. Likewise, when a major inspection is performed, its cost is included in the carrying value of the property and equipment as an alternative if the inclusion criteria are met. Other repair and maintenance costs are included in the statement of profit or loss as incurred.

Subsequent measurement of items measured according to the revaluation model

- The Company has elected to use the revaluation model for the real estate (land) category of property, plant, and equipment.
- The revaluation model is applied to the entire real estate class.
- Under the revaluation model, after a class of land is initially recognized at cost, it is subsequently measured and recorded at the revaluation amount, which is its fair value at the revaluation date less any subsequent accumulated depreciation (if any) and any subsequent accumulated losses in value. Upon revaluation, the carrying amount of the asset is adjusted and reintroduced to the revalued amount on the revaluation date in a proportionate manner.

- The reevaluation is carried out every year regularly and simultaneously on the date of preparing the annual financial statements.
- When the carrying amount of an asset increases as a result of revaluation, the increase is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.
- If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in shares under the heading of revaluation surplus
- The revaluation surplus included in equity in respect of land may be transferred directly to retained earnings when the asset is derecognized. This may involve transferring some of the surplus as the asset is used, corresponding to the difference (if any) between depreciation based on the carrying amount of the asset and depreciation based on the asset's original cost. No transfers are made from the revaluation surplus to retained earnings through profit or loss.
- The effects of taxes on income, if any, resulting from the revaluation of property, plant, and equipment are recognized and disclosed in accordance with IAS 12 "Income Taxes".

Capital Spare Parts

- Capital spare parts are the interchangeable parts of plant and equipment, which are considered to be essential to support routine maintenance, repair, and overhaul of plant and equipment or to be used in emergency repair situations.

Such spare parts are capitalized if the capitalization conditions and criteria are met, and are depreciated over their estimated useful life.

Depreciation

- Cost less estimated residual value is depreciated on a straight-line basis over the useful life of the asset as follows:

Table (19): Useful Life of Tangible Assets

Item	Useful Life
Buildings	33.3 years
Wells	25 years
Computer and electrical appliances	5 to 13.3 years
Furniture, fixtures, and leasehold improvements	4 to 40 years
Plant and equipment	5 to 10 years
Vehicles	5 to 13.3 years

The residual value and useful lives of assets and indicators of impairment are reviewed at the end of each financial year and adjusted prospectively, if necessary.

Capital Works In Progress

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

Intangible Assets

- Upon initial recognition, acquired intangible assets (excluding goodwill) are measured separately at cost. After initial recognition, intangible assets are recorded at cost less accumulated amortization and impairment losses, if any.
- Internally generated assets are not capitalized (excluding capitalized development costs) and related expenses are recognized in the statement of profit or loss in the period in which they are incurred.
- The useful life of intangible assets is evaluated as either finite or indefinite.
- Intangible assets with finite useful lives are amortized over their useful economic lives as follows:

Table (20): The Expected Life of Intangible Assets

Item	Useful Life
Software	5 years

- The residual values of intangible assets with finite useful lives, their useful lives, and indicators of impairment are reviewed at the end of each financial year and evaluated to determine impairment if there is an indication that the intangible asset may be impaired.
- Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by adjusting the period or method of depreciation as appropriate and are treated as changes in accounting estimates and shall be adjusted prospectively, where necessary.
- Amortization expense for intangible assets with finite lives is included in the consolidated statement of profit or loss and other comprehensive income under an expense category consistent with the function of the intangible assets.
- Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group and the expenditure can be measured reliably.
- Intangible assets with an indefinite useful life are not amortized but are tested annually for impairment whether individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis.
- Profit or loss resulting from the derecognition of an intangible asset are measured by the difference between net sales proceeds and the book value of the asset and are included in the statement of profit or loss when the asset is derecognized.

Non-Current Assets Held for Sale

- Non-current assets are classified as held for sale if there is a high probability of recovery through sale rather than through continuing use.
- The requirements for classification as held for sale cannot be met only if there is a high probability of disposal and the asset is available for immediate sale in its current condition, the procedures required to complete the sale must demonstrate that there have been no material changes or a decision to stop the sale will be made.
- Such assets are usually measured at book value or fair value less costs to sell, which is lower. Impairment losses recognized in the initial classification are included as assets held for sale, and subsequent profits and losses upon remeasurement are recognized in profit or loss.
- If an asset is classified as held for sale, it is no longer depreciated or impaired, and the investment in the investee companies is no longer accounted for using the equity method.

Borrowing Costs

- Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.
- Borrowing costs directly attributable to the production of an asset are capitalized using a capitalization rate until the completion of the work necessary to prepare the qualifying asset for its intended purpose and thereafter these costs are charged to the statement of profit or loss. In the case of specific loans, all such costs directly attributable to the acquisition, construction, or production of an asset require a significant period of time to prepare thereof for its specified purpose or for sale, and such costs are capitalized as part of the cost of the relevant asset. All other borrowing costs are included in the period in which they occur.
- Investment income earned on the temporary investment of specific borrowings is deducted from borrowing costs eligible for capitalization till spending thereof on qualifying assets.

5.3.1.9 Significant Judgments, Estimates, and Assumptions

Preparing financial statements requires Management to make judgments, estimates, and assumptions that affect the amounts of revenues, expenses, assets, and liabilities disclosed and the disclosure of potential liabilities as at the date of the financial report. Uncertainty about these assumptions and estimates could lead to results that may require a material adjustment to the book value of the assets or liabilities that will be affected in future periods. These estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the current circumstances and are used to judge the book value of assets and liabilities that are difficult to obtain from other sources. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recorded in the period in which the estimates are revised or in the period of review and future periods if the changed estimates affect current and future periods.

Significant accounting judgments, estimates, and assumptions that have a material effect on the financial statements are issued as follows:

5.3.1.10 Judgments

Compliance with Performance Obligations

The Company must evaluate each of its contracts with customers to determine whether performance obligations have been satisfied over time or at a specific point in time in order to determine the appropriate method of recognizing revenue. The Company evaluated this based on the sales and purchase agreements that the Company entered into with customers and the provisions of relevant laws and regulations.

Determine Transaction Prices

The Company must determine transaction prices related to each of its contracts with customers. When making such a judgment, the Company evaluates the impact of any variable price in the contract as a result of discounts or penalties, the presence of any significant financing element in the contract, and any non-cash price in the contract.

5.3.1.11 Assumptions

Impairment of Trade and Other Receivables

Measuring the allowance for expected credit losses for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behavior

There are various significant judgments that are required in applying the accounting requirements for measuring expected credit losses, such as:

- Determine criteria for significant increases in credit risk.
- Choose appropriate models and assumptions to measure expected credit losses.
- Establish a relative weight for the future perceptions of each type of product/market and the associated expected credit losses.
- Establish a group of similar financial assets to measure expected credit losses.
- The Company recognizes an allowance for expected credit losses for financial instruments measured at amortized cost.
- The Company measures the allowance for losses at an amount equal to the expected credit losses over the expected life of the financial instrument, except for the following financial instruments for which the allowance for expected credit losses is measured over 12 months.
- Financial assets with low credit risk at the reporting date and financial instruments for which the credit risk has not increased significantly since initial recognition.

Provision for Slow-Moving Inventory

Management has created a provision for slow-moving and obsolete inventory items. Inventories are measured at cost or net realizable value. Estimates of net realizable value are based on the most reliable evidence at the time of estimation. These estimates take into account price fluctuations or costs directly related to events occurring after the date of the financial statements to the extent that these events confirm conditions existing at the end of the year.

Useful Lives of Property and Equipment

- The Company determines the estimated useful lives of property and equipment to calculate depreciation. This estimate is determined after taking into account the expected period of using the asset and natural wear and tear. Management periodically examines the estimated useful lives and the method of depreciation to ensure that the method and duration of depreciation are consistent with the expected model of economic benefits from these assets.
- Changes in depreciation expense in the current and future periods - if any - are adjusted.

Impairment of Non-Financial Assets

- The Company evaluates at each reporting date whether there are indications that the value of non-financial assets is impaired at each reporting date. Non-financial assets are selected for impairment if there are indications that the book value may not be recoverable.
- When the value in use is calculated, Management evaluates the future cash flows from the asset or cash-generating unit and chooses the appropriate discount rate to calculate the current value of these cash flows.

Going Concern

The Company's Management evaluated its ability to continue based on the going concern principle and concluded that it has the necessary resources to continue its activity in the foreseeable future. In addition, the Company is subject to the Bankruptcy Law and its Implementing Regulations, as the court approved the financial restructuring proposal submitted by the Company, and both shareholders and creditors approved the proposal. The financial statements continue to be prepared on a going-concern basis.

5.4 Qualified Opinion and Disclaimer of Opinion by the Legal Auditor on the Financial Statements

5.4.1 Basis for Disclaimer of Opinion for the Financial Year ended at 31 December 2020G

- The Company's Management did not have the financial documents, accounting records, and analytical and supportive detailed statements for the years and financial periods prior to 1 January 2019G, and therefore we were not able to review the opening balances as at 1 January 2019G, and we were not able to verify the validity of these balances carried forward on 1 January 2020G. Subject to what was stated in our report on the Company's financial statements as at 31 December 2019G, which included our disclaimer of opinion on many matters regards most of the items in the financial statements related to providing us with sufficient audit evidence, which considered a major restriction on the scope of our work, as well as related to not applying the presentation, disclosure, and measurement requirements stipulated in the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and other standards and statements issued by the Saudi Organization for Chartered and Professional Accountants (SCOPA) (please refer to our report on the financial statements at 31 December 2019G), so that, we were not able to determine whether there is a need to make any adjustments to the Company's opening balances, and therefore any impact that may have on transactions during 2020G and the balances as at 31 December 2020G.
- The Company's Management did not prepare the financial statements and accompanying notes thereof at 31 December 2020G in accordance with the disclosure requirements stipulated in the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and statements issued by the Saudi Organization for Chartered and Professional Accountants (SCOPA). It is clear from the financial statements and accompanying notes that many significant detailed notes have not been included, for example, the following:
 - The detailed items of the property, plant, and equipment, were not disclosed.
 - The items of debt aging in trade receivables were not disclosed.
 - The components of the statement of profit or loss and other comprehensive income were not disclosed.
 - Detailed transactions with related parties were not adequately disclosed.
 - Detailed information regarding the loans obtained by the Company was not disclosed.
 - Detailed lists of potential claims were not disclosed.
- We were appointed as auditors after the inventory date and were therefore unable to attend to the cash count as at 31 December 2020G (also, we were unable to do so until 31 December 2019G), which receivables amounted to SAR 191,670 (2019G: SAR 85,931). We were unable to perform alternative audit procedures to verify the validity, existence, and completeness of transactions and cash balances on hand.
- We were appointed as auditors after the inventory date, and therefore we were unable to attend the inventory count as at 31 December 2020G (also, we were unable to do so on 31 December 2019G), and we were not provided with inventory record, valuation sheets, and stock cards as at 31 December 2020G (also, it were not provided to us at 31 December 2019G), which receivables according to the Company's books on the same date amounted to SAR 20,653 (2019G): SAR 3,760,925. Subject to what was stated in qualified opinion paragraph No. (1), we were unable to perform alternative audit procedures to verify the validity, existence, and completeness of inventory transactions and balances and related transactions and accounts.

- We were not provided with bank confirmations and some account statements for current account balances with banks at 31 December 2020G (also, it were not provided to us until 31 December 31 2019G). The book balances of each of the current receivables and the loan payables from the Company to the banks, according to the Company's books, reached their book value on the same date amounting to SAR 2,220,908 and SAR 32,685,686, respectively (2019G: and their payables and receivables amounting to SAR 378,723 and SAR 32,685,686, respectively). We were unable to perform alternative audit procedures to verify the validity, existence, and completeness of bank and loan transactions and balances.
- We were not provided with a study of the impact of the impairment of buildings registered on land (farms) as at 31 December 2020G (also, it was not provided to us until 31 December 2019G), which the book value thereof amounting to SAR 16,225,522, (2019G: SAR 17, 046,658) as there were indicators to impairment. Subject to what was stated in qualified opinion paragraph No. (1), we were unable to perform alternative audit procedures to determine whether an adjustment to its net recoverable amount was necessary.
- The property, plant, and equipment register submitted to us does not provide sufficient data for some properties with intrinsic values in terms of book value or date of purchase (buildings - equipment), which book value thereof amounted to SAR 19,503,678 and SAR 2,427,086 respectively at 31 December 2020G, and the Company's Management did not carry out an actual inventory of the property, plant and equipment during the previous financial years also at the end of the current financial year. Subject to what was stated in qualified opinion paragraph No. (1), we were unable to perform alternative audit procedures to verify the validity, existence, and completeness of these properties as at the same date and their depreciation amounts.
- The accumulated losses as at 31 December 2020G include an amount of SAR 22,286,012, which are transactions that were settled in the statement of profit or loss and other comprehensive income in 2019G, and we were not provided with sufficient supporting documents at the time (please refer to our report on the financial statements as at 31 December 2019G (qualified opinion No. (8), (9) and (26) within the Basis of Disclaimer of Opinion section) for details about the amount and reasons of the qualified opinion). We were unable to conduct alternative audit procedures to verify the completeness and validity of the balance of the accumulated losses.
- We were not provided with the financial statements of the investee companies (investments in associate companies clause) on 31 December 2020G (we were also not provided with the statements and confirmations at 31 December 2019G), which balance thereof on the same date amounted to (2019G: SAR 920,258) (payables: the losses of these investments exceeded the cost of the investment), and we did not receive confirmations for these investments on the same date. Subject to what was stated in qualified opinion paragraph No. (1), we were unable to perform alternative audit procedures to verify the validity of the evaluation, existence, and completeness of the balance of these investments and related transactions and accounts.
- We were not provided with confirmations on the balances of trade receivables as at 31 December 2020G (also, we were not provided with these confirmations at 31 December 2019G), which book value thereof at 31 December 2020G amounted to SAR 13,216,988, and we were also not provided with a study of allowance for the expected credit loss at 31 December 2020G (also, we were not provided with a study of the allowance at 31 December 2019G) as most of the balances of these receivables have been suspended for several years. The balance of the allowance as at 31 December 2020G amounted to SAR 13,190,471 (2019G: SAR 13,190,471). Subject to what was stated in qualified opinion paragraph No. (1), we were unable to perform alternative audit procedures to verify the accuracy, existence, completeness, and evaluation of these balances and determine whether any adjustments to the trade receivable balances and related transactions and accounts are necessary.
- We were not provided with supporting documents for obtaining the letters of guarantee and their bank confirmations as at 31 December 2020G (also, we did not receive it even at 31 December 2019G), which receivables thereof amounted (2019G: SAR 570,000). Subject to what was stated in qualified opinion paragraph No. (1), we were unable to perform alternative audit procedures to verify the accuracy, existence, and completeness of this balance.
- Receivables of balances due from related parties as at 31 December 2020G amounted to SAR 87,106,110, and we were not provided with confirmation of the balances for some of these parties as at 31 December 2020G (also, we did not receive these confirmations as at 31 December 2019G). These are for Thimar and Wasmi Agricultural Markets and Fresh Thimar Company, which receivables thereof at the same date amounted to SAR 60,648,343 and SAR 3,920,195 (2019G): SAR 61,001,830 and SAR 3, 920, 195, respectively. We were also not provided with a study of the allowance for expected credit loss for balances due from related parties on 31 December 2020G, and the Company only created an allowance for the entire balance due to Fresh Thimar Company in 2019G amounted to SAR 3,920,195 (also, we did not receive a study of the allowance as at 31 December 2019G). Subject to what was stated in qualified opinion paragraph No. (1), we were unable to perform alternative audit procedures to verify the accuracy, existence, and completeness of these balances and determine whether any adjustments to the balances due from related parties and related transactions and accounts are required.
- We were not provided with documents supporting the balance of the advances paid to the supplier as at 31 December 2020G (and we did not receive it until 31 December 2019G), the receivables of which amounted to (2019G: SAR 11,302,209). The Company allocated an amount for the entire balance during the previous year (also, we did not receive supporting documents until 31 December 2019G). Subject to what was stated in Note No. (19), this supplier has filed a lawsuit against the Company, demanding an amount of SAR 44,398,774 representing the accruals against supplies during the previous periods according to his claim. A final ruling was issued in favor of the supplier for the amount claimed, without creating a balance due to this supplier for these periods. Subject to what was stated in qualified opinion paragraph No. (1), we were unable to perform alternative audit procedures to verify the accuracy, existence, and completeness of this balance, determine whether any adjustments to the advances paid to suppliers are required, and their impact on transactions and accounts related to the financial statements of the current year and the financial statements of the previous years.
- We were not provided with confirmations of trade payables at 31 December 2020G (also, these confirmations were not provided to us at 31 December 2019G), which amounted to SAR 21,270,008 (2019G: SAR 22,407,293). Subject to what was stated in qualified opinion No. (1), we were unable to perform alternative audit procedures to verify the accuracy, existence, and completeness of these balances and determine whether any adjustments to the trade payables and related transactions and accounts are required.

- The Bank did not deposit the amount of SAR 468,141 in the Company's bank account, which represents the total sales transactions that were made through the Company's points of sale during the previous year 2019G, and by following up on the subsequent period, it became clear to us that until today the amount had not been recorded in the company's bank account. The Company recorded this balance in other receivables as at 31 December 2020G (2019G: SAR 468,141), and we were unable to perform alternative audit procedures to verify the validity, existence, and completeness of this balance.
- Other receivables as at 31 December 2020G include SAR 4,039,199 (2019G: SAR 4,950,161) registered under the account of Riyadh Execution Court, which (according to the company's statement) as the Court has Seized the Company's bank accounts and withdrew amounts related to the implementation of judicial rulings against the Company. We were not provided with sufficient documents to support this. The company has not created the necessary provisions to settle these cases or prove the losses resulting therefrom. We were unable to perform alternative audit procedures to verify the validity, existence, and completeness of this balance and its effect on the relevant transactions and accounts in the financial statements for the current year and the financial statements for the previous years.
- We were not provided with confirmation of the balance due to related parties as at 31 December 2020G (also, we did not receive it until 31 December 2019G), which amounted to SAR 1,167,168 (2019: SAR 868,528). Subject to what was stated in qualified opinion paragraph No. (1), we were unable to perform alternative audit procedures to verify the accuracy, existence, and completeness of this balance and determine whether any adjustments to the balance due to related parties and related transactions and accounts are required.
- We were not provided with supporting documents for the accruals and other payables as at 31 December 2020G (also, these documents were not provided to us at 31 December 2019G), which credit balance thereof amounted to SAR 11,837,275 (2019G: SAR 7,478,058). Subject to what was stated in qualified opinion paragraph No. (1), we were unable to perform alternative audit procedures to verify the accuracy, existence, and completeness of this balance.
- The Company's Management did not prepare an estimated actuarial evaluation of employee end-of-service benefits for the financial year ended at 31 December 31 2020G in accordance with International Financial Reporting Standards (the end-of-service provision for the previous financial years was also recorded without the assistance of actuary), and we were not provided with supporting documents to calculate the end-of-service provision recorded in the Company's books. Accordingly, we are unable to perform the procedures we deem necessary to verify the accuracy of the amounts affected by the financial statements and determine whether there is a need to make any adjustments to the balances of employee end-of-service benefit claims and their impact on transactions and accounts related to the financial statements for the current year and the financial statements for the previous years.
- We were not provided with the company's current zakat position with supporting documents as at 31 December 2020G (also, they were not provided to us on 31 December 2019G), which amounted to (2019G: SAR 12,438,576). Also, we were not provided with a study for calculating the zakat provision for 2020G (we were also not provided with the basis for calculating the zakat provision for 2019G). We were unable to perform alternative audit procedures to verify the validity, existence, and completeness of this balance and whether there are potential zakat claims and their impact on the relevant transactions and accounts in the financial statements for the current year and the financial statements for the previous years.
- We were not provided with supporting documents to close inventory difference balances within sales and marketing expenses during 2020G amounted to SAR 3,740,271. Subject to what was stated in qualified opinion paragraph No. (1) and No. (4), we were unable to perform alternative audit procedures to verify the accuracy, occurrence, and completeness of selling and marketing expenses.
- The Company's Management did not process the leases in accordance with International Financial Reporting Standards, and therefore we are unable to perform the procedures that we deem necessary to verify the accuracy of the amounts affected by the financial statements. Also, we were unable to verify the company's compliance with the requirements of IFRS No. (16) - Leases, which shall be applied from 1 January 2019G regarding leases.
- These financial statements have been prepared on the basis that the Company is a going concern, and with reference to what is stated in Notes No. (19), (21), and (22) of the accompanying notes to the financial statements, the Company stopped practicing its activities during the period following the date of the financial statements, as well as the Company entered into the proposal and procedures for financial restructuring and there are a large number of cases filed against the Company with a lack of resources to cover these cases and the potential financial obligations resulting therefrom. The Company did not make any provisions for these potential claims during 2020G or 2019G. Subject to what was stated in qualified opinion paragraph No. (1), these circumstances and events, among others, indicate that there is uncertainty about the Company's ability to continue as a going concern for the foreseeable future, therefore we were unable to determine the appropriateness of Management's use of the going concern principle for accounting when preparing these financial statements, and the extent of its impact on the balances and amounts included in the financial statements for the current year.

5.4.2 Basis for Disclaimer of Opinion for the Financial Year ended at 31 December 2021G

- The Company's Management did not have the financial documents, accounting records, analytical and detailed data supporting the years and financial periods prior to 1 January 2019G, and therefore we were unable to audit the opening balances as at 1 January 2019G, and we were unable to verify the validity of these balances carried forward on 1 January 2020G and 1 January 2021G and the adjustments made to some of them based on the procedures taken by the Board of Directors, as indicated in Note No. (37) of the supplementary notes to the financial statements. Subject to what was mentioned in our report on the Company's financial statements as at 31 December 2019G, and in our report on the Company's financial statements as at 31 December 2020G which included our disclaimer of opinion on many matters regards most of the items in the financial statements related to providing us with sufficient audit evidence, which considered a major restriction on the scope of our work, as well as related to non-application of the presentation, disclosure, and measurement requirements stipulated in the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SCOPA) (please refer to our report on the financial statements at 31 December 2019G and our report on the financial statements at 31 December 2020G), so that, we were unable to determine whether there is a need to make any adjustments to the Company's opening balances, therefore any impact that may have on transactions during 2021G and the balances as at 31 December 2021G.
- The credit balance due to SAB Bank (the loan) according to the Company's books as at 31 December 2021G amounted to SAR 32,024,465 and according to the confirmation received from the Bank on the same date, the loan balance amounted to SAR 37,071,930. With reference to what was mentioned in supplementary note No. (15) to the financial statements regarding SABB loan, we were unable to perform alternative audit procedures to verify the accuracy and completeness of the transactions, and balance of the loan referred to, financing expenses and related accounts.
- With reference to what was mentioned in supplementary note No. (5) to the financial statements, the Company's Management recorded an impairment of the buildings as at 31 December 2021G, amounting to SAR 12,672,951, based on evaluations received from the independent real estate evaluator. Subject to what was mentioned in the Qualification No. (1), as a result of the lack of analytical data for the value of these buildings, we were unable to verify the accuracy of this treatment and its impact on the financial statements. The company also conducted an actual physical count of the property, plant, and equipment during the subsequent period from the date of the financial statements, and based on the results of this physical count, the Company disposed of the property, plant, and equipment with a net book value amounted to SAR 2,335,640 as at 31 December 2021G, which led to capital losses amounted to SAR 1,548,629, and assets and property available for sale amounted to SAR 780,000 (Note No. (8) of the supplementary notes to the financial statements). Subject to what was mentioned in the Qualification No. (1), and that the Company's Management did not conduct an actual physical count of property, plant, and equipment during the previous financial years, and as at the end of the year, we were unable to perform alternative audit procedures to verify the accuracy of this treatment and its effect on the financial statements, and we were unable to perform alternative audit procedures to verify the accuracy, existence, and completeness of these properties at the same date and their depreciation amounts, which amounted to SAR 11,713, 391 and SAR 1,100,552 respectively.
- We were not provided with the financial statements of one of the investee companies (National Company For Fresh Fruits Products) as at 31 December 2021G, which balance thereof at the same date amounted to SAR 0 (2020G: SAR 0) (also we did not receive these financial statements and the confirmations as at 31 December 2020G and 31 December 2019G), in addition we did not receive a confirmation on this investment and its current status at the same date. Subject to what was mentioned in the Qualification No. (1), we were unable to perform alternative audit procedures to verify the validity of the evaluation, existence, and completeness of the balance of these investments and related transactions and accounts.
- With reference to what was mentioned in note No. (11) of the supplementary notes to the financial statements, we were not provided with supporting documents to close the insurance account of the letters of guarantee and include it in the general and administrative expenses, as its receivables amounted to SAR 570k. Subject to what was mentioned in the Qualification No. (1), we were unable to perform alternative audit procedures to verify the accuracy, existence, and completeness of the general and administrative expenses.
- We were not provided with confirmations of certain trade payables as at 31 December 2021G (also, we were not provided with it as at 31 December 2020G), which amounted to SAR 2,318,021 (2020G: SAR 21,270,008). Subject to what was mentioned in the Qualification No. (1), we were unable to perform alternative audit procedures to verify the accuracy, existence, and completeness of these balances and to determine whether any adjustments to the trade payable and related transactions and accounts are necessary.
- The Company studied and calculated the zakat provision for 2020G (note No. 18 of the supplementary notes to the financial statements), where the zakat provision for 2020G amounted to SAR 884,690 and was recognized in the general and administrative expenses for 2021G without adjusting the comparative figures for 2020G, in violation of the provisions of the International Financial Reporting Standards applicable in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Chartered and Professional Accountants.
- The accumulated losses as at 31 December 2021G include an amount of SAR 26,026,283, which are transactions that were settled in the statement of profit or loss and other comprehensive income in 2019G and 2020G, and we were not provided with sufficient supporting documents at the time (please refer to our report on the financial statements as at 31 December 2020G (qualified opinion No. (8), (21) within the Basis of Disclaimer of Opinion section) and our report as at 31 December 2019G (qualified opinion No. (8), (9) and (26) within the Basis of Disclaimer of Opinion section) for details about the amount and reasons of the qualified opinion). We were unable to conduct alternative audit procedures to verify the completeness and validity of the balance of the accumulated losses.
- These financial statements have been prepared on the basis that the Company is a going concern, and with reference to what is mentioned in notes No. (36), (37), and (40) of the supplementary notes to the financial statements, the Company stopped

practicing its activities during the period following the date of the financial statements, as well as the Company entered into the proposal and procedures for financial restructuring and there are a large number of cases filed against the Company with a lack of resources to cover these cases and the potential financial obligations resulting therefrom. According to note No. (35) of the supplementary notes to the financial statements and subject to what was mentioned in the Qualification No. (1), these circumstances and events, among others, indicate that there is uncertainty about the Company's ability to continue as a going concern for the foreseeable future, therefore we were unable to determine the appropriateness of Management's use of the going concern principle for accounting when preparing these financial statements, and the extent of its impact on the balances and amounts included in the financial statements for the current year.

5.4.3 Basis of the qualified opinion for the Financial Year ended at 31 December 2022G

- We were not provided with the financial statements of one of the investee companies (National Company For Fresh Fruits Products) as at 31 December 2022G, which balance thereof at the same date amounted to SAR 0 (2020G: SAR 0) (also we did not receive a confirmation on this investment and its current status at the same date. Subject to what was mentioned in note No. (7) the Bankruptcy Committee opened the administrative liquidation procedures for the investee company. We were unable to perform alternative audit procedures to verify the validity of the evaluation, existence, and completeness of the balance of these investments and related transactions and accounts.
- We were not provided with confirmations of certain trade payables as at 31 December 2022G (also, we were not provided with it as at 31 December 2021G), which amounted to SAR 2,318,021. We were unable to perform alternative audit procedures to verify the accuracy, existence, and completeness of these balances and to determine whether any adjustments to the trade payables and related transactions and accounts are necessary.
- We were not provided with a certificate from the General Organization for Social Insurance as at 31 December 2022G, and we were not provided with any data or information about the outstanding accruals owed by the Company to the General Organization for Social Insurance during 2022G, the book payables of which amounted to SAR 1,765,958 as at 31 December 2022G, and we were unable to perform alternative audit procedures to verify the accuracy, existence and completeness of balance payable to the General Organization for Social Insurance and related transactions and accounts.
- Accumulated losses as at 31 December 2022G include an amount of SAR 40,817,863, which are transactions that were settled in the statement of profit or loss and other comprehensive income at 2019G, 2020G, and 2021G, and we were not provided with sufficient supporting documents at the time (please refer to our report on the financial statements as at 31 December 2021G (qualified opinion No. (3), and (5) within the Basis of Disclaimer of Opinion section), our report as at 31 December 2020G (qualified opinion No. (8), and (21) within the Basis of Disclaimer of Opinion section) and our report as at 31 December 2019G (qualified opinion No. (8), (9) and (26) within the Basis of Disclaimer of Opinion section) for details about the amount and reasons of the qualified opinion). We were unable to conduct alternative audit procedures to verify the completeness and validity of the balance of the accumulated losses.

5.4.4 Basis of the qualified opinion for the Financial Year ended at 31 March 2023G

- Based on the financial information provided to us by the Management, during the period from the end of the company's FY 2022G until 31 March 2023G, the Management was unable to obtain the financial statements and investment confirmations for one of the investee companies (National Fresh Fruit Products). On 31 March 2023G (also, we did not receive these statements as at 31 December 2022G), the investment balance of which amounted to SAR 0 at the same date. Management was also unable to obtain the current position of this investment, and we were unable to perform alternative procedures to verify the validity of the evaluation, existence, and completeness of the balance of these investments and related transactions and accounts.
- Based on the information provided to us by the Management, during the period from the end of the company's FY 2022G until 31 March, the Management was unable to obtain confirmations for certain trade payables on 31 March (we also did not receive it at 31 December 2022G), the balance of which amounted to SAR 336,228. We were unable to perform alternative procedures to verify the validity, existence, and completeness of these balances and determine whether there is a need to make any adjustments to the balances of trade payables and related transactions and accounts.
- The accumulated losses as at 31 March 2023G include an amount of SAR 40,817,863, which are transactions that were settled in the statement of profit or loss and other comprehensive income at 2019G, 2020G, and 2021G, and we were not provided with sufficient supporting documents at the time (please refer to our report on the financial statements as at 31 December 2021G (qualified opinion No. (3), and (5) within the Basis of Disclaimer of Opinion section), our report as at 31 December 2020G (qualified opinion No. (8), and (21) within the Basis of Disclaimer of Opinion section) and our report as at 31 December 2019G (qualified opinion No. (8), (9) and (26) within the Basis of Disclaimer of Opinion section) for details about the amount and reasons of the qualified opinion). We were unable to conduct alternative audit procedures to verify the completeness and validity of the balance of the accumulated losses.

5.5 Key performance indicators (KPIs)

The following table shows KPIs of Thimar Development Holding Co for the FY 2020G, 2021G and 2022G and Q1 FY 2023G respectively:

Table (21): Key Performance Indicators (KPIs)

SAR	KPIs			
	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Sales	062,668,3	425,304	-	-
Sales Growth (%)	(91.4%)	(88.4%)	-*	-*
Operating Income (SAR)	(683,679,11)	(098,433,162)	(4,705,412)	(784,636)
Net Profit/(Loss) Margin	(318%)	(38192%)	-*	-*
Current Ratio (Current Assets/ Current Liabilities)	114.10%	1.67%	0.58%	0.38%
Operating Profit Margin (%)	(318.18%)	(38154.12%)	-*	-*
Weighted Average Number of Shares	10,000,000	10,000,000	10,000,000	10,000,000
Loss for the year	(11,679,683)	(162,451,394)	(4,705,412)	(784,636)
Earnings per Share (SAR)	(1.17)	(16.25)	(0.47)	(0.08)
Total Assets (SAR)	119,491,787	14,046,921	44,146,320	43,754,327
Return on Assets (%)	(9.77%)	(1156.5%)	(10.65%)	(1.79%)
Total Equity (SAR)	36,388,044	(126,218,633)	(99,144,504)	(99,929,140)
Return on Equity (%)	(32.09%)	**-	**-	**-
Total Liabilities	83,103,743	140,265,554	143,290,824	143,683,467
Total Liabilities	80,318,971	139,409,488	143,226,799	143,630,067
Total Debt	32,685,686	32,024,465	32,033,389	32,033,389
Debt to Total Liabilities Ratio	27.35%	227.98%	72.56%	73.21%
Debt to Equity Ratio	89.83%	**-	**-	**-

As to some financial aspects of the Company at the the FY 2020G, the debt to equity ratio seems relatively high, as the Company has been relying heavily on debt compared to equity. In addition, during the FY 2019G and FY 2020G respectively, the Company faced financial difficulties and liquidity problems, which resulted in the non-repayment of a loan amounted to SAR 33,685,686 to SABB. As a result, the Bank submitted a claim to the Commercial Court in Riyadh requesting the liquidation of the Company to recover the outstanding loan amount. As a result, the Company's financial position was affected, as evidenced by the aforementioned ratio. Management is studying this situation and making it a top priority to ensure the Company's continuity.

- Earnings per share show a negative slope due to the losses incurred during the review period, which mainly arise from suspending the company's operations and the implementation of financial restructuring measures starting from the FY 2021G.
- The return on assets ratio of the Company shows a decrease due to the suspension of the company's operations. The decrease, at the FY 2021G, increased due to financial restructuring procedures and adjustments made to assets, in addition to the disposal of unused assets in accordance with the decision of the Emergency Board Meeting.
- There was a significant change in debt to total assets ratio between the FY 2020G and FY 2021G. This change can be attributed to some key decisions made during the Emergency Board Meeting. It was decided at this meeting to review the value of the buildings, taking into account the impact of the impairment, which amounted to SAR 12,672,951. In addition, a decision was made to write off the balance due to related parties, which amounted to SAR 60,497,450. There was a positive impact from the revaluation of the lands owned by the Company, which amounted to SAR 31,658,561. As a result, the ratio shows a more stable slope in the FY 2022G and FY 2023G, respectively.
- The Company has seen a decrease in sales growth over the past few years, primarily due to operating losses. Moreover, starting from the FY 2022G, the Company stopped completely all operating and revenue-generating activities, which led to a lack of sales growth in subsequent periods. As a result, the Company's financial situation has become increasingly difficult, and the Company's Management pays great attention to addressing these issues in order to improve sales forecasts and the overall financial health of Thimar Development Holding Co.
- No comments can be made on the Company's operating profit margins due to high losses and financial restructuring measures in the FY 2021G.

*N/A as there are no sales at the FY 2022G and the Q1 FY 2023G.

**N/A because equity was negative for the FY 2021G, FY 2022G, and Q1 2023G.

Financing Structure

The following table shows the financing structure of Thimar Development Holding Co for the FY 2020G, 2021G and 2022G and Q1 FY 2023G respectively:

Table (22): Financing Structure

Financing Structure				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Total Liabilities	83,103,743	140,265,554	143,290,824	143,683,467
Total debt	32,685,686	32,024,465	32,033,389	32,033,389
Cash and Cash Equivalents	2,459,583	623,303	212,201	1,849
Capital	100,000,000	100,000,000	100,000,000	100,000,000
Accumulated Losses	(66,495,332)	(228,946,726)	(233,652,138)	(234,436,774)
Equity	36,388,044	(126,218,633)	(99,144,504)	(99,929,140)
Financing Structure (total debt + equity)	69,073,730	(94,194,168)	(67,111,115)	(67,895,751)
Borrowing rate% = (total debt/ financing structure)	47.31%	"-	"-	"-

- The Company did not have any loans except short-term loans from SABB, which will be repaid in subsequent periods according to the financial restructuring plan.
- Total liabilities increased due to approved claims from creditors submitted to the Financial Restructuring Trustee, totaling SAR 68,529,529. After a comprehensive review, claims amounting to SAR 64,165,250 were accepted, while claims amounting to SAR 4,517,279 were rejected. The list of claims underwent restricted evaluation and was approved by the Commercial Court in Riyadh on 23 February 2022G.
- Cash and cash equivalents balances are showing a downward trend due to the suspension of the Company's operations and the use of available funds in managing the short-term claims by the Company.
- Total equity shows a downward trend due to financial restructuring procedures in addition to the Board of Directors' decisions regarding addressing the external auditor's qualified opinions. During the Emergency Board Meeting held in 2022G which was reflected in the FY 2021G statements, a large number of balances were written off mainly due to the liquidation of the associate as well as non-payment to creditors. Provisions were made relating to these balances in the financial statements, which resulted in increasing losses significantly during the year. However, these losses were reduced slightly during the FY 2022G through the adoption of the fair value or revaluation model to measure real estate and investment properties, which positively affected on SAR 31.65m.

*N/A because equity was negative for the FY 2021G, FY 2022G, and the Q1 2023G

5.6 Income Statement

The following table shows revenues during the audit period:

Table (23): Income Statement

Income Statement				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Revenues	3,668,062	425,304	-	-
Cost of revenues	(7,224,311)	(410,643)	-	-
Gross profit	(3,556,249)	14,661	-	-
Selling and marketing expenses	(1,215,438)	(1,326,944)	-	-
General and administrative expenses	(7,554,312)	(77,829,444)	(7,122,001)	(1,179,427)
General and administrative expenses - financial restructuring procedures	-	(275,000)	(550,000)	-
(Formed) Provision for expected credit losses	-	(22,210,602)	(256,988)	-

Income Statement				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Reversal of provision for expected credit losses	-	-	107,969	-
Provisions for receivables - Execution Court	-	(4,015,027)	(196,824)	-
Provision for contingent liabilities	-	-	(843,720)	-
Reversal/ (losses)of impairment of property and plant	-	(12,672,951)	341,652	-
Financial cases and claims	-	(45,508,738)	-	-
Other income/ (expense), net	646,316	1,390,947	3,814,500	394,791
Loss before zakat and financing costs	(11,679,683)	(162,433,098)	(4,705,412)	(784,636)
Financing costs	-	(18,296)	-	-
Zakat	-	-	-	-
Net loss	(11,679,683)	(162,451,394)	(4,705,412)	(784,636)
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gain/ (loss) of employee-defined benefit plan liabilities	-	(155,283)	120,980	-
Revaluation surplus	-	-	31,658,561	-
Total other comprehensive income	-	(155,283)	31,779,541	-
Total comprehensive income for the year	(11,679,683)	(162,606,677)	27,074,129	(784,636)

Source: Audited annual financial statements and interim financial statements for Q1 2023G.

5.6.1 Revenues

The following table shows revenues during the audit period:

Table (24): Gross Profit

Gross Profit				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Revenues	3,668,062	425,304	-	-
Cost of revenues	(7,224,311)	(410,643)	-	-
Gross profit	(3,556,249)	14,661	-	-

Source: Audited annual financial statements and interim financial statements for Q1 2023G.

Revenues consist of sales of refrigerators and open-air markets in Azizia Markets. Revenues decreased significantly in FY 2020G (91%) compared to FY 2019G due to the cessation of sales. No revenues were reported in FY 2022G due to the cessation of business activities as a result of the financial restructuring process and transferring the ownership of refrigerators and open-air markets leased by Thimar Holding to new lessees.

Revenues generated in FY 2021G were entirely from cash sales due to the attachment on bank accounts.

5.6.2 Cost of Revenues

The following table shows revenues during the audit period:

Table (25): Cost of Revenues

Cost of Revenues				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Beginning physical count	3,760,925	20,654	-	-
Purchases	3,484,040	389,989	-	-
Ending physical count	(20,654)	-	-	-
Cost of revenues	7,224,311	410,643	-	-

Source: Audited annual financial statements and interim financial statements for Q1 2023G.

Cost of revenues consists primarily of food physical count items such as meat, fruits, and vegetables. Inventory balances were written off as decided at the Emergency Board Meeting held in FY 2022G. Activity costs were associated with the Company's cash operations. As of FY 2022G, these operations have ceased due to the ongoing restructuring procedures within the Company. The restructuring included significant administrative and policy changes implemented to address and improve the Company's overall performance and operations.

5.6.3 Selling and Marketing Expenses

The following table shows the selling and marketing expenses during the audit period:

Table (26): Selling and Marketing Expenses

Selling and Marketing Expenses				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Salaries, wages, and equivalent	1,072,075	663,162	-	-
Short-term leases	36,000	593,589	-	-
Electricity and water	32,511	18,758	-	-
Maintenance and repair	30,123	15,006	-	-
Miscellaneous	44,729	36,429	-	-
Total selling and marketing expenses	1,215,438	1,326,944	-	-

Source: Audited annual financial statements and interim financial statements for Q1 2023G.

The selling and marketing expenses consist primarily of salaries and wages for the Company's sales and marketing personnel, short-term leases, and utility expenses. Selling and marketing expenses increased by 9.17% in FY 2021G due to increased costs of short-term leases. These costs were incurred in FY 2020G but were recorded in FY 2021G when the new management discovered they had been wrongly excluded in FY 2020F by the previous management.

5.6.4 General and Administrative Expenses

The following table shows the general and administrative expenses during the audit period:

Table (27): General and Administrative Expenses

General and Administrative Expenses				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Salaries, wages, and equivalent	4,965,156	4,207,354	1,547,431	456,769
Bonuses to Board members and committees	-	-	3,808,500	-
Short-term leases	139,113	354,030	128,012	38,500
Expenses for convening the General Assembly	-	-	73,100	7,500
Stationery and prints	-	-	4,047	9,510
Electricity and water	-	3,223	4,961	5,230
Telephone, mail, and Internet	127,886	10,716	9,214	2,934
Professional and consulting fees	363,064	1,538,150	664,574	213,000
Government fees and subscriptions	141,356	77,200	79,917	-
Depreciation of property, plant, and equipment	1,792,184	1,100,552	421,576	108,088
Maintenance, repair, and software	-	213	213,760	45,000
Bank guarantee losses	-	570,000	-	-
Bad debts	-	60,497,450	151,000	-
Differences in Zakat claims	-	3,338,365	-	-
VAT penalties and fines	-	6,130,589	-	27,370
Capital increase expenses	-	-	-	250,000
Miscellaneous	25,553	1,602	15,909	15,526
Total general and administrative expenses	7,554,312	77,829,444	7,122,001	1,179,427

Source: Audited annual financial statements and interim financial statements for Q1 2023G.

Below are the main components of general and administrative expenses:

- **Salaries, wages, and equivalent decreased** by 15.26% in FY 2020G and 63.22% in FY 2022G, primarily due to significant layoffs as part of the cessation of the Company's operations and the initiation of financial restructuring procedures.
- **Utilities, maintenance, etc.** include electricity, water, telephone, stationery, and miscellaneous expenses. Such expenses decreased in FY 2021G by 89.73% due to reducing the Company's operations and increased by 1473.51% in FY 2022G due to increased maintenance and repair costs for the Company's various assets.
- **The differences in zakat claims, VAT penalties and fines** arose in FY 2021G as the zakat and tax authorities revalued and submitted the balance payable by the Company to the accredited Financial Restructuring Trustee.
- **The bad debts**, consisting of receivables, are mainly from the associated Thimar and Wasmi Markets Company, which went bankrupt in FY 2021G. The Company obtained an evaluation of these amounts from one of the expert financial companies expertising in these balances, and transferred the same as part of the expected credit losses in its bad debts. The figures in FY 2022G show the receivable amounts from other parties that were written off in FY 2022G.
- **General and administrative expenses - financial restructuring procedure.** As part of the Company's financial restructuring procedure, and pursuant to the ruling of the Ninth Circuit of the Commercial Court in Riyadh ordering to initiate the financial restructuring procedure and appoint a Trustee, a Financial Restructuring Trustee has been appointed. The Trustee's total professional fees amount to SAR 1,100,000, and the amount of SAR 550,000 was recorded for FY 2022G (SAR 275,000 in FY 2021G). The remaining amount of SAR 275,000 is due upon completion of the financial restructuring.

The following is an extraction of general and administrative expenses from the financial statements:

Provisions and Reversal of Provisions

- **Reversal of impairment.** The decrease of SAR 341,652 is represented in the comparison of the total value of the building's valuation for three owned sites on 31 December 2022G with the total net balances of the cost of those items and its accumulated carrying depreciation. Based on the results of these evaluations, part of the impairment was reversed in the value of the buildings that were recorded last year, based on the evaluations conducted by the Company for the buildings by two certified evaluators. The evaluation was calculated with the lowest value taken into account.
- **Provision of Receivables - Execution Court.** The Company Representative presented an item totaling the amounts recorded as receivables in the Execution Court. The Court withdrew SAR 4,015,027 based on the cases filed against the Company. The Company was unsure of the parties behind those cases, and surmised that the Court might have made a judgment for the same creditors, so they created a provision for receivables - Execution Court. The identity of the parties is being followed up with the Legal Department.
- **Provision for Contingent Liabilities.** The provision for cases filed against the Company amounted to SAR 843,720. Upon reviewing the report received from the lawyer, it was decided to form a ruling for three cases in which the success rates are less than 50%, namely: The case filed against the Company by Mohammed Fahad Al Otaibi in the amount of SAR 303,075. The case filed against the Company by Lawyer Yousef Al-Halabiyya in the amount of SAR 500,000. The case filed against the Company by Namer Food Establishment in the amount of SAR 40,645. The total claims amount to SAR 843,720.
- **Financial Cases and Claims:** Many creditors (workers and employees - suppliers - other payables - government agencies) arose and submitted their claims to the Company's Financial Restructuring Trustee, and the Company recorded the approval of the claims as well as the differences in the balances of approved claims and recorded them as losses in the comprehensive income for FY 2021G statement.

5.6.5 Revenues and Other Expenses

The following table shows the revenues and other expenses during the audit period:

Table (28): Revenues and Other Expenses

Revenues and Other Expenses – Net				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Revenues from transferring the ownership of refrigerators and open-air markets	-	-	3,800,000	-
Revenues from leasing refrigerators and open-air markets	565,000	855,421	-	-
Net differences in settling trade payables	-	-	-	282,798
The Company's share as the result of the liquidation of an associate company	-	-	-	847,395
Differences in the balances of the General Organization for Social Insurance (GOSI)	-	-	-	(739,902)
Gains/(losses) from the disposal of property, plant and equipment	16,810	(1,548,629)	14,500	4,500
Losses from disposal of intangible assets	-	(25,973)	-	-
Loan interest settlement	-	661,221	-	-
Settlement of differences in recording balances and receivables	-	540,824	-	-
Settlement of the cash deficit in the fund	-	(25,009)	-	-
Reversal of the provision for investment losses in an associate	-	920,258	-	-
Miscellaneous	64,505	12,834	-	-
Total other income and expenses – net	315,646	947,390,1	500,814,3	791,394

Source: Audited annual financial statements and interim financial statements for Q1 2023G.

- Revenues and other expenses consist of sales of refrigerating products, reversals of credits, and adjustments to settle various account balances shown in the financial statements. Revenues and other expenses showed an increase of 115% in FY 2021G due to adjusting balances resulting from financial restructuring procedures. In FY 2022G, receipt of final payments from the refrigeration business resulted in an additional increase of 174%.
- **Gains/ (Losses) on Disposal of Property, Plant, and Equipment.** In FY 2021G, the gains/ (losses) on disposal of property and equipment figure showed a negative amount due to conducting an actual physical count of the property, plant, and equipment owned by the Company. Based on the results of that physical count, a portion of the property, plant, and equipment was disposed of, as a result of which capital losses amounted to SAR 1,548,629. In the following years, the figure increased due to the sale of underutilized assets, resulting in higher gains/ (losses) in subsequent periods.
- **The Company's Share as a Result of the Liquidation of an Associate Company** represents the amount received by the Company from the liquidation of the associate company, Thimar Markets and Wasimi, which went bankrupt in FY 2021G.
- **Differences in the Balances of GOSI** show a settlement of the differences held at the end of the Company as well as from GOSI. This was amended after GOSI issued a certificate for the balances in FY 2023G (Q1).
- **The Refrigerator and Open-air Market Lease** shows the sublease of a store lease used to maintain physical count for the refrigeration business, and an increase of 51.4% in FY 2021G due to the final settlements arising from the cessation of the sublease at the end of FY 2021G.
- **Net Differences in Reconciling Trade Payables** represent the difference in creditor claims added during Q1 FY 2023G, and the claims already recorded in the Company's books before this period.

5.7 Statement of Financial Position

The following table shows the statement of financial position during the audit period:

Table (29): Statement of Financial Position

Statement of Financial Position				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Assets				
Non-current assets				
Property, plant and equipment, net	27,820,683	11,713,391	43,318,376	43,210,288
Intangible assets, net	25,973	-	-	-
Total non-current assets	27,846,656	11,713,391	43,318,376	43,210,288
Current assets				
Available-for-sale assets and properties	-	780,000	580,000	535,000
Inventory	20,653	-	-	-
Trade receivables, net	26,517	-	-	-
Prepaid expenses and other receivables, net	6,305,950	930,227	35,743	7,190
Due from related parties, net	82,832,428	-	-	-
Cash and cash equivalents	2,459,583	623,303	212,201	1,849
Total current assets	91,645,131	2,333,530	827,944	544,039
Total assets	119,491,787	14,046,921	44,146,320	43,754,327
Equity and liabilities				
Equity				
Capital	100,000,000	100,000,000	100,000,000	100,000,000
Statutory reserve	2,883,376	2,883,376	2,883,376	2,883,376
Other reserve	-	(155,283)	(34,303)	(34,303)
Revaluation surplus	-	-	31,658,561	31,658,561
Accumulated losses	(66,495,332)	(228,946,726)	(233,652,138)	(234,436,774)

Statement of Financial Position				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Total equity	36,388,044	(126,218,633)	(99,144,504)	(99,929,140)
Non-current liabilities				
Employee benefits liabilities	2,784,772	856,066	64,025	53,400
Total non-current liabilities	2,784,772	856,066	64,025	53,400
Current liabilities				
Short-term loans	32,685,686	32,024,465	32,033,389	32,033,389
Trade payables	21,270,008	66,483,175	66,380,936	66,098,139
Accruals and other credit balances	11,837,275	20,558,049	23,533,384	24,425,894
Due to related parties	1,167,168	1,379,078	1,570,078	1,570,078
Claims provision	-	3,187,780	3,932,071	3,725,626
Zakat provision	12,438,576	15,776,941	15,776,941	15,776,941
Provision for investment losses in associated companies	920,258	-	-	-
Total current liabilities	80,318,971	139,409,488	143,226,799	143,630,067
Total liabilities	83,103,743	140,265,554	143,290,824	143,683,467
Total liabilities and equity	119,491,787	14,046,921	44,146,320	43,754,327

Source: Audited annual financial statements and interim financial statements for Q1 2023G.

5.7.1 Non-current Assets

The following table shows the non-current assets for the audit period:

Table (30): Non-current Assets

Non-current Assets				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Property, plant, and equipment	27,820,683	11,713,891	43,318,376	43,210,288
Intangible assets	25,973	-	-	-
Total non-current assets	27,846,656	11,713,891	43,318,376	43,210,288

Source: Audited annual financial statements and interim financial statements for Q1 2023G.

Non-current assets constitute 23.30%, 83.39%, 98.12%, and 98.76% of total assets in FY 2020G, FY 2021G, FY 2022G, and Q1 2023G, respectively. Non-current assets decreased by 57.94% in FY 2021G and increased by 270% in FY 2022G. Non-current assets were almost the same in Q1 2023G. The main reason for the decrease in FY 2021G is due to the evaluation conducted for the real estate assets (land - buildings) included in property, plant, and equipment. Due to the lack of detailed data for real estate assets, the total valuation value of three sites owned by the Company was compared with the total cost balances of those items and their accumulated carrying depreciation. Based on the results of these evaluations, there was a decrease in the value of the buildings amounting to SAR 12,672,951, and it was recorded in the financial statements for FY 2021G based on the resolution of the Board of Directors. The evaluation was conducted by Middle East Real Estate Appraisal Company, holding License No. 323/18/323.

5.7.1.1 Property, Plant, and Equipment

Items of property, plant, and equipment include land, buildings, wells, computers, electrical equipment, furniture, fixtures, office equipment, decorations, and improvements to leasehold. Property, plant, and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. Property, plant, and equipment experienced the following variations during the study period:

- In FY 2020G, the total net book value of assets reached SAR 27,820,683, and SAR 4,750 was added for leasehold improvements. The accumulated depreciation amounted to SAR 14,655,340, while the depreciation for this year amounted to SAR 1,792,184.
- In FY 2021G, the total net book value of assets reached SAR 11,713,891, and SAR 1,840 was added from computers and electrical equipment. Vehicles, equipment, leasehold improvements, furniture, fixtures, decorations, and computers were substantially disposed of for SAR 10,532,849 due to resolutions taken at the Board meeting to dispose of unutilized assets. The accumulated depreciation amounted to SAR 20,231,634, while the accumulated depreciation of disposals for this year amounted to SAR 8,197,209, and the depreciation for the year amounted to SAR 1,100,552.
- In FY 2022G, the total net book value of assets reached SAR 43,318,376. New office equipment costing SAR 24,128 and computers costing SAR 2,130 were purchased during the year, while vehicles with a net book value of SAR 112,860 were sold during the year. A revaluation surplus on lands amounting to SAR 31,658,561 was recorded as a result of the valuation conducted during the year. The total accumulated depreciation for this year amounted to SAR 20,198,698, and a decrease of SAR 341,652 was reversed as compensation for the impairment due to the revaluation of real estate properties.
- In Q1 2023G, there was no movement regarding the revaluation, additions, and disposal of property, plant, and equipment. However, the accumulated depreciation amounted to SAR 20,306,786.

According to the Company, items of property and equipment are valued at cost less accumulated depreciation and impairment losses, if any, through FY 2021G, excluding projects in progress. As of FY 2022G, the Company started to use the Fair Value Revaluation Model for properties and investment properties while continuing to use the Cost Model to measure plant and equipment.

5.7.1.2 Intangible Assets

- The purchased intangible assets of SAR 40,000 in FY2019G are an accounting program called ASWAQ6. Depreciation expenses were SAR 6,005, 8,002, and 8,002 in FY 2019G, FY2020G, and FY 2021G respectively. The book value of intangible asset was 17,951. in FY 2021G, which was completely depreciated due to the following:
 1. ASWAQ6 was suspended, and another accounting program called MicroTec was purchased.
 2. The value of the new accounting program was not great, i.e., only SAR 10,000 was fully disbursed.

5.7.2 Current Assets

The following table shows the Current Assets for the Audit Period:

Table (31): Current Assets

Current Assets				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G G
Assets and properties available for sale	-	780,000	580,000	535,000
Inventory	20,653	-	-	-
Accounts Receivable, net	26,517	-	-	-
Prepaid expenses and other debit balances, net	6,305,950	930,227	35,743	7,190
Due from related parties, net	82,832,428	-	-	-
Cash and cash equivalents	2,459,583	623,303	212,201	1,849
Total Current Assets	91,645,131	2,333,530	827,944	544,039

Source: The audited annual financial statements and interim financial statements for Q1 FY2023G.

The current assets comprise cash and cash equivalents, trade receivables, prepaid expenses, assets available for sale, and Inventory, which represent 76.70%, 16.61%, 1.88%, and 1.24% of the total assets in FY2020G, FY 2021G, FY 2022G and Q1FY 2023G respectively. The current assets decreased by 97.45%, 64.52%, and 34.29% in FY 2021G, FY 2022G, and Q1 FY 2023G respectively. This decrease is attributed to the reduction in prepaid expenses, other debit balances, and due from related parties .

5.7.2.1 Due from related parties, net

Based on the liquidation of the associate company Thimar and Wasmi Agricultural Markets, and according to the liquidation letter, it was decided to write off the balance of SAR 60.49 million due from business transactions with the associate company immediately after the Management had known about the liquidation proceedings and declared the associate company's bankruptcy. There was no provision for doubtful debts for Thimar and Wasmi Agricultural Markets, since there was no data on the management of Thimar Development Holding Co. indicating that a provision for doubtful debts shall be formed. It was also decided to reverse and close the balance of the Company provision for investment losses of SAR 920,258 as a result of the associate company's liquidation and bankruptcy.

In 2019G, a provision for credit losses was allocated for the National Company For Fresh Fruits Products's debt of SAR 3.9 million. Subsequently, the Bankruptcy Authority announced the administrative liquidation of National Company For Fresh Fruits Products, under which the debit balance of Thimar Development Holding Co. was written off.

A provision for credit losses of related party receivables of SAR 22.18 million due for several years. The Company filed a case against the party concerned in court, and the final decision in favor of the Company was approved in FY2021G.

5.7.2.2 Assets and Properties Available for Sale

The balance of assets and property available for sale essentially contains piles of unserviceable iron and scrap valued at SAR 780,000, of which a part was sold in the amount of SAR 200,000 during FY2022G. Another part of the scrap was sold at SAR 45,000 during Q1 FY2023G, and many quotations were obtained for the rest of the scrap pile.

5.7.2.3 Inventory

Inventory balance includes meat, vegetables, fruits, and other packaging materials and foodstuff. The closing Inventory balance were SAR 20,653 in FY 2021G was adjusted as losses based on the Board of Directors' emergency decision given that the Company ceased revenue generation due to persistent liquidity problems, as there were no Inventory movements in subsequent periods.

5.7.2.4 Accounts Receivable, net

The following table shows:

Table (32): Trade Receivables for the Audit Period

Accounts Receivables				
SAR	FY2020G	FY2021G	FY2022G	Q1 FY 2023G
Accounts Receivables	13,216,988	13,216,988	13,109,019	13,109,019
Less: provision for credit losses	(13,190,471)	(13,216,988)	(13,109,019)	(13,109,019)
Total	26,517	-	-	-
Movement in provision for credit losses on the trade receivables				
Balance at the beginning of the year	13,190,471	13,190,471	13,216,988	13,109,019
Used during the year	-	-	(107,969)	-
Formed during the year	-	26,517	-	-
Total	13,190,471	13,216,988	13,109,019	13,109,019

Source: The audited annual financial statements and interim financial statements for Q1 FY 2023G.

The account receivables include provisions of SAR 13.19 million created in FY 2019G, exceeding 360 days. A provision of SAR 26,517 was created in FY 2021G pursuant to the Board of Directors' decision to approve the closing balance as at 31 December 2021G as losses. Owing to the interruption of operations during financial reorganization proceedings, there is no movement in the balance of trade receivables during the audit period. However, in FY2022G, part of the provision was canceled against the SAR 107,969 collected in the Enforcement Courts from a former customer.

The following table shows the top 10 customers in the trade receivables balances as in FY2021G:

Table (33): Top 10 Customers in the Trade Receivables Balances

Customers	Amount (SAR)
Customer No. 1	7,505,548
Customer No. 2	2,745,040
Customer No. 3	671,952
Customer No. 4	467,610
Customer No. 5	359,789
Customer No. 6	300,119
Customer No. 7	296,624
Customer No. 8	200,245
Customer No. 9	179,586
Customer No. 10	158,149
Total	12,884,662

Source: Company's administrative files

Note: the operations were interrupted after FY2021G; therefore, the customers' balances were not moved.

5.7.2.5 Prepaid Expenses and Other Debit Balances

The following table shows the Prepaid Expenses and Other Debit Balances for the Audit Period:

Table (34): Prepaid Expenses and Other Debit Balances

Net Prepaid Expenses and Other Debit Balances				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Receivables staff	290,263	127,504	3,065	7,000
Prepaid expenses	34,738	32,573	32,488	-
Prepayments to suppliers	11,315,179	507	190	190
Guarantee letters	570,000	-	-	-
Other debt balances	5,397,979	4,784,670	4,468,839	4,468,839
	17,608,159	4,945,254	4,504,582	4,476,029
Deduct : Credit losses provision			(256,988)	(256,988)
Deduct : Provision for debit balances– Enforcement Court	(11,302,209)	(4,015,027)	(4,211,851)	(4,211,851)
Total	6,305,950	930,227	35,743	7,190

Source: The audited annual financial statements and Interim financial statements for Q1 FY2023G.

- The balance of prepaid expenses and other debt balances includes receivables staff, prepaid expenses, prepayments to suppliers, bank guarantees, guarantee letter, and other debt balances. These balances were significantly decreased by 85.25%, 96.16%, and 79.88% in FY 2021G, FY 2022G and Q1 FY 2023G respectively.
- This decrease is attributed to the write-off of a supplier's payment balance of SAR 11,302 million by the company's management, following a court judgment rendered in favor of the supplier, where the balance of the advance in the provision for debt balances, Enforcement Court was closed.

5.7.2.6 Cash and Cash Equivalents

- Cash and Cash Equivalents includes cash and bank balances that are subject to minimal risk of changes in their fair value and are used by the company to manage its short-term liabilities. In FY2020G, the Company suspended its business activities (purchase-sell) due to the suspension and freezing of its bank accounts, with the exception of operations (purchase-sell) in Azizia Market in cash.

Table (35): Cash and Cash Equivalents

Cash and Cash Equivalents				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 for FY 2023G
Bank Balance	2,220,908	605,208	211,504	-
Cash	238,675	17,675	62,918	1,849
Total	2,459,583	622,883	274,422	1,849

Source: Audited Annual Financial Statements and Preliminary Financial Statements for Q1 of 2023G

(For further details on cash balances during the audit period, please refer to Subsection (5.9) “Cash Flows Statement” of this section).

5.7.3 Equity

The following table illustrates the equity for the audit period:

Table (36): Equity

Equity				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 for FY 2023G
Capital	100,000,000	100,000,000	100,000,000	100,000,000
Statutory Reserve	2,883,376	2,883,376	2,883,376	2,883,376
Other Reserves	-	(155,283)	(34,303)	(34,303)
Revaluation Surplus	-	-	31,658,561	31,658,561
Accumulated Losses	(66,495,332)	(228,946,726)	(233,652,138)	(234,436,774)
Total	36,388,044	(126,218,633)	(99,144,504)	(99,929,140)

Source: Audited Annual Financial Statements and Preliminary Financial Statements for Q1 of 2023G

- Equity Includes capital, accumulated losses, revaluation surplus, statutory reserve, and other reserve. It decreased significantly by 446.87% FY 2021G, 21.45% in FY 2022G, and 0.83% in Q1 of FY 2023G. This decrease is primarily attributed to the increase in accumulated losses due to the suspension of regular business operations. During an emergency meeting of board in FY 2021G, several balances related to the liquidation of a subsidiary company and non-payment of certain debts were written off. The formation of provisions in the financial statements also contributed to the incurred losses during that year. However, in FY 2022G, the losses were partially mitigated by adopting the fair value model for property, plant, and equipment, resulting in a positive impact of SAR 31.65 million.
- The authorized and issued capital of the company is SAR 100 million, divided into 10 million shares with a par value of SAR 10 per share. As at March 31, 2023G, the paid-up capital of the company amounted to SAR 100 million.
- Other reserves represent differences arising from the actuarial valuation of employee end-of-service benefits as specified in IAS No. 19.

5.7.4 Non-Current Liabilities

Non-current liabilities include obligations for specific employee benefits. It decreased by 69.26%, 92.52%, and 16.60% in FY 2021G, FY 2022G, and Q1 of FY 2023G, respectively. The main reason for the decrease in FY 2021G is the amount settled by transferring it to the due payables and other outstanding balances, including SAR 327,672 included in employees' salaries and benefits (labor claims) and SAR 1,836,889 included in employee and worker end-of-service benefits. In FY 2022G, there were payments amounting to SAR 657,129, which significantly reduced the claims. Additional payments in this regard in Q1 of FY 2023G further reduced the liabilities.

Table (37): Employee Benefits Specific Liabilities

Employee Benefits Liabilities				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 of FY 2023G
Employee Benefits Liabilities at January 1	2,478,459	2,784,772	856,066	-
Add: Included in Comprehensive Income				
Current Service Cost	306,313	62,276	38,191	-
Interest Cost	-	18,296	-	-
Add: Included in Comprehensive Income				
Actuarial (Gains) / Losses	-	155,283	(120,980)	-
Movement in Cash:				
Benefits Paid	-	-	(657,129)	-
Transfers to Other Credit Balances	-	(2,164,561)	(52,123)	-
Closing Specific Employee Benefits Liabilities as of December 31	2,784,772	856,066	64,025	-

Source: Audited Annual Financial Statements and Preliminary Financial Statements for Q1 of 2023G

5.7.5 Current Liabilities

The following table illustrates the current liabilities for the audit period:

Table (38): Current Liabilities

Current Liabilities				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 of FY 2023G
Short-term Loans	32,685,686	32,024,465	32,033,389	32,033,389
Trade Payables	21,270,008	66,483,175	66,380,936	66,098,139
Due to Related Parties	1,167,168	1,379,078	1,570,078	1,570,078
Dues and other credit balances	11,837,275	20,558,049	23,533,384	24,425,894
Provisions of claims	-	3,187,780	3,932,071	3,725,626
Zakat Provision	12,438,576	15,776,941	15,776,941	15,776,941
Investment Loss Provision in Associate Company	920,258	-	-	-
Total Current Liabilities	80,318,971	139,409,488	143,226,799	143,630,067

Source: Audited Annual Financial Statements and Preliminary Financial Statements for Q1 of 2023G

Current liabilities include trade payables, dues and other credit balances, short-term loans, zakat provision, due to related parties, and liability provision. The current liabilities increased by 73.57% in FY 2021G, by 3% in FY 2022G, and by 0.28% in Q1 of FY 2023G.

- The main reason for the increase is the growth in trade payables and dues and other credit balances resulting from liabilities submitted by the company's suppliers, which were accepted by the Financial Restructuring Trustee. The current liabilities represent 96.65%, 99.39%, 99.96%, and 99.96% of the total liabilities in FY 2020G, FY 2021G, FY 2022G, and Q1 of FY 2023G, respectively.
- Short-term loans: The facilities obtained by the company from SABB amounted to SAR 32,033,389 as of 31 December 2022G (SAR 32,024,465 as of 31 December 2021G). During 2022G, a settlement was conducted with the bank, and an amount of SAR 8,924 was settled against the general and administrative expenses for previous bank evaluation fees that were not previously recorded in the company's books.
- As part of the financial restructuring procedures, SABB submitted its liabilities to the Financial Restructuring Trustee of the company for a total amount of SAR 37,071,930. An amount of SAR 32,024,465 was accepted, and an amount of SAR 5,047,465 was rejected. The list of liabilities was approved in the company's financial restructuring procedures by the Ninth Commercial Department of the Commercial Court in Riyadh on 22/07/1443H, corresponding to 23 February 2022G

5.7.6 Dues and Other Credit Balances

The following table illustrates the accounts payables and other credit balances for the review period:

Table (39): Dues and Other Credit Balances

Dues and Other Credit Balances				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 of FY 2023G
Paid Salaries and Employee Benefits	4,056,386	7,517,703	7,652,119	7,872,591
Other paid Expenses	2,805,885	3,730,948	3,798,443	4,522,312
Accumulated Bonuses – Board of Directors and Committees	-	-	2,865,500	2,913,500
End-of-Service Benefits for Terminated Employees	-	1,836,889	1,759,560	1,759,560
Value Added Tax	1,787,224	7,472,509	7,457,762	7,357,931
Other Provisions	3,187,780	3,187,780	3,932,071	-
	11,837,275	23,745,829	27,465,455	24,425,894
Deduct: Reversal of Liability Provision	-	(3,187,780)	(3,932,071)	-
Dues and Other Credit Balances	11,837,275	20,558,049	23,533,384	24,425,894

Source: Audited Annual Financial Statements and Preliminary Financial Statements for Q1 of 2023G.

- Other payables and accrued accounts for the company include outstanding expenses, other accrued expenses, and accrued value-added tax (VAT), among others. They increased by 73.67% in FY 2021G, 14.47% in FY 2022G, and 3.79% in the first quarter of FY 2023G.
- The increase in salaries and benefits payable to employees is due to an amount of SAR 4,533,427 payable to the current General Manager and former Managing Director (SAR 4,381,760 in FY 2022G). It also includes accrued bonuses as of March 31, 2023G, amounting to SAR 2,913,500 (SAR 2,865,500 in FY 2021G) for the Board of Directors and committees.
- There is an increase in the VAT liability due to the company's management recording the outstanding VAT balance on its behalf to the Zakat, Tax, and Customs Authority, based on the amounts invoiced in the authority's electronic system records. This includes unpaid liabilities, revaluation fees, and penalties.

5.7.7 Zakat

- The Company is subject to Zakat (Islamic wealth tax) according to the Zakat regulations issued by the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia, which are subject to interpretations. Zakat is collected at a fixed rate of 2.5% of the Zakat base as specified in the Zakat regulations.
- The following table illustrates the movement of Zakat provisions during the audit period. Zakat provision increased by 26.84% in the FY 2021G. It includes a final Zakat provision of SAR 3.33 million recognized in relation to current Zakat assessments:

Table (40): Movement of Zakat Provision

Zakat Provision Movement				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 of FY 2023G
Balance at the beginning of the year	12,438,576	12,438,576	15,776,941	15,776,941
Utilized during the year	-	-	-	-
Formed during the year	-	3,338,365	-	-
Balance at the end of the year	12,438,576	15,776,941	15,776,941	15,776,941

Source: Audited Annual Financial Statements and Preliminary Financial Statements for Q1 of 2023G.

- Since the establishment of the Company until 31 December 2005G, the company received a final assessment for the years until 31 December 2005G, amounting to SAR 1,440,098, but this assessment has not been paid to date.
- From FY 2006G to FY 2019G, the Company filed its Zakat returns, and the total liability for the authority for those years amounted to SAR 13,452,152, according to the information provided on the authority's online portal, which have not been paid to date.
- During the FY 2020G, the authority issued an electronic assessment for Zakat on the company in the amount of SAR 25,219, and the Company submitting its Zakat return at the end of the FY 2020G, which resulted in a Zakat liability of SAR 884,690 that has not been paid to date.
- In the FY 2021G, the company filed its Zakat returns for the year with the Zakat, Tax, and Customs Authority.
- As part of the financial restructuring procedures, the authority submitted its liabilities to the Financial Restructuring Trustee of the company, with a total amount of SAR 17,199,377. A portion of the liabilities amounting to SAR 8,450,692 has been accepted, while the remaining liabilities amounted to SAR 8,748,685. These balances, as reflected in the Company's financial statements, were approved by the Ninth Commercial Chamber of the Commercial Court in Riyadh on 22 Rajab 1443H, corresponding to 23 February 2022G.

5.7.8 Contingent Liabilities

According to the statement of the Company's Legal Advisor, the Company has contingent liabilities resulting from cases filed by third parties against the Company estimated at SAR 843,720. In addition, some creditors have previously filed cases against the Company and such cases were qualified as final and enforceable judgments. Some of these creditors did not submit their claims to the Financial Restructuring Trustee and their cases were not included in the list of claims. The number of cases amounted to seven, with a total amount of SAR 2,481,147, taking into account the formation of provisions therefor. In addition, the total number of claims rejected by the Company's Financial Restructuring Trustee amounted to SAR 23,877,526. Based on some final and enforceable judgments, the Execution Court withdrew some amounts from the Company's bank accounts for the Court's account, amounting to SAR 4,211,851, included in the other receivables item.

5.8 Statement of Cash Flows

The following table shows the Company's statement of cash flows during the audit period:

Table (41): Statement of Cash Flows

Statement of Cash Flows				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Operational activities				
Net (loss) before zakat	(11,679,683)	(162,451,394)	(4,705,412)	(784,636)
Adjustments				
Depreciation of property, plant, and equipment	1,784,162	1,100,552	421,576	108,088
Amortization of intangible assets	8,022	-	-	-
Bad debts	-	60,497,450	-	-
Expected credit loss allowance – formed	-	22,210,602	256,988	-
Reversal of provision for expected credit losses	-	-	(107,969)	-
Provision for receivables - Execution Court	-	4,015,027	196,824	-
Provision for contingent liabilities	-	-	843,720	-
Reversal of the provision for investment losses in associated companies	-	(920,258)	-	-
Impairment/reversal of impairment of property and plant	-	12,672,951	(341,652)	-
(Gain)/loss on disposal of property, plant, and equipment	-	1,548,629	(14,500)	(4,500)
Losses on disposal of intangible assets	-	25,974	-	-
Closing Inventory differences	3,740,271	20,653	-	-
Closing insurance letters of guarantee	-	570,000	-	-
The Company's share in the losses of its associates	-	-	-	-
Revenue from adjustments to previous balances	-	(1,023,280)	-	-
Settlements, financial claims, and fines	-	54,977,682	-	-
Financing cost	-	18,296	-	-
Formed from defined employee benefit plan liabilities	306,313	62,276	38,191	-
	(5,840,915)	(6,674,840)	(3,412,234)	(681,048)
Changes in working capital:				
Due from related parties	353,487	150,893	-	-
Trade receivables	3,295,068	-	107,969	-
Prepaid expenses and other receivables	637,027	790,695	440,672	28,553
Accounts payable	(1,137,285)	(774)	(102,239)	(282,797)
Trade payables	4,359,217	3,680,676	2,923,212	892,510
Due to related parties	298,640	211,910	191,000	-
Cash provided by operating activities	1,965,240	(1,841,440)	148,380	(42,782)
Used from claims provision	-	-	(99,429)	(206,445)
End-of-service benefits paid to employees	-	-	(657,129)	(10,625)

Statement of Cash Flows				
SAR	FY 2020G	FY 2021G	FY 2022G	Q1 FY 2023G
Net cash available from/(used in) operating activities	1,965,240	(1,841,440)	(608,178)	(259,852)
Investment activities				
Purchase of property and equipment	(4,750)	(1,840)	(26,348)	-
Collections from the sale of property, plant, and equipment	-	7,000	14,500	4,500
Collections from the sale of available-for-sale assets and property	-	-	200,000	45,000
Net cash available from/(used in) investing activities	(4,750)	5,160	188,152	49,500
Cash flows from financing activities				
Net movement in loans	-	-	8,924	-
Net cash available from/ (used in) financing activities	-	-	8,924	-
Net cash flow	1,960,490	(1,836,280)	(411,102)	(210,352)
Cash and cash equivalents at the beginning of the year	499,093	2,459,583	623,303	212,201
Cash and cash equivalents at the end of the year	2,459,583	623,303	212,201	1,849

Source: Audited annual financial statements and interim financial statements for Q1 2023G.

5.8.1 Cash Flow from Operating Activities

Cash generated from operating activities decreased by 197% in FY 2021G, mainly due to the impact of various adjustments and provisions created in the period. The cash flow from operating activities showed an additional decrease of 67% in FY 2022G due to the complete cessation of operational activities and showed a slight improvement of 10% in Q1 2023G due to little or no movement in operating cash balances.

5.8.2 Cash Flow from Investing Activities

Cash generated from investing activities increased by 109% in FY 2021G and increased significantly by 3546% in FY 2022G. The main reason for the significant gains in this area during the audit period is the influx of cash from the sale of the Company's properties. A 74% decrease was observed in Q1 2023G compared to FY 2022G due to a decrease in sold properties.

5.8.3 Cash Flow from Financing Activities

Cash used in financing activities did not show any movement during the audit period except for a small movement in loan balances amounting to SAR 8,250. For this reason, no increase or decrease was observed. Due to the above reasons, the cash and cash equivalents at the end of the year decreased by 75%, 66%, and 99% in FY 2021G, FY 2022G and Q1 2023G, respectively.

6. Use of Proceeds from Offering and Future Projects

6.1 Net Offering Proceeds

The total proceeds from offering Rights are estimated at one hundred and fifty million Saudi riyals (SAR 150,000,000), and approximately eighteen million four hundred and seventy-three thousand Saudi riyals (SAR 18,473,000) will be paid to cover the offering costs, which include the fees of the Financial Advisor, Lead Manager, Legal Advisor, and Underwriter, plus marketing, printing, distribution, and other underwriting-related expenses.

The net offering proceeds will amount to approximately one hundred and thirty-one million five hundred and twenty-seven thousand Saudi riyals (SAR 131,527,000), which will be used primarily to repay creditors, finance working capital, and real estate investment as outlined in the financial restructuring proposal. The shareholders will not receive any of the proceeds arising from the offering.

Before the opening of the trading session, and upon becoming aware of a discrepancy of (5%) or more between the actual uses of the offering proceeds and what has been disclosed in this Prospectus, the Company will disclose such discrepancy to the public on the Saudi Exchange (Tadawul) website, pursuant to Article (72) (f) of the Rules on the Offer of Securities and Continuing Obligations, which stipulates that "The issuer shall disclose to the public where there is any discrepancy of (5%) or more between the actual use of proceeds from Rights issue and what has been disclosed in the relevant prospectus as it becomes aware of such discrepancy."

6.2 Use of Net Offering Proceeds

The Company intends to use the net offering proceeds to implement the financial restructuring proposal. The financial restructuring procedure represents the tool and means that guarantees the correction of the Company's financial performance and builds a financial and economic base capable of meeting its requirements, encumbrances, and obligations towards all creditors. Accordingly, the offering proceeds will be distributed as follows:

Table (42): Uses of Offering Proceeds

Item	Amount (SAR)	Total Offering Proceeds (%)
Repayment to some creditors as per the financial restructuring proposal	58,519,517	39%
Real estate investment	47,000,000	31%
Working capital financing	10,320,925	7%
Repayment of dues pursuant to judicial judgments	2,437,322	2%
Repayment of other outstanding expenses	13,249,236	9%
Offering costs	18,473,000	12%
Total	150,000,000	100%

Source: The Company

- Repaying creditors as per the financial restructuring proposal

The Company has striven hard to limit the claims filed against it and classify all creditors in accordance with the classification requirements specified by the Bankruptcy Law. The Financial Restructuring Trustee, Mr. Hani Al-Aqili, was appointed on 07/04/2021G. One of the Trustee's most important tasks is to receive creditors' claims, verify their validity, and prepare a list thereof. Accordingly, an amount of (SAR 58,519,514.44) will be allocated from the net offering proceeds to repay the first installment to the creditors on 31/10/2023G as follows:

Table (43): Dates of Repaying Creditors as Per the Financial Restructuring Proposal

Debt Type	Amount (SAR)
Employees settlements (salaries, leave benefits, end-of-service benefits, and tickets allowances)	3,342,956.44
Payables (Suppliers)	33,091,518
Funding agencies**	16,012,233
Government agencies***	6,072,807
Total	58,519,514.44
(%)	50%

Source: The financial restructuring proposal issued on 25/04/1444H (corresponding to 19/11/2022G)¹

** Saudi British Bank -SABB

*** Zakat, Tax and Customs Authority, General Organization for Social Insurance

– Real Estate Investment

The financial restructuring plan included entering into real estate investments as part of the investment plan targeted by the Company as part of its strategic plan for financial restructuring to enter the operating stage and achieve various sources of income for the Company. The company targets obtaining real estate investments or owning income-generating real estate assets with an average rate of return of 6% and higher annually. The Company will search for commercial real estate assets or commercial real estate investments in Riyadh. The acquisition process aims to achieve periodic cash flows for the Company that will help it carry out its future work, and accordingly, the Company will allocate SAR (47,000,000) from the net offering proceeds.

As at the date of this prospectus, the Company does not have a specific real estate investment, and no memorandums of understanding have been signed or negotiations have been entered into regarding the purchase of any potential real estate asset, whether this real estate investment is owned by related parties or external parties. Note that the Company's Executive Management shall determine the real estate investment or asset to be acquired and submit it to the Board of Directors to vote on the investment decision based on the recommendation of the Executive Management. In the event that an income-generating real estate asset is selected, the Company shall seek the assistance of more than one certified real estate evaluator to evaluate the real estate asset to be purchased. This is in accordance with recognized professional real estate evaluation mechanisms, by using more than one evaluation method and recording the average value.

– Repayment of Dues pursuant to Judicial Judgments

The Company intends to use part of the offering proceeds to pay obligations pursuant to final, irrevocable, and payable judicial judgments, which are set out in the following table:

Table (44): Details of Dues Pursuant to Final Judicial judgments

Entity	Repayment amount
Dues of Aljabr case	1,265,000
Dues of Nameer Food case	40,646
Remaining balance for the dues of the former CFO case	97,000
Dues of Securities Depository Center Company (EDAA)	1,034,676
Total	2,437,322

Source: The Company

– Working Capital Finance

In light of the Company's plan to diversify its investments and enter into new segments as described above, the Company seeks during the coming period to restructure internal departments and appoint new employees, as well as develop the Company's internal system. The Company intends to allocate an amount of SAR (10,320,925) from the net offering proceeds to support the Company's working capital during the coming period, which contributes to improving its financial solvency, meeting its potential obligations and expenses, and supporting the Company's expansion activities until that the Company begins practicing economic activity again.

– Payment of Other Accrued Expenses

The suspension of the Company's operating activities and opening the financial restructuring procedures led to the presence of payables against expenses incurred by the Company during the previous period, during and after the financial reorganization procedures date. The Company was unable to pay these obligations due to a lack of liquidity represented in (dues of the financial regulator, the external auditor, and the legal advisor, employees' end-of-service benefits, Assemblies convening expenses, office rent and expenses, employee salaries, Board and Committee members' remuneration and attendance allowance, and interest-free personal financing provided by the members of the Board of Directors). The total amounts due shown above amount to SAR (9,115,792). The Company also incurred the expenses of appointing a chartered accountant and a legal advisor to file a liability claim against the Board of Directors in its two previous meetings from 03/06/2017G to 07/04/2021G in a total amount of SAR (1,012,000), and the Company intends to pay the payables from the offering proceeds. It is worth mentioning that the Company shall bear the value-added tax with regard to the offering costs and expenses due in the short term, and the Company has allocated an amount of SAR (3,121,444) in order to meet the VAT obligation. Although the value-added tax is one of the amounts that the Company is entitled to recover from the Zakat, Tax and Customs Authority, but because of the presence of value-added tax balances due from the Company amounting to SAR (7,357,931) as at 31 March 2023G, the Company shall not recover the tax paid, as the Zakat, Tax and Customs Authority will automatically deduct it from the amounts due for value-added tax that are credited to the Company's account to Zakat, Tax and Customs Authority.

The following table shows details of other accrued expenses (excluding value added tax) that the Company intends to pay:

No.	Item	Amount (SAR)
1	Employee's benefits settlement	4,363,667
2	Professional fees (auditing, etc.)	1,822,125
3	Board of Directors and committees' remuneration and attendance allowance until 31/12/2022G	3,374,500
4	Tamiyoz Company	15,000
5	Office rent and expenses	105,000
6	Advance repayment to Waleed Ash-Shuwayer, Chairman	160,000
7	Advance repayment to Melfi Al-Marzouqi, CEO	287,500
Total		10,127,792

Table (45): time schedule for using the offering proceeds

Expense item (SAR)	2023G	2024G				Total (SAR)
	Q1	Q1	Q2	Q3	Q4	
Repayment to creditors as per financial restructuring proposal	58,519,517					58,519,517
Real estate investment		47,000,000				47,000,000
Repayment of dues pursuant to Judicial judgments	1,609,581	206,935	206,935	206,935	206,936	2,437,322
Working capital finance	2,553,425	3,432,000	1,023,000	946,000	2,366,500	10,320,925
Payment of other accrued expenses	13,160,236	14,000	-	-	75,000	13,249,236
Offering costs	18,473,000					18,473,000
Total	94,315,759	50,652,935	1,229,935	1,152,935	2,648,436	150,000,000

Source: The Company Management

Note that the above time schedule is approximate and the above-mentioned items will be financed from the offering proceeds.

7. Experts Statements

Written approvals from the financial advisor, legal advisor, underwriter and lead manager of the Company whose names appear on page (vi) were obtained to include their names, logos and statements in the format contained in this prospectus. Written approval was also obtained from the chartered accountant of the Company to include its name, logo, and any statement in the format contained in this prospectus. These approvals have not been withdrawn as at the date of this prospectus, and none of the above mentioned or any of their relatives have any shares or any interest in the Company or its subsidiaries of any kind.

8.

Declarations of the Board of Directors

The Board of Directors declares to the date of this prospectus that:

1. Notwithstanding anything mentioned in Subparagraph No. (2.1.12) "**Risks Relate to Business Interruption**" of Section No. (2) "**Risk Factors**" and subparagraph No. (3.10) "**Business Interruption**" of Section No. (3) "**Background of the Company and Nature of Business**" there were not any interruption in the business of the Issuer or any of its subsidiaries that could affect or have significantly affected the financial position during the last (12) months.
2. No commissions, discounts, brokerage fees, or any non-monetary compensation were granted by the Issuer or any of its subsidiaries during the three years immediately preceding the date of submitting the application for registering and offering securities regards issuing or offering any securities.
3. Notwithstanding what was mentioned in subparagraph No. (2.1.3) "**Risks Related to Accumulated Losses**" of Section No. (2) "**Risk Factors**," there was no material negative change in the financial and commercial position of the Issuer or any of its subsidiaries during the three years immediately preceding the date of submitting the application for registering and offering the securities subject to this prospectus, in addition to the period covered by the chartered accountant's report until the approval of the prospectus.
4. Notwithstanding anything stated on page "iv" of this prospectus, neither the members of the Board of Directors nor any of their relatives have any shares or interest of any kind in the Issuer or in any of its subsidiaries.
5. The Company did not hold treasury shares, and the Company's Extraordinary General Assembly did not approve the purchase of the Company's shares.

9.

Legal Information

9.1 Overview and Key Changes

9.1.1 Company's Name:

THIMAR Development Holding Co. (formerly National Agricultural Marketing Company - THIMAR) (subject to financial reorganization) a Saudi Joint Stock Company was incorporated under Commercial Register No. (101006822) issued from Riyadh on 17 Jumada al-Awal 1408H (Corresponding to 07/01/1988G). On 12/10/2021G, the extraordinary General Assembly approved changing the name of the Company into (THIMAR Development Holding Co) and on 29/10/2021G the name was changed from (National Agricultural Marketing Company) to (THIMAR Development Holding Co).

9.1.2 Incorporation and Capital Improvement

- THIMAR Development Holding Co. (formerly National Agricultural Marketing Company - THIMAR) (subject to financial reorganization) a Saudi Joint Stock Company was incorporated under Commercial Register No. (101006822) issued from Riyadh on 17 Jumada al-Awal 1408H (corresponding to 07/01/1988G).
- The Company's current capital is SAR 100,000,000 divided into 10,000,000 shares with a nominal value of SAR 10 per share.
- On 09/04/2019G, the Board of Directors recommended increasing the Company's capital by issuing Rights issue of SAR 150 million divided into 15 million shares, with which the Company's capital became SAR 250 million divided into SAR 25 million shares.
-
- On 12/10/2021G, the extraordinary General Assembly approved change the name of the Company into (THIMAR Development Holding Co) and on 29/10/2021G the name was changed from (National Agricultural Marketing Company) to (THIMAR Development Holding Co).
- The Company's activity, Prior to amending its Articles of Association, is marketing, wholesale and retail trade of agricultural products, food products, and meat of all types - fresh, red, refrigerated, and frozen- providing services in marketing and maintenance, managing agricultural projects, and managing and operating central wholesale markets.
- Article III of the amended Articles of Association provides that: "the Company's activities: the Company shall conduct and carry out the following purposes: to manage its subsidiaries or to participate in the management and support of other companies to which it contributes; to invest its funds in stocks and other securities; to own real estates and movables necessary for the conduct of its business; to provide loans, guarantees and financing to its subsidiaries; to own industrial property rights, franchises, and other moral rights and to use and lease them to its subsidiaries or third parties."
- Address of the Company's headquarters in Riyadh: Al Alia District - Building No. 3549 - Al-Orouba Subway, Saudi Arabia.
- Financial Reorganization Procedures: In accordance with the Judgment issued on Wednesday 25/08/1442H (Corresponding to 07/04/2021G) in Lawsuit No. 197 of 1442H, rendering the financial reorganization of the THIMAR Development Holding Co and appointing Hani bin Saleh Al-Aqili as the financial reorganization secretary of the Company. The Company was granted 150 days to prepare the proposal from the date of the opening of the procedures, the said deadline was extended at the request of the Company for 100 days starting on 25/01/1443H (Corresponding to 05/10/2021G). The court agreed to extend the deadline for 60 days starts on 06/05/1443H (Corresponding to 10/12/2021G), the proposal (financial reorganization plan) was submitted before the Court by the Financial Reorganization Secretary. The Court accepted the proposal, and the dates for voting by owners and creditors on the proposal were approved, on which shareholders approved the proposal with 99.57% of the attendees, and creditors approved the proposal with 99.73% of the attendees, and the proposal was endorsed by the Court.
- On 15/09/2022G, the Board of Directors decided to amend the Board's recommendation dated 09/04/2019G to increase the Company's capital by Rights issue of SAR 200 million divided into 20 million shares instead of SAR 150 million divided into 15 million shares, with which the Company's capital became SAR 300 million and divided into 30 million shares; in order to increase the Company's investment capacity and provide the necessary liquidity to pay back part of the due financial obligations in accordance with the announced financial organization plan.
- On 20/11/2022G, the Commercial Court approved the proposal to reschedule the repayment of creditors.
- On 01/03/2023G, it was announced to revoke the suspension of trading of the Company's shares in the market as of 02/03/2023G, for lack of reasons of the suspension and trading over the counter.
- On 08/03/2023G, the Riyadh Commercial Court endorsed the amendment of the financial reorganization proposal of the THIMAR Development Holding Co.
- On 29/03/2023G, the Board of Directors decided to amend the recommendation to the extraordinary General Assembly on the increase of the Company's capital by Rights issue of 10 million shares with value of SAR 100 million instead of 20 million shares of SAR 200 million. The Board of Directors also decided to recommend the extraordinary General Assembly to reduce the capital prior to increasing the Company's capital by canceling the number of 9 million shares of SAR 90 million, with which the Company's capital after the reduction became SAR 10 million divided into 1 million shares.

- On 07/05/2023G, the Board of Directors decided to amend its recommendation dated 29/03/2023G to amend its recommendation to the extraordinary General Assembly regarding reduction of the Company's capital and increase the capital by Rights issue, with which the Board's recommendation after the new amendment is to eliminate the recommendation to reduce the capital while continuing to increase it by issuing 10 million Rights issue of SAR100 million, with which the Company's capital after the increase became SAR 200 million divided into 20 million shares.
- On 19/06/2023G, the Board of Directors decided to amend its recommendation dated 07/05/2023G to amend its recommendation to the Extraordinary General Assembly regarding the reduction of the Company's capital and then increase the capital by Rights issue, with which the Board's recommendation after the new amendment is to eliminate the recommendation to reduce the capital while continuing to increase capital by Rights issue of 15 million in the amount of SAR 150 million, with which the Company's capital after the increase became SAR 250 million divided into 25 million shares.

- **Historical changes in the Company's capital since its incorporation**

- The Company's capital at the time of its incorporation was Twenty-six million eight hundred and twenty-six thousand (26,826,000) riyals divided into Two hundred and sixty-eight thousand two hundred and sixty (268,260) equity shares valued at 100 riyals per share.
- In 1998, the Extraordinary Assembly approved to divide the Company's shares from Two hundred and sixty-eight thousand two hundred and sixty (268,260) equity shares with a nominal value of one hundred (100) per share, into Five hundred and thirty-six thousand five hundred and twenty (536,520) equity shares with a nominal value of SAR (Fifty) 50 per share.
- On 17/04/1421H (corresponding to 19/07/2000G), the Company reduced its capital from Twenty-six million eight hundred and twenty-six thousand (26,826,000) riyals to Thirteen million four hundred and thirteen thousand (13,413,000) riyals, thus reducing its shares from Five hundred and thirty-six thousand five hundred and twenty (536,520) equity shares to Two hundred and sixty-eight thousand two hundred and sixty (268,260) equity shares with a nominal value of SAR (Fifty) 50 per share.
- On 17/04/1421H (Corresponding to 19/07/2000G), the Company increased its capital from Thirteen million four hundred and thirteen thousand (13,413,000) riyals to one hundred million (100,000,000) Riyals. Thus, the Company's shares will increase from Two hundred and sixty-eight thousand two hundred and sixty (268,260) equity shares to two million (2,000,000) equity shares with a nominal value of fifty (50) riyals by Rights issue. On 30/01/1423H (Corresponding to 13/04/2011G), the capital of the Company was amended to be one hundred million (100,000,000) Riyals divided into two million (2,000,000) equity shares with a nominal value of fifty (50) Riyals per share, in accordance with the resolution passed by Extraordinary General Assembly in its 4th and 5th meetings on 30/01/1423H (Corresponding to 13/04/2011G) and the provision of Article (6) of the Articles of Association on the Capital was amended accordingly.
- On 11/01/1443H., the Company contacted the Ministry of Commerce to approve the request for the registration of an amendment to some articles of the Company's articles of association. In accordance with the resolution passed by Extraordinary General Assembly on 06/03/1443H (Corresponding to 12/01/2021G), the Company's capital was amended to be one hundred million (100,000,000) riyals divided into (10,000,000) equity shares with a nominal value of ten (10) riyals per share, and the provision of Article (7) of the Articles of Association on the Capital was amended accordingly.
- The Company has a subsidiary Company, Wasmī and Thimar Meat Company LLC, established with a capital of SAR one hundred (100,000) and there has been no change in the Company's capital since its incorporation until the date of this prospectus. For further information, kindly refer to subparagraph (9.5.2 **Subsidiaries and related companies**) of section (9) **Legal Information**.

9.1.3 Company's purposes

In accordance with Article (3) of the Articles, the purposes of the Company are:

- Manage their subsidiaries or participate in the management and support of other companies to which they contribute.
- Invest its money in stocks and other securities.
- Possess real estates and movables necessary for the exercise of their activities.
- Provide loans, guarantees, and financing to its subsidiaries.
- Possess, use, or lease of industrial property rights, franchises and other intangible rights of its subsidiaries or third parties.

The Company carries out its activities through its headquarter established by the Company in the Kingdom in accordance with the applicable laws after obtaining the necessary licenses from the competent authorities. The Company has obtained a number of necessary licenses from the competent authorities to carry out its business (for further details, kindly refer to subparagraph (3) "**Government approvals, licenses and certificates**" of this section).

9.1.4 Company's Term

Article (6) of the Articles stipulates that "the term of a Company shall be thirty (30) years starting from the date of issuance of the ministerial decision announcing its incorporation and automatically renewed for a similar period unless otherwise decided by the Extraordinary General before the expiry of its term. The Commercial Register data indicates the Company's term of (60) years, starting from 17/04/1408H until 20/02/1470H.

9.1.5 Headquarter

- Article (5) of the Articles stipulates that “the headquarter of the Company shall be in the city of Riyadh and may be transferred to any other city within the Kingdom by virtue of a resolution of the Company’s Extraordinary General Assembly. The Board of Directors may establish branches, offices, or agencies for the Company within or outside the Kingdom.
- According to the Commercial Register data, the Company’s headquarters are located in Riyadh, Al Alia District - Building No. 3549 - Al-Orouba Subway, Saudi Arabia.

9.2 Board of Directors

9.2.1 Formation of the Board

The Company is currently complied with to the Companies Law issued pursuant to Royal Decree No. (M/132) dated 28/01/1444H and the Corporate Governance Regulations issued by the Board of Directors of CMA under Resolution No. (8-16-2017) dated 16/05/1438H (Corresponding to 13/ 02/2017G) and amending thereof by CMA’s Board Resolution No. 8-5-2023 dated 25/06/1444H (Corresponding to 18/01/2023G). The Company’s Articles of Association stipulate in Article (15) thereof that “the Company shall be managed by a board of directors consisting of Seven (7) members elected by the Ordinary General Assembly of shareholders for a period not exceeding three years. The Board of Directors shall be appropriately represented by independent members. In all cases, the number of independent board members may not be less than two members or one-third of the board members, whichever is more, with which the Company is comply with Article (16) of the Corporate Governance Regulations, which requires listed companies to have a majority of the board members being non-executive members and that the number of its independent members is no less than two members or one-third of the members of the Board of Directors (whichever is more). Currently, the number of non-executive members of the Company’s Board of Directors is six members out of seven. The Board also has six independent members out of seven members, noting that the membership capacity may change if anything conflicts with or the lack of the member’s independence, if any, or if the capacity of the executive and non-executive members changes according to the definition set out in the Corporate Governance Regulations.

The following are the members of the Board of Directors elected by the Ordinary General Assembly on 18/10/1444H (Corresponding to 08/05/2023G), in accordance with Board resolution dated 14/05/2023G, Mr. Muhammad bin Abdul Wahhab Alsekait resigned in accordance with Board resolution dated 28/05/2023G and Mr. Abdulkarim bin Muhammad Al Nuhayer was appointed in his place by virtue of the Board resolution dated of 29/05/202G.

Table (46): Members of the Board of Directors

The following table shows the members and the secretary of the Board:

Name	Position	Nationality	Capacity	Stock Holdings				Date of membership
				direct	indirect	total	Ratio	
Waleed Abduaziz Alshouair	Chairman	Saudi	independent	0	0	0	0	14/05/2023G
Khaled Bin Asaad Khashoggi	Vice-chairman	Saudi	independent	0	0	0	0	14/05/2023G
Melfi Manahi Al-Marzoqi	board members	Saudi	Executive	0	0	0	0	14/05/2023G
Abdulkarim bin Muhammad Al Nuhair	board members	Saudi	independent	5000	0	5000	0.0500%	28/05/2023G
Aziz Mohammad Al-Qahtani	board members	Saudi	independent	0	0	0	0	14/05/2023G
Haytham Faisal Oskoubi	board members	Saudi	independent	1	0	1	0,000,001%	14/05/2023G
Yasser Suliman Al-Aqeel	board members	Saudi	independent	10	0	10	0,000001%	14/05/2023G
Secretary of the Council								
Abdel Azim Motamed Abdel Azim	Secretary	Egyptian	Executive	-	-	-	-	14/05/2023G

Source: The Company

9.2.2 Chairman, Vice-Chairman, and the Secretary of the Board

In accordance with Article (18) of the Company's Articles "the Board of Directors shall appoint a Chairman and a Vice-Chairman from among its directors. It may appoint a managing director. The position of the Chairman may not be combined with any executive position of the Company. The Chairman shall be responsible for representing the Company in its relations with others before the judiciary, in addition to the powers stipulated in the Articles.

As per the Company, the aforementioned was appointed to these positions from 14/05/2023G to the end of the Board term on 13/05/2026G according to the following:

Position	Board's resolution date or the appointed assembly	The name of the appointed person
Chairman	Minutes of the Board's meeting dated 14/05/2023G	Eng. Waleed Abduaziz Alshouair
Vice-chairman	Minutes of the Board's meeting dated 14/05/2023G	Mr. Khaled Bin Asaad Khashoggi
Managing Director	Minutes of the Board's meeting dated 14/05/2023G	Mr. Melfi Manahi Al-Marzoqi
CEO	Minutes of the Board's meeting dated 22/03/2023G	Mr. Melfi Manahi Al-Marzoqi
Secretary	Minutes of the Board's meeting dated 14/05/2023G	Mr. Abdel Azim Motamed Abdel Azim

* Source: Company

9.2.3 Rights and obligations of the board members

- Articles Nos. (18), (19), (20), and (45) of the Company's articles of association determine remuneration of board members within the limits provided for in the Companies and Law and the Regulations therein, with the allocation of a percentage of (10%) from Net profits as a reward to the board members, up to a maximum of (500,000) riyals per share, including financial and in-kind benefits, in addition to an attendance allowance for meetings and a transportation allowance in accordance with what the Board of Directors determines and the recommendation of the Remuneration Committee, provided that the Board of Directors' report to the Ordinary General Assembly shall include a detailed account of all the amounts board members received or were entitled to receive during the financial year in the form of remuneration, meeting allowances, expense allowances, and other benefits. The report shall also include an account of the amounts received by board members in their capacity as employees or executives, or in exchange for technical, administrative, or consulting services as well as an account of the number of board meetings and the number of meetings attended by each member as of the date of the last General Assembly meeting.
- In all cases, the financial or in-kind remuneration and benefits that a director receives shall not exceed the amount of five hundred thousand riyals annually in accordance with the controls established by the competent authority.
- The report submitted by the board of directors to the ordinary general assembly at its annual meeting shall include a detailed account of all the amounts board members received or were entitled to receive during the financial year in the form of remuneration, meeting allowances, expense allowances, and other benefits. The report shall also include an account of the amounts received by board members in their capacity as employees or executives, or in exchange for technical, administrative, or consulting services as well as an account of the number of board meetings and the number of meetings attended by each member.
- It shall be noted that Article (76) of the Companies Law stipulates that "the Company's articles of association shall determine remuneration of board members. Such remuneration may be a fixed amount, an allowance for attending meetings, in-kind benefits, a percentage of the net profit, or a combination of two or more of the above. The Company's articles of association may also set the maximum amount of remuneration, and the ordinary general assembly shall determine such amount, provided that it is fair, incentivizing, and commensurate with the performance of the member and the Company.
- It shall be noted that the remuneration of the members of the Board for the financial year ending on December 31, 2021G is Five hundred and forty thousand (540,000) riyals and for the year ending on December 31, 2022G is Six hundred and sixty thousand (660,000) riyals.

The following is a breakdown of the total actions of the Board members and senior executives during 2021G, 2022G.

Description	2021G	2022G
Board members	540.000	660.000
Senior Executives	2.853.000	679.042

Source: The Company

As of the date of this prospectus, no claims have been submitted against any of the current board members before any court or the committee for resolution of securities disputes.

9.2.4 Board Meetings

In accordance with Article (80) of the Companies Law, Article (30) of the Corporate Governance Regulations and Article (21) of the Article of association: the chairman of the Board of Directors of a Company shall call for a meeting at least four times a year in accordance with the conditions set forth in the Company's Articles, no less than one meeting every three months. The Chairman shall call the Board to meet when requested to do so by any member of the Board to discuss any subject or more.

As of the date of preparation of this prospectus, the Board held a number of meetings; (3) meetings during 2021G, (3) meetings during 2022G, and (2) meetings until 31 March 2023G, and issued (52) resolution. Article (82) of the Companies Law stipulates that "The board of directors may issue decisions on urgent matters by circulation to all members, unless a member submits a written request for a board meeting to deliberate such matters. The decisions shall be passed by the majority vote of members, unless the Company's articles of association stipulate a higher percentage or number. Such decisions shall be presented to the board of directors at its subsequent meeting to be recorded in the minutes of said meeting. The Company did not provide us with a copy of these meetings".

9.2.5 Committees of the Board

The Board may form subcommittees to cooperate in its work. For the formation of committees, a sufficient number of non-executive board members shall be appointed to committees concerned with tasks that may result in conflict-of-interest situations (e.g., ensuring the integrity of financial and non-financial statements, reviewing the contracts and transactions of related persons, nomination to the Board of Directors, appointment of executive directors, and determination of remuneration).

- In accordance with the Corporate Governance Regulation and in accordance with the new corporate Law, the Board of Directors, subject to article (51) of the Corporate Governance Regulation of the Audit Committee, shall establish other specialized committees as follows:
 1. The need, status, and conditions of the Company to allow it to perform its duties effectively.
 2. The committees shall be formed according to general procedures set by the Board, which shall define the tasks assigned to each committee, the duration of its work, the powers vested in it during this period, and how the board shall oversee them. The committee shall explicitly report its conclusion or the decisions it make to the Board, and the latter shall follow up the work of these committees on a regular basis to verify the exercise of its mandate.
 3. Each committee shall be responsible for its work before the Board, without prejudice to the responsibility of the latter for such work and to the powers or powers delegated thereto.
 4. The number of committee members shall be at least three and not more than five.
 5. Committee chairpersons or their representatives shall be present to general assemblies to answer questions submitted by the shareholders.
 6. The Company shall notify the CMA of the names and membership characteristics of committee members within five working days of their appointment and any changes within five working days of the date thereof.

On the date of preparing this prospectus, the Company has three committees that are part of the board of directors as follows:

9.2.5.1 Audit Committee

In accordance with Article (36) of the Company's Articles, the Board of Directors may form committees emanating therefrom to assist in the performance of its functions in accordance with the relevant laws and regulations. The General Assembly may form an audit committee composed of three (3) members who are not members of the Board of Executive Directors, whether shareholders or other members; such decision shall specify the tasks of the committee, its working controls and remuneration of its members. The audit committee's task is to oversee the Company's work and in this regard it have the right to review the Company's records and documents and to request any notes or statement from the Board members or from the executive management. It may request the Board of Directors to convene the General Assembly of the Company if the Board obstructs its work or the Company suffers significant damage or losses. In accordance with Article (39) of the Company's Articles, the audit committee shall review the Company's financial statements, the reports and notes submitted by the auditor, and express its views thereon, if any. It shall also prepare a report on its opinion regarding the adequacy of the Company's internal control system and any other work done by it within the scope of its jurisdiction. This is in addition to the powers delegated thereto under the Companies Law and the Corporate Governance Regulations:

The Company has an audit committee consisting of (3) members that was appointed by the Ordinary General Assembly of the Shareholders at its meeting held on 18/10/1444H (Corresponding to 08/05/2023G), and its tasks, work controls, and members' remuneration were determined for the new session starting on 14/05/2023G until the end of the session on 13/05/2026G, the Audit Committee consists of the following members:

1. Mr. Aziz Mohammad Al-Qahtani, Chairman of the Committee
2. Mr. Ziad Muhammad Al-Badini, Committee member
3. Mr. Mohammed Dakhil al-Saadi, Committee member

[†] It shall be noted that, as of the date of this prospectus, members of the Audit Committee do not hold any other positions in the Company.

- The Company has bylaws for the Audit Committee, which was approved by the Ordinary General Assembly of the Shareholders on 13/10/2021G. The Audit Committee's recommendation for the financial statements have been also reviewed for the period ending 31 March 2021G, the financial statements for the period ending 30 June 2021G, the financial statements for the period ending 30 September 2021G, and the financial statements for the year ending 31 December 2021G. The Audit Committee's report to the General Assembly on the financial year ended 31 December 2022G was reviewed.
- In accordance with Article (13) the Audit Committee bylaws, the Audit Committee shall meet periodically and as necessary, with no less than four meetings during one financial year. Any of its members may request to meet, stating his/her reasons. The Board, the Director of Internal Audit or the Auditor and the Managing Director, the CEO, or the Financial Director may request to meet with the Committee whenever necessary. The Committee meeting shall be in accordance with the regular dates for the publication of the preliminary and annual financial statements and, taking into account the dates of the Board of Directors meetings, as possible, to submit its recommendations and decisions to the Board for timely action, particularly on matters of which the Company is required to disclose.
- **The number of meetings of the Audit Committee during the period from 2021G were (3) meetings, (2) meetings in 2022G, and (4) meetings as of 31 March 2023G.
- It shall be noted that Article (51), paragraph (f), of the Corporate Governance Regulation prohibits every person who has worked or was working during the past two years in the executive or financial management of the Company, or for the Company's auditor, from being a member of the audit committee, and the Company reported that it is committed to do so.
- The Company abides by the provisions of the Articles, in particular Article (39) thereof. the annual prospectus of the Audit Committee for the financial year ended December 31, 2022G has been reviewed, contains the committee's opinion on the adequacy of the internal control system of the Company.

Source: Company

9.2.5.2 Nominations and Remuneration Committee

- A committee called the (Remuneration Committee) is formed by a resolution of the Board of Directors of the Company, and a committee called the (Nominations Committee) composed of non-executive board members, at least one of whom shall be an independent member.
- In forming the Remuneration and Nominations Committees, the Company shall take into account that its members are executive board members, non-executive members or non-board members may be employed, shareholders or others, and the chairmen of both committees shall be independent members. The Company may merge the Remuneration and Nominations Committees into a single committee called the (Remuneration and Nominations Committee). In this case, the committee shall meet the requirements of either of them as set out in chapters (3) and (4) of Title (4) of the Corporate Governance Regulations, and shall exercise all the competencies contained in Articles (58) and (62) of the Corporate Governance Regulation, provided that the committee shall meet periodically at least every six months.
- The Company has a Remuneration and Nominations Committee consisting of three members, appointed by virtue of a resolution of the Board of Directors passed in its meeting on 14/05/2023G, in which the Board decided to form the Remuneration and Nominations Committee from 14/05/2023G to the end of the Board term. The Remuneration and Nominations Committee consist of the following members:
 1. Waleed Abdulaziz Alshouair (independent).
 2. Khaled Bin Asaad Khashoggi (independent).
 3. Mohamed Khaled Al-Mutairi (an outside Board member).
- The General Assembly of the Company shall issue, on a proposal from the Board of Directors, bylaw of the Remuneration and Nominations Committee that shall include the rules and procedures of the Committee's agenda, its tasks, the rules for the selection of its members, the duration of their membership and their remuneration. The Company has a bylaw for the Remuneration and Nominations Committee. On 06/03/1443H (Corresponding to 12/10/2021G) the (extraordinary) General Assembly of the shareholders at its second meeting, agreed to amend the Committee's bylaw.
- (•) The number of meetings of the Remuneration and Nominations Committee were (2) two meetings in 2021G, (1) one meeting in 2022G, meetings, and (1) meeting until 31 March 2023G.
- The members of the Remuneration and Nominations Committee hold some other positions in the Company and other companies detailed as follows:

Name	Position	Capacity	Other positions currently held by the member
Khaled Bin Asaad Taqi Khashoggi	Chairman of the Nomination and Remuneration Committee	Independent	Member of the Company's executive committee, Vice-Chairman, and Member of the Board of Canada Company CALLIAN CAPITAL
Waleed Abdulaziz Abdulrahman Alshouair	Member of the Nomination and Remuneration Committee	Independent	Chairman of the Company's Board of Directors, Member of the Executive Committee of the Company, Member of the Board of Directors of Kemanol, and Member of the Marketing Committee of Kemanol
Mohamed Khaled Al-Mutairi	Member of the Nomination and Remuneration Committee	an outside Board member	Board member of Zain Industries Member of the Board of Directors of Infrastructure Company

Source: Company

9.2.5.3 Executive Committee

- In accordance with Article (21) of the Articles, the Board of Directors shall form an Executive Committee of at least three members, and the Executive Committee members shall choose the Chairman of the Executive Committee from among its members to preside over its meetings. In the absence of the Chairman, the Executive Committee shall appoint an Interim Chairman from among the present members. The Executive Committee member may delegate another member who may vote in just three meetings. The tenure of the Executive Committee's membership shall be the same as that of the Board. The Board shall fill the Executive Committee's vacant, and the latter shall execute all rights delegated by the Board, as well as collaborate with the Managing Director or CEO within the limits of its prescribed powers.
- The Company has an Executive Committee composed of (3) members appointed by the Board of Directors at its meeting on 14/05/2023G, in which it decided to form the Executive Committee from 14/05/2023G to the end of the session of the Board:
 1. Waleed Abdulaziz Abduarahman Alshouair (independent) Chairman.
 2. Melfi Manahi Al-Marzoqi (executive) Member.
 3. Khalid bin Assad Taqi Khashoggi (independent) Member.
 4. Abdulkarim bin Muhammad Al Nuhair (independent) Member.

The number of meetings of the Executive Committee during the period from 2021G were (5) meetings, (2) meetings in 2022G, with no sessions until March 31, 2023G.

9.3 Executive Management

The following table shows the members of the Board of Directors:

Executive Management members								
Name	Position	Nationality	Age	No. Shares				Assignment date
				direct	indirect	total	ratio	
Melfi Manahi Al-Marzoqi	Chairman	Saudi	56	0	0	0	0	22/03/2023G
Faisal bin Fayez Al-Alshamri	Administrative Affairs and Human Resources Supervisor	Saudi	27	0	0	0	0	01/10/2023G

9.4 Corporate Governance

Corporate governance aims to create a system by which companies are directed and controlled. This system includes procedures for regulating the various relationships within the Company between shareholders (through annual shareholder meetings or extraordinary meetings) and the Board of Directors on the one hand, and between the Board of Directors and executive directors on the other hand, in addition to organizing The Company's relationship with stakeholders, by setting special rules and procedures to facilitate the decision-making process in the Company's affairs, and imparting transparency and credibility to these decisions; To protect the rights of shareholders and stakeholders and establish fairness, competition and transparency in the market. However, governance does not provide detailed mechanisms for making daily decisions, as each Company has its own distinctive character and goals, which requires these companies to develop their own governance regulations, in accordance with the laws, regulations and instructions issued by the Authority, in particular the Corporate Governance Regulation, as amended, the most recent of which is the amendment issued by virtue of the resolution of CMA Board No. (8/5/2023) dated 25/06/1444H (Corresponding to 18/01/2023G). This regulation became mandatory for companies, with the exception of the provisions referred to as guidelines. The Board of Directors of any listed Company shall establish governance rules for the Company that do not conflict with the mandatory provisions stipulated in the Corporate Governance Regulations. It also shall monitor their enforcement, verify their effectiveness, and amend them when needed, provided that the Authority, shareholders, and the public shall be notified of any amendments made to the Governance Regulations.

- As of the date of this prospectus, the Company has a Governance Regulation, which was prepared for the Company and updated and approved by the (extraordinary) General Assembly for shareholders at its second meeting held on 06/03/1443H (Corresponding to 12/10/2021G).
- In addition to the Governance Regulation, the Company has a number of internal regulations and policies, including (the Audit Committee bylaw- the Remuneration and Nominations Committee bylaw- the Policies, Standards, and Procedures of Membership in the Board of Directors- the powers Matrix, work bylaw, and the Investment Regulation).
- The attached table in the "Continuing obligations according to the requirements of CMA" therein, summarizes the mandatory articles of the Corporate Governance Regulation to which the Company has committed and those to which it has not.

9.4.1 Agreements and transactions with related parties

As per the financial statements for the year ended 31 December 2022G, the provision for credit losses to the related parties was supported by SAR22,184,085 over the past year based on the resolution of the Board of Directors. In the last year, the Company management decided to write off the balance of the National Company for Fresh Fruit Products through the provision for credit losses to the related parties in the amount of SAR 3,920,195 because of lack inference of the associate Company for a long time. The Company's management also decided last year to write off the balance due to the associate Company of SAR 60,497,450 Thimar and Wasmi Agricultural Markets due to the liquidation of the Company.

9.4.2 Affiliates and Associated Companies

According to Article (4) of the Articles, a Company may establish joint-stock companies on its own, provided that the capital is not less than 5 million riyals. It may also, on its own, establish a limited liability companies according to capital requirements. It may also own stocks and shares in other existing companies or merge therewith. It has the right to participate with others in the establishment of joint-stock or limited-liability companies after fulfilling the requirements of the relevant laws and instructions. The Company may also dispose of these stocks or shares, provided that this does not include mediation in their trading.

According to the Company's statement, there is a subsidiary Company, which is Wasmi and Thimar Meat Company (one-person Company), a limited liability Company established in the Kingdom of Saudi Arabia in accordance with the Companies Law under Company registration certificate No. 1010848794 on 27/05/1444, and the authorized capital amounted to 100,000 riyals. The Company's main activities are wholesale and retail trade in materials and supplies for agricultural, industrial and food products and refrigerated meat. When we asked the Company to provide licenses, certificates, and approvals, it reported that it had not obtained them. In addition, an associate Company is Thimar and Wasmi Agricultural Markets Company, a limited liability Company established in the Kingdom of Saudi Arabia in accordance with the Companies Law under Company registration certificate No. 1010423915 dated 15/11/1435H (Corresponding to 21/12/2022G, its authorized capital amounted to 100,000 riyals. The Company's main activities are wholesale and retail trade in materials and supplies for agricultural, industrial and food products, chilled meat, sanitary, cleaning and consumer materials and all household items. In 2021G, a ruling was rendered by the Ninth Circuit of the Commercial Court in Riyadh, stipulating the opening of the liquidation procedure for Thimar and Wasmi Agricultural Markets Company. Based on the result of the liquidation, which showed the bankruptcy of the associate Company, the Company's management decided to return and close the provision for investment losses in the associate Company and write off the balance of the debt owed by the associate Company, the latter does not have any outstanding balances in the current financial statements. The National Company for Fresh Fruit Products is a limited liability Company established in the Kingdom of Saudi Arabia in accordance with the Companies Law. The Company's accumulated losses amounted to 100% of its capital over previous years, and the Company's management decided to stop calculating equity due to the presence of an existing lawsuit to liquidate the Company that has not been decided upon. During the period subsequent to the date of the financial statements, the Bankruptcy Committee announced the opening of the administrative liquidation procedure for the National Company for Fresh Fruit Products. (The associate Company), and previously during the year 2021G, the balance of the debt owed by the associate Company was written off, and there are no outstanding balances for it in the current financial statements.

9.5 Government approvals, licenses and certificates

The Company shall obtain and maintain the necessary permits, licenses and legal approvals in relation to its activity. These licenses include, but are not limited to: registration certificates for the Company and its branches issued by the Ministry, membership certificates for chambers of commerce imposed by the Law of Commercial Register, trademark registration certificates, in addition to registration certificates with other government agencies such as the Labor Office (to obtain a Saudization certificate, Nataqat, and other services provided by the Ministry of Human Resources and Social Development, such as obtaining visas for foreign employees, work permits, etc.), the General Authority Of Zakat And Tax (as a taxpayer for paying zakat or tax) and the General Organization for Social Insurance.

The following table shows the basic licenses, certificates, and approvals obtained by the Company:

Table (47): Basic licenses, certificates, and approvals

License type	Purpose	Number	Issuer	Remarks
Commercial Register	Register the Company in the commercial register (Joint-stock Company)	1010068222	Ministry of Commerce, Commercial Register Office	-
Chamber of Commerce Membership Certificate	Commitment to the Law of Commercial Register whereby a Company is required to participate in the chamber	10233	Chamber of Commerce	The Company has provided us with a certificate stating that it has registered in the Chamber of Commerce with the membership number 10233 and expires on 13/12/2023G
Certificate of Zakat and Income	to report that the Company has submitted its annual declaration and has committed to paying Zakat	None	Zakat, Tax and Customs Authority	The Company did not issue an updated zakat certificate because there are obligations on the Company that have not been paid to the Zakat and Income Authority and Customs.
VAT registration certificate	To report that the Company is registered with VAT	No recent certificate	Zakat, Tax and Customs Authority	The Company is not obligated to pay the value-added tax (VAT) between 2018G and the date of this prospectus.
Assess the facility Certificate	Evaluates the Company entity according to Nataqat program.	The Company didn't provide it	Department of Electronic Services of, the Ministry of Resources and Social Development	The Company was unable to issue it because of comments from the Company that prevents it from issuing this certificate
Certificate of Saudization	to report that the Company is committed to the required percentage of Saudization according to Nataqat program.	The Company didn't provide it	Department of Electronic Services of the Ministry of Resources and Social Development	The Company was unable to issue it because of comments from the Company that prevents it from issuing this certificate
Social Insurance Certificate	The Company's commitment to the regulations of the Public Organization for Social Insurance	Subscription Number (13227713)	General Organization for Social Insurance	The Company did not provide us with a recent certificate from Social Security because there are comments on the Company
Wage Protection Certificate	A commitment to Wage Protection system	The Company didn't provide it	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	The Company is not committed to the Wage Protection System
Municipal license	Commitment to the Municipal System and Licenses for Corporate Activity	The Company didn't provide it	Ministry of Municipal and Rural Affairs	The Company has not renewed or extracted the municipal license
Safety Certificate	Company's compliance with civil defense safety requirements	The Company didn't provide it	General Directorate of Civil Defense	The Company has not renewed or extracted a civil defense license

*The subsidiary has not obtained any license

9.6 Continuing obligations imposed by government entities on the Company and some of its subsidiaries in their capacity as (the license holder)

In addition to the licenses and certificates mentioned in the table above, the Company is committed to obtaining all necessary licenses to practice its activity in accordance with the applicable laws of the competent regulatory authorities, which obligate the license holder to adhere to some essential requirements in order to maintain the license, as follows:

9.6.1 Continuing obligations by Department of Commerce requirements

- The Company is committed to the Law of Commercial Register in terms of registration with the Commercial Registry Department in the city of Riyadh, where the main headquarters is, under Commercial Register No. 1010068222, issued by the city of Riyadh, which expires on 29/05/1445H.
- The Company is committed to the companies law in terms of adopting the Company's Articles of Association in line with the recent amendments made to the companies law, with the exception of Article (49) of the Articles of Association in accordance with the amendment made to the companies law, after obtaining prior approval from the Ministry of Commerce on the draft Articles of Association and the approval of the shareholders at the meeting of the Extraordinary General Assembly held on 06/03/1443H (Corresponding to 12/10/2021G), and was approved by the Ministry of Commerce, Riyadh Branch. The Company complied with the requirements of the Capital Market Authority and the Saudi Stock Exchange (Tadawul) in terms of uploading a copy of the Articles of Association on the Tadawul website on the Company's page.
- The Company is also committed to the Law of Commercial Register in terms of obtaining a membership certificate from the Riyadh Chamber of Commerce. The Company provided us with a certificate stating that it has registered with the chamber of commerce number 10233, which expires on 13/12/2023G.
- The Company is committed to Article (123) of the Companies law in terms of set aside 10% of the net profits to form the Company's statutory reserve. The value of the statutory reserve was (2,883,376) riyals As of 31 March 2023G.
- The Company is also committed to the provisions of Article (182) of the Companies Law, which obligates the Board of Directors to disclose that the losses of the joint-stock Company have reached (half) of the issued capital, and the recommendations it has reached regarding those losses within (sixty) days from the date on which it become aware that they have reached this amount, and to call for an Extraordinary General Assembly meeting within (one hundred and eighty) days from the date on which it become aware of the same; to consider the continuation of the Company and take any necessary measures to address or resolve those losses. Accordingly, on 29/03/2023G, the Board of Directors decided to amend the recommendation to the Extraordinary General Assembly regarding increasing the Company's capital by Rights Issue worth one hundred million (100,000,000) riyals instead of two hundred million (200,000,000) Riyals. The Board of Directors also decided to amend the recommendation to the Extraordinary General Assembly regarding reduction of the capital before increasing the Company's capital by canceling nine million (9,000,000) shares of the Company's shares, by which the capital after the reduction became ten million (10,000,000) riyals. On 07/05/2023G, the Board of Directors decided to amend the recommendation to the Extraordinary General Assembly dated 29/03/2023G to amend the Board's recommendation to the Extraordinary General Assembly regarding reduction of the Company's capital and then increase the capital by Rights issue. The Board's recommendation after the new amendment is to eliminate the recommendation to reduce capital while continuing to increase capital by Rights issue worth One hundred million (100,000,000) riyals, by which the capital after the increase becomes two hundred million (200,000,000) riyals divided into twenty million (20,000,000) shares. On 19/06/2023G, the Board of Directors decided to amend the Board recommendation dated 07/05/2023G to amend the Board recommendation to the Extraordinary General Assembly regarding reduction of the Company's capital and then increase the capital by 15 million Rights issue of SAR One hundred and fifty thousand million (150,000,000), with which the Company's capital after the increase became SAR Two hundred and fifty thousand million (250,000,000) divided into twenty five million (25,000,000) shares.
- The Company has a logo that it uses in its transactions, which it has registered as a trademark with the competent authority. (For further details, kindly refer to paragraph (10) Trademarks of the prospectus).

9.6.2 Continuing obligations according to the requirements of the Zakat Authority, Customs and Excise

- The Company, like other registered establishments and companies operating in the Kingdom, is obligated to submit its zakat and tax returns for the purpose of renewing the certificate issued by the Zakat, Tax and Customs Authority. The Company was registered as a taxpayer under the tax number (3000653872). The Company is not committed to paying its obligations to the Zakat, Income and Customs Authority, as of the date of this prospectus, an updated zakat certificate has not been issued for the Company. In addition, the Company has obligations in favor of the Zakat, Income and Customs Authority, where the Company obtained a final assessment for the years up to December 31, 2005 in the amount of 1,440,098 Saudi riyals, and this assessment has not been paid to date. The Company also submitted its zakat returns for the years from 2006 to 2019G, and the ZATCA's total claims for those years amounted to 13,452,152 riyals, according to the invoice information available in the ZATCA's electronic portal, it has not been paid to date. In 2020G, the ZATCA issued an electronic zakat assessment to the Company in the amount of 25,219 riyals, and then the Company submitted its zakat return for the financial year ending on December 31, 2020G, according to which the due zakat amounted to 884,690 Saudi riyals, and it has not been paid to date. In 2021G, the Company submitted its zakat return for the year 2021G to the ZATCA.
- As part of the financial reorganization proceedings, the Authority submitted its claims to the Company's Financial Reorganization Secretary in the total amount of SAR 17,199,377, part of which was accepted in the amount of SAR 8,450,692 and rejected the rest

in the amount of SAR 8,748,685. The list of claims in the financial reorganization proceedings of the Company was approved by the Ninth Commercial Division of the Commercial Court of Riyadh on 22/07/1443H (Corresponding to February 23, 2022G). The list of claims was included in the provision balance.

- The Company is registered with the Zakat, Tax and Customs VAT system under the Tax Number (3000653872000003) on 01/01/2018G, and the Company is not committed to paying the VAT during the period 2018G until the date of this prospectus.

9.6.3 Continuing Obligations according to the requirements of the Ministry of Human Resources and Social Development

The Company is governed under the provision of Article (13) of the Labor law, which obliges the Employer to prepare a bylaw at his establishment in accordance with the model prepared by the Ministry and to announce any amendment made thereto in a visible place in the establishment. In the date of this prospectus, the Internal Labor bylaw of the Company is approved by the Ministry of Labor, as follows: (Type of document: Bylaw of the National Agricultural Marketing Company-Thimar, Accredited by: Ministry of Labor, Date of Approval: resolution No. 672/1 on 17/03/1431H, Details of the document: Bylaw of the National Agricultural Marketing Company-Thimar).

- We could not confirm that the Company was committed to the required Saudization percentage under Nataqat program, as we were not provided with a certificate of the required percentage or a Saudization certificate to show that the Company is committed to the required Saudization percentage because there are comments on the Company that prevent it from issuing this certificate according to the certificate issued by the Ministry of Human Resources provided by the Company.
- We could not confirm that the Company is committed to the wages protection system of and regular increase of wages for its employees, according to the certificate submitted to us by the Company, which includes comments on the service of issuing the certificate of compliance with the wages protection system. It is worth mentioning that a violation imposed against the Company by Qiwa, for not commit to uploading the file of protection of wages on a monthly basis.
- We could not verify the Company's commitment to authenticate the contracts of its employees electronically, as we were not provided with a report issued by Mudad, as the Company informed us that it was not able to obtain the certificate because of the comments on the service to stop its services.

9.6.4 Continuing obligations according to the requirements of the General Organization for Social Insurance

The Company's file was opened with GOSI under the subscription number (13227713). The total number of registered employees in the social insurance scheme was (8), including (2) Saudi employees and (6) non-Saudi employees. The Company did not provide us with an updated certificate stating that the Company has fulfilled its obligations to GOSI. It is also worth noting that a number of sanctions were imposed on the Company by GOSI, has not paid by the Company to date.

The Unemployment Insurance Benefits (SANED): This Program is binding on all companies, and it shall register all Saudi participants in the Pension Branch and bear the percentage stipulated in the Law. Failure to comply and violation of any provision of the SANED and its Regulation exposes the employer to fines stipulated therein.

The Company is not obligated to register Saudi workers who participate in the pension branch of Unemployment Insurance Benefits (SANED) according to its statement, which exposes it to fines stipulated in this program, which may affect its work and financial status.

Table (48): Number of Saudi and Non-Saudi Company Employees

Entity	Document type	Saudi employee	non-Saudi employee	Total	Remarks
Social Security	Insurance certificate	-	-	-	We weren't provided with it
Labor Office	Scope certificate	-	-	-	We weren't provided with it
Passport - resident	resident extract	-	-	-	We weren't provided with it
Company	Salary payroll	2	6	8	As of April 2023G.

Source: Company

9.6.5 Continuing obligations under the CMA requirements

- CMA required the listed companies to adhere to the rules of issuing securities, continuing obligations, and special instructions issued by CMA, especially the obligation to periodically disclose fundamental and financial developments and the Board of Directors' report. According to the Guide to Continuing Obligations for the Listed Companies, the annual financial results published on the Tadawul website shall be derived from the audited financial statements approved by the Company's external auditor appointed by the Assembly and approved by the Board of Directors, and the announcement models included in the instructions for companies' announcements of their financial results shall be adhered to. The Company shall also provide a statement of all the causes and effects of the change in the financial results for the current financial year and the comparison period, so that the causes include all items of the financial results announcement.
- CMA also required companies listed on the financial market to disclose the stages of their compliance with the transition to International Accounting Standards (IFRS). On 29/11/1437H (Corresponding to 01/09/2016G), the Company announced on the Tadawul website that it was committed to doing so. On 12/08/1438H (Corresponding to 08/05/2017G), it also announced the re-issuance of the preliminary financial statements for the first quarter ending on March 31, 2017G in order to be compatible with the international accounting standards for financial reporting. On 15/08/1438H (corresponding to 11/05/2017G), it announced the issuance of these statements in accordance with international financial reporting standards.
- CMA also required companies listed on the financial market to follow the Regulation on Notices of stock joint Companies Listed on the Financial Market issued by virtue of resolution of the CMA's Board No. (1-199-2006) of 18/07/1427H (Corresponding to 12/08/2006G) and amended by resolution No. (10-5-2023) dated 25/06/1444H (Corresponding to 18/01/2023G).
- CMA required the companies listed on the financial market to appoint their representatives before CMA for all purposes related to the application of the Financial Market Authority system and its executive regulations. The Company is committed to do so, as the Board of Directors appointed, at its meeting held on 14/05/2023G, Mr. Muhammad bin Abdul Wahhab Alsekait, Board of Directors representative, Mr. Melfi Manahi Al-Marzoqi, Executive Management representative, as representatives of the Company before the Financial Market Authority to perform all the purposes related to the law and its implementing regulations.
- By a resolution of the Board of Directors issued on 28/05/2023G, which includes the appointment of Mr. Haytham Faisal Oskoubi as the Company's representative in CMA, and the Saudi Group Tadawul) on the Board of Directors in place of Mr. Muhammad bin Abdul Wahhab Alsekait.
- On 23/01/1438H (Corresponding to 24/10/2016G), CMA's Board Resolution No. (1-130-2016) was issued amending the procedures and instructions for companies whose shares are listed on the market whose losses amounted to (50%) or more of their capital in light of the new companies law, the name of which was changed to become (Procedures and instructions for companies whose shares are listed on the financial market whose accumulated losses amount to 20% or more of their capital) issued by CMA Board pursuant to Resolution No. (4-48-2013) dated 15/1/1435H (Corresponding to 18/11/2013G), as amended by CMA Board Resolution No. (8-5-2023) dated 25/06/1444H (Corresponding to 18/01/2023G), which stipulates that if the Company's accumulated losses reach 50% or more of its capital, the Company shall disclose it to the public immediately without delay in a separate announcement, provided that the announcement shall include the amount of the accumulated losses and their percentage of the capital, and the main reasons that led to these losses, with reference in the announcement to such procedures and instructions that will be applied thereto. In the event that the required disclosure coincides with the announcement of the preliminary or annual financial results, the Company shall be exempted from disclosure in a separate announcement if it includes it in the announcement of the preliminary or annual financial results. The market adds a mark next to the Company's name on the market's website, symbolizing that the Company's accumulated losses have reached 50% of its capital immediately after the issuance of the aforementioned announcement, and taking into account the provisions of Article (32) of the Companies Law, the Company shall, after announcing that its accumulated losses have reached 50% or more of its capital, announce the date of the last day on which the Board of Directors can call the Extraordinary General Assembly to meet and the date of the last day of the extraordinary general assembly to address the accumulated losses, and the Board of Directors' recommendation to the extraordinary general assembly regarding its accumulated losses immediately upon its issuance.
- The Company is committed to do the abovementioned, on 20/12/1443H (Corresponding to 19/07/2022G) announced that its accumulated losses amounted to (54.82%) of the capital (SAR 100,000,000), based on the audited financial results for the financial year ending on December 31, 2019G.
- The Company is committed to the rules for the registration of auditors of establishments under the supervision of CMA, issued by CMA Board by virtue of resolution No. (1-135-2018) dated 12/04/1440H (Corresponding to 19/12/2018G, as amended by resolution No. (1-70-2022) of CMA Board dated 09/11/1443H (Corresponding to 08/06/2022G), where it deals with the auditors registered with CMA.
- As for corporate governance, the table below conclude the Company's compliance with FMA governance regulations.

Table (49): Summary of the most important provisions of the corporate governance regulations to which the Company has committed to

Summary of the most important provisions of the corporate governance regulations to which the Company has committed			
Article	Details	Competent Authority	Comment
9/b	The Board of Directors shall develop a dividend distribution policy that achieves the interests of Shareholders and the Company in accordance with the Company's Articles of Association.	Board of Directors	Not committed - There is no independent policy, and this was based on Chapter 6 of the Articles of Association.
8/a	Providing a copy of the information about nominees for Board of Directors membership on the Company's website	Board of Directors	Not committed - The Company reported a malfunction in its electronic system and working to reactivate it.
51	Formation of the Audit Committee	Board of Directors	Committed - The Audit Committee was formed pursuant to the decision of the Ordinary General Assembly of Shareholders at its meeting held on 18/10/1444H (Corresponding to 08/05/2023G).
51/z	The Company's General Assembly shall issue the work regulations of the audit committee, based on a proposal from the Board of Directors. The regulations shall include the controls and procedures for the committee's work, its tasks, and rules for selecting its members, how to nominate them, the duration of their membership, their rewards, and the mechanism for appointing its members temporarily in the event that one of the committee seats becomes vacant.	General Assembly of Shareholders	Committed – We were not provided with the accreditation decision from the General Assembly.
12/5	Approval of the Financial Statement.	General Assembly of Shareholders	Committed - The financial statements for the financial year ending on December 31, 2019G were reviewed, and the financial statements for the financial year ending on December 31, 2020G and also has been voted and approved by the (Ordinary) General Assembly of Shareholders - held on 18/01/1444H (Corresponding to 16/08/2022G). The financial statements for the year ending December 31, 2022G, were also reviewed and has been voted and approved by the (Ordinary) General Assembly of Shareholders - held on 18/10/1444H (Corresponding to 08/05/2023G).
12/6	Approval of the annual Prospectus of the Board of Directors.	General Assembly of Shareholders	Committed - The Board of Directors' report for the year ending December 31, 2019G, and for the year ending December 31, 2020G was approved by the (Ordinary) General Assembly of Shareholders held on 18/01/1444H (Corresponding to 16/08/2022G). The Board of Directors' report for the year ending December 31, 2022G, was approved by the (Ordinary) General Assembly of Shareholders held on 18/10/1444H (Corresponding to 08/05/2023G)
12/8	Appointing the Company's auditors, determining their remuneration, reappointing them, changing them, and approving their reports.	General Assembly of Shareholders	

Summary of the most important provisions of the corporate governance regulations to which the Company has committed

Article	Details	Competent Authority	Comment
			<p>Committed - The minutes of the (Ordinary) General Assembly of Shareholders - held on 18/01/1444H (Corresponding to 16/08/2022G) in which the financial statements for the financial year ending on December 31, 2019G were approved, the external auditor's report for the financial year ending on December 31, 2019G, and the financial statements for the financial year ending on December 31, 2020G, and the external auditor's report for the financial year ending on December 31, 2020G, and appointing the Company's external auditor and determining his fees based on the recommendation of the Audit Committee, in order to screen and review the initial financial statements for the first, second, third and annual quarters of the financial year 2022G and the first quarter of 2023G.</p> <p>The minutes of the (Ordinary) General Assembly of Shareholders - held on 22/7/1444H (Corresponding to 13/2/2023G) were also reviewed, in which the external auditor's report for the financial year ending on December 31, 2021G was approved. The minutes of the (Ordinary) General Assembly of Shareholders - held on 18/10/1444H (Corresponding to 08/05/2023G) were reviewed, in which the Board of Directors' report for the financial year ending on December 31, 2022G, and the financial statements were approved and discussed for the financial year ending on December 31, 2022G, and the Company's auditor's report for the financial year ending December 31, 2022G after discussing it. The (Extraordinary) General Assembly of Shareholders in its second meeting held on 06/03/1443H (Corresponding to 12/10/2021G) approved the appointment of Osama A. Elkhereiji & Partner Co. as the Company's auditor to screen, review and audit the financial statements for the third and annual quarter of the financial year 2019G, and the first, second, third and annual quarters of the financial year 2020G, the first, second, third and annual quarters of the financial year 2020G and determining his fees.</p>
13/h	Publish the announcement of the date, location and agenda of the General Assembly at least twenty-one days before on the Company's website.	Board of Directors	Committed
14/e	Providing Shareholders on the Company's website, upon publishing the invitation to hold the General Assembly, to get the information related to the items on the General Assembly's agenda, especially the report of the Board of Directors, the auditor, the financial statements, and the report of the audit committee.	Board of Directors	Not committed - The Company reported a malfunction in its electronic system and working to reactivate it.

Summary of the most important provisions of the corporate governance regulations to which the Company has committed

Article	Details	Competent Authority	Comment
21/2	Establishing systems and controls for internal control and general supervision thereof, including: developing a written policy to address actual and potential "conflicts of interest" cases for members of the Board of Directors, Executive Management, and Shareholders, including the misuse of the Company's assets and facilities, and misconduct resulting from dealings with related persons. In addition to ensure the soundness of financial and accounting systems, including systems related to preparing financial reports. Also, ensure the implementation of appropriate control systems to measure and manage risks, by developing a general perception of the risks that the Company may face, creating an environment familiar with the culture of risk management at the Company level, and putting it forward with transparency with stakeholders and parties related to the Company. An annual review of the effectiveness of the Company's internal control procedures.	Board of Directors	There is no independent policy based on what is stated in the amended Company governance regulations.
22/2	Establishing clear and specific policies, standards and procedures for membership in the Board of Directors, and putting them into effect after their approval by the General Assembly.	General Assembly of Shareholders	Committed - The policy and standards for membership in the Board of Directors were approved, and on 18/01/1444H (Corresponding to 16/08/2022G), (Ordinary) General Assembly of Shareholders approved the amendments to it.
80	Develop a written policy that regulates the relationship with stakeholders in accordance with the provisions of the governance regulations, and it shall, particularly, cover the following: Mechanisms for compensating stakeholders in the event of a violation of their rights recognized by Articles of Association and protected by contracts. Mechanisms for settling complaints or disputes that may arise between the Company and stakeholders. Appropriate mechanisms for establishing good relationships with customers and suppliers and maintaining the confidentiality of information related to them.	Board of Directors	There is no independent policy based on what is stated in the amended Company governance regulations.
21/5	Establishing policies and procedures that ensure the Company's compliance with laws and regulations and its commitment to disclosing essential information to shareholders and stakeholders, and verifying the executive management's compliance with them.	Board of Directors	Committed – There is a disclosure policy within the amended corporate governance regulations.
21/13 47 57 61 67	Forming specialized committees emanating from it through decisions specifying the duration of the committee, its powers and responsibilities, and how the Council will monitor it, provided that the formation decision includes the nominated members and determining their tasks, rights and duties, along with an evaluation of the performance and work of these committees and their members.	Board of Directors	Committed - (Three subcommittees from the Council were formed, namely (the Audit Committee, the Nominations and Remuneration Committee, and the Executive Committee).

Summary of the most important provisions of the corporate governance regulations to which the Company has committed

Article	Details	Competent Authority	Comment
22/1	Approving the internal policies related to the Company's work and development, including defining the tasks, competencies, and responsibilities assigned to the various organizational levels.	Board of Directors	Committed
22/2	Adopting a written and detailed policy specifying the powers delegated to the executive management and a schedule showing those powers, the method of implementation and the duration of the delegation. The Board of Directors may request the Executive Management to submit periodic reports regarding its practices of the delegated powers.	Board of Directors	Committed
23 24/3	Appointment of CEO.	Board of Directors	Committed - Board of Directors' decision dated 22/03/2023G to appoint Mr. Melfi Manahi Al-Marzoqi
25/5	Developing the Company's organizational and functional structures and submitting them to the Board of Directors for approval.	Executive Management - Board of Directors	Committed - Board of Directors decision dated 22/06/2023G.
25/10	Proposing a policy and types of bonuses granted to workers, such as fixed bonuses, performance-related bonuses, and bonuses in the form of shares.	Board of Directors	Committed
41	A clear, written policy for dealing with actual or potential conflicts of interest that could affect the performance of members of the Board of Directors, Executive Management, or other employees of the Company when they deal with the Company or with other stakeholders.	Board of Directors	There is no independent policy based on what is stated in the amended Company governance regulations.
24/4	Appointing the director of the Internal Audit Unit or Department or the Internal Auditor and proposing his remuneration.	Board of Directors	Not Committed
57	Formation of the Remuneration Committee.	Board of Directors	Committed, has been merged with the Nominations Committee in line with the corporate governance regulations, to the Board of Directors' decision at its meeting held on 14/05/2023G, in which it decided to form the Nominations and Remuneration Committee from 14/05/2023G until the end of the session of the Board. The Nominations and Remuneration Committee shall consist of the following members, whose names are Waleed Abduaziz Abdulrahman Alshouair (Freelancer), Khaled Bin Asaad Khashoggi (Freelancer), and Muhammad Khalid Almutairi (outside Board member).
57/b	The Company's General Assembly shall issue, based on a proposal from the Board of Directors, the work regulations of the Remuneration Committee, provided that this regulation shall include the controls, procedures, and work plan of the committee, its tasks, the rules for selecting its members, the duration of their membership, and their remuneration.	General Assembly of Shareholders	Committed - Has been merged with the Nominations Committee in line with the corporate governance regulations - the Company has a special regulation on work for the Nominations and Remuneration Committee, and on 06/03/1443H (Corresponding to 12/10/2021G), the (Extraordinary) General Assembly of Shareholders approved in its second meeting to amend the committee's work list.

Summary of the most important provisions of the corporate governance regulations to which the Company has committed			
Article	Details	Competent Authority	Comment
58/a	The Remuneration Committee shall prepare a clear policy for the remuneration of members of the Board of Directors and the subcommittees from the Board and Executive Management, and submits it to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that this policy shall take into account following standards related to performance, disclosing them, and verifying their implementation.	General Assembly of Shareholders	Not Committed
61	Formation of Nominations Committee	Board of Directors	Committed, has been merged with the Nominations Committee in line with the corporate governance regulations, to the Board of Directors' decision at its meeting held on 14/05/2023G, in which it decided to form the Nominations and Remuneration Committee from 14/05/2023G until the end of the session of the Board. The Nominations and Remuneration Committee shall consist of the following members, whose names are Waleed Abuaziz Abdulrahman Alshouair (Independent member), Khaled Bin Asaad Khashoggi (Independent member), and Muhammad Khalid Almutairi (outside Board member).
61/b	The Company's General Assembly shall issue, based on a proposal from the Board of Directors, the work regulations of the Nominations Committee, provided that this regulation shall include the controls, procedures, and work plan of the committee, its tasks, the rules for selecting its members, the duration of their membership, and their remuneration.	General Assembly of Shareholders	Committed - The Company has a special work regulation for the Nominations and Remuneration Committee, and on 06/03/1443H (Corresponding to 12/10/2021G), the (Extraordinary) General Assembly of Shareholders approved in its second meeting to amend the committee's work list.
61/3	Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and Executive Management.	Nominations Committee	Committed - There are membership policies, standards and procedures in the Board.
65	Publish the nomination announcement for membership of the Board of Directors on the Company's website, the market's website, and in any means determined by the CMA.	Board of Directors	Committed
80 81	Policies or procedures followed by stakeholders in submitting complaints or reporting the violating practices.	Board of Directors	There is no independent policy and it is based on what is stated in the amended company governance regulations..
83	The policy of professional conduct and ethical values	Board of Directors	There is no independent policy and it is based on what is stated in the amended company governance regulations..
86	Written disclosure policies, procedures and supervisory systems in accordance with the disclosure requirements contained in the Companies Law and the Capital Market Law - as the case may be - and their executive regulations.	Board of Directors	There is no independent policy and it is based on what is stated in the amended company governance regulations..
88	Publish the audit committee's report on the Company's website and the Market's website.	Board of Directors	Not Committed
91	Corporate governance rules that do not conflict with mandatory provisions.	Board of Directors	Committed - The Company has a corporate governance policy.

- It is worth noting that violating any of the rules and procedures, or failing to implementation, exposes the Company to accountability by the CMA, which may impose any of the following penalties:
 1. Notify the Company.
 2. Obligating the Company to stop or refrain from carrying out the work that is the subject of the lawsuit.
 3. Obligating the Company to take the necessary steps to avoid the violation, or to take the necessary corrective steps to address the results of the violation.
 4. Imposing a fine not to exceed Twenty-Five Million riyals (SAR 25,000,000) for each violation committed by the Company.

The Company reported that it was not subject to any penalties from the CMA.

9.6.6 Ongoing commitments according to the requirements of the Ministry of Municipal Rural Affairs & Housing.

- A municipality license and Salama license issued by the Civil Defense shall be obtained for sites owned or rented by the Company so that it can operate them by submitting an application to the municipality in which the site is located.
- As of the date of this prospectus, the Company is not committed to obtaining a municipality license for the office.
- The Company concluded a lease contract for an office in Riyadh, with the aim of practicing its activity. (For more information, please see Paragraph (2-4) Lease Contracts in this prospectus).

9.7 Summary of Material Contracts

No material contracts that concluded by the Company in the course of carrying out its activity were reviewed.

9.7.1 Supply Contracts

- The Company reported that it does not have long-term contracts or written agreements with any of the suppliers, as they are dealt with through purchase orders.
- Accordingly, there are no long or short-term contracts and agreements, and all current dealings are carried out through purchase and sell orders with all of the Company's clients.

9.7.2 Lease Contracts

One (1) contract concluded by the Company as a Lessee to carry out its activity was reviewed. According to the following detail:

Table (50): Office Lease Contract

Lease Contract	Sultan bin Abdullah bin Ali Alshehri (First Party "Lessor")	Thimar Development Holding (Second Party "Lessee")
Contract Type:	Office Lease Contract	
Contract Date:	25/06/2023G the lease begins on 19/03/2023G.	
Subject of the Contract:	Leasing the unit according to the terms, conditions and obligations stipulated in the Contract.	
Duration of the Contract:	(365) days starting from 27/08/1444H (Corresponding to 19/03/2023G) and ending on 08/09/1445H (Corresponding to 18/03/2024G). If the Hijri date differ from Gregorian date, the Gregorian date shall be used in all articles of the Contract.	
Renewal:	The lease period ends with the end of the duration of the Contract, and if Both Parties wish to renew, a new contract shall be made that is agreed upon by Both Parties.	
Contract Value:	SAR 175,000	
Notes:	The Contract is electronically registered.	

- The individuals with whom the Company deals as a Lessee do not have any direct or indirect relationship with the members of the Board of Directors.
- The Company is committed to register the Lease Contract in accordance with Council of Ministers Resolution No. (292) dated 16/05/1438H (Corresponding to 13/02/2017G, which stipulates that an unregistered Lease Contract on the network shall not be considered a legally and administratively enforceable contract.

9.7.3 Consultancy Services Contracts

In the course of carrying out its work, the Company has concluded a number of consulting and financial services agreements according to the following details:

Table (51): Consultancy Services Contracts

Agreement	Date	Parties	Subject
Financial services provision agreement with Osama A. Elkhareiji & Partner Co.	19/10/2021G	First Party: Osama A. Elkhareiji & Partner Co. Second Party: Thimar Development Holding Co.	Auditing the Company's financial statements for the financial years ending on December 31, 2019G, December 31, 2020G, and December 31, 2021G, and the limited review of the preliminary quarterly financial statements from 30/9/2019G until 30/9/2021G.
Financial services provision agreement with Osama A. Elkhareiji & Partner Co.	20/07/2021G	First Party: Osama A. Elkhareiji & Partner Co. Second Party: Thimar Development Holding company.	Auditing the Company's financial statements for the financial years ending on December 31, 2022G and the limited review of the preliminary quarterly financial statements for 2022G and the first quarter of 2023G.
Agreement to provide legal services and consultations with Maiamen Law Firm and Consultancy.	20/01/2023G	First Party: Maiamen Law Firm and Consultancy. Second Party: Thimar Development Holding company.	Providing all legal advice needed by the Second Party for the duration of the Contract and in accordance with the agreed upon method between Both Parties.
Agreement to provide legal services and consultations with Maiamen Law Firm and Consultancy.	12/03/2023G	First Party: Maiamen Law Firm and Consultancy. Second Party: Thimar Development Holding company.	Representing the Second Party before the Judicial Authorities in the lawsuit filed by it against the former Board of Directors of Thimar Development Holding company during the period from 06/03/2017G to 04/07/2021G.

9.8 Real Estate Properties

Real Estate Properties Owned by the Company

The Company owns a number of lands; the table below shows the real estate properties owned by the Company:

Table (52): Real Estate Properties

S	Property	City	Property Type	Area
1.	Land No. 63 of Plan No. 2896 located in the New Industrial Area in Riyadh.	Al Sina'iyah/ Riyadh	Land	4,982 m2 (Four thousand nine hundred and eighty-two square meters).
2.	Land on Al-Kharj Riyadh, Rd., (14) plots of land.	Al-Kharj/ Riyadh	Land	700,000 m2 (Seven hundred thousand square meters)
3.	Land on Al-Kharj Rd.	Al-Kharj/ Riyadh	Land	58,793.85 m2 (Fifty-eight thousand seven hundred and ninety-three meters and eighty-five centimeters)

9.9 Conflict of Interest

The Directors acknowledge that no conflict of interest has arisen between the Directors in respect of contracts and/or transactions with the Company and that they were not part of any activity similar to or competitive with the activities of the Company as at the date of this Prospectus.

7 Credit Facilities and Loans

- Subject to the financial statements 12/2022G, and the preliminary summary unaudited financial statements and the examination report of the independent auditor for the three months ended 31 March 2023G, the credit facilities granted to the Company by SABB until 31 December 2022G amounted to SAR 32,033,389. During the year 2022G, it was reconciled with the bank and an amount of SAR 8,924 was settled on the general and administrative expenses item against the previous fees of the bank for the evaluation of real estate of the Company that was not previously recorded.
- As part of the financial reorganization procedure, SABB submitted claims to the Secretary of the Financial Reorganization of the Company with a total amount of SAR 37,071,930. An amount of SAR 32,024,465 was accepted and an amount of SAR 5,047,465 was rejected. The list of claims in the financial reorganization procedures of the Company was approved by the Ninth Commercial Circuit of the Commercial Court in Riyadh on 22/07/1443H corresponding to 23February 2022G.

Based on what the Company informed us, it did not provide a cash loan of any kind to the members of its board of directors and that it did not provide any guarantees for any loans to the members of the board of directors or its employees with others and did not open any bank credits.

9.10 Insurance Policies

9.10.1 Employee Health Insurance

- Article (144) of the Labor Law stipulates that the employer shall provide health, preventive and therapeutic care for his workers in accordance with the levels decided by the Minister of Labor, taking into account the provisions of the Cooperative Health Insurance Law. Article (5) of the Executive Regulations of the Cooperative Health Insurance Law, pursuant to Ministerial Resolution No. (9/35/1/z) dated 13/04/1435 AH corresponding to 13/02/2014AD, affirmed the obligation of the employer to conclude a health insurance policy with one of the insurance companies covering all its employees, those subject to the system and their family members. The employer shall conduct insurance coverage on the beneficiary from the date of arrival in the Kingdom and deliver the insurance card within a period not exceeding ten working days from the date of arrival.
- According to Article (14) of the Cooperative Health Insurance Law, if the employer does not participate or does not pay the cooperative health insurance premiums for the worker to whom this law applies and his family members covered by the cooperative health insurance policy, he is obligated to pay all the installments due, in addition to paying a fine not exceeding the value of the annual subscription for each individual, with the possibility of depriving him of recruiting workers for a permanent or temporary period.
- If any of the cooperative insurance companies breaches any of their limited obligations in the cooperative health insurance policy, they are obligated to fulfill these obligations and compensate for the damages resulting from the breach, in addition to paying a fine not exceeding (5000) five thousand riyals for each individual covered by the document subject to the violation.
- The insurance company shall issue a certificate to the employer (policyholder) upon request stating the insurance of his employees to be submitted to the competent authority to issue residence permits and renew them.
- The Company shall not provide health, preventive and therapeutic care to its employees, and has not concluded a health insurance policy with one of the insurance companies that covers all its employees, those subject to the system and their family members, and has not participated or paid cooperative health insurance premiums for its employees.

9.10.2 Mandatory Vehicle Insurance

The companies have not provided us with any insurance policies for the vehicles owned by the Company.

9.11 Litigation

- The Company's management confirms that the Company is not a party to any lawsuit, cases, complaints, claim, arbitration, administrative procedures or investigations that are existing or likely to be established, that may have, collectively or individually, a material impact on the Company's business or financial situation, and the Company's management has not been informed of the existence of any current or potential substantive judicial disputes or facts that could give rise, collectively or individually, to an imminent danger related to a substantive dispute, with the exception of those indicated in the subsequent table and until the date of preparation of this prospectus:

Table (53): Lawsuits

Claim Amount	Lawsuits against the Company (as Defendant) as at the date of this Prospectus			
	Case Status	Date of the lawsuit	Subject of the case	Plaintiff
There are no sums of money to claim as the lawsuit is a lawsuit to vacate a property.	Under consideration.	20/09/1444AH	Eviction of a property	Mohammed Suleiman Saleh Al-Rubaish
One million (1,000,000) Saudi riyals	Under consideration.	26/01/1444H	Lawyers' or attorneys' fees	Yousef Abdullah Mohammed Al-Haliba
Two million three hundred thousand(2,300,000) Saudi riyals *	Under consideration.	16/02/1444H	Claim for end of services benefits	Sari Ibrahim Al-Mayouf
	Lawsuits filed by the Company (as a plaintiff) as at the date of this Prospectus			
	Case Status	Date of the lawsuit	Subject of the case	Defendant
Compensation for damages estimated at ten million (10,000,000) Saudi riyals.	Under consideration by the Securities Dispute Resolution Committees	23/04/1444H	A lawsuit for accountability and compensation	Former CEO of the Company/ Sari Al-Mayouf, and former Account Manager/ Mohammed Al-Otaibi
One hundred and eighty-four thousand (184,000) Saudi riyals	Under consideration	26/04/1444H	Claim the rest of the contract	Mohamed Sobhi Abdel Hafez Tayel
Eighty-eight thousand (88,000) Saudi riyals	Under consideration	08/10/1444H	Claim the rest of the contract	Mohammed Ashraf Al-Saeed Ghalab
Two hundred and thirty million (230,000,000) Saudi riyals.	Under consideration by the Capital Market Authority	22/08/1444H	Liability case	Former members of the Board of Directors of the Company during the period from 06/03/2017G to 04/07/2021G, and the Chief Financial Officer and Account Manager

* The actual amount of the claim was not clear because the case was not referred to the Labor Court and the calculation of the amounts was estimated by the Company due to the end of service gratuity, delayed salaries and leave balances.

Source: Company


- It is proven in the financial statements of the Company for the period ending on December 31, 2022G that: the Company has potential liabilities resulting from cases filed by third parties against the Company according to the statement of the legal counsel of the Company estimated at 843,720 Saudi riyals (Note No. 29), as well as some creditors previously filed lawsuits against the Company and acquired the status of final enforceable judgments, and some of them did not submit their claim with the Secretary of Financial Reorganization, and these cases were not included in the list of approved claims, and their number was (7) cases with a total amount of (2,481,147) Saudi riyals, taking into account the composition of provisions for them (refer to Note No. 18), as well as the total claims rejected by the Secretary of the financial reorganization of the Company amounted to (23,877,526) Saudi riyals, and following some final enforceable judgments, the Execution Court withdrew some amounts from the Company's bank accounts for the account of the court, amounting to (4,211,851) Saudi riyals included under other debit balances Note No. (1).

It shall be noted that the following:

1. On 04/04/2021G, a judgment was issued to apply the financial reorganization procedures to the Company.
2. On 06/02/2022G, the proposal for financial regulation was delivered to the Commercial Court in Riyadh
3. On 24/02/2022G, the court finally approved the creditors' claims with a final decision and issued a deed.
4. On 23/03/2022G, the court approved the proposal for financial reorganization submitted by the Company and set a date of 14/04/2022G for the shareholders to vote on the date of 18/04/2022G for the creditors to vote
5. On 14/04/2022G, 99.57% of the total attendance of shareholders approved the proposal for financial reorganization.
6. On 18/04/2022G, 99.73% of the total attendance of creditors approved the proposal for financial reorganization.
7. On 20/11/2022G, the Commercial Court approved the proposal to reschedule the payment of creditors
8. On 08/03/2023G, the Commercial Court in Riyadh approved the amendment to the proposal for the financial reorganization of Thimar Development Holding Company
9. The continuity of the Company as a going concern is linked to the implementation of the proposal for the financial reorganization of the Company, which depends mainly on the increase of the Company's capital.

9.12 Trademarks



The Company has the logo () which is used in its dealings. The logo has been registered as a trademark with the Ministry of Trade and Industry under No. 1436000820, Class 31, Registration date: 04/16/1436H, Start of Protection: 01/12/1436H. End of Protection: 01/11/1446H. Accordingly, the Company has provided the necessary legal protection for its trademarks in accordance with the Trademark Law. So, the Company is able to place and use this trademark on its products or on the exterior of the Company building, offices, or vehicles.

The Company acknowledges that it does not have any intangible assets.

The Company failed to register its website, nor has it registered the domain with the Communications and Information Technology Commission - the Saudi Network Information Center.

9.13 Material Information Which Has Changed Since the Establishment of Company and Listing of the Company's Shares on Tadawul

- Thimar Development Holding Company (formerly the National Agricultural Marketing Company - Thimar) (subject to the financial reorganization procedure) has been registered as a Saudi joint stock company under Commercial Registration No. 1010068222 issued in Riyadh on 17 Jumada al-Awwal 1408H (corresponding to 07/01/1988G).
- The Company's capital was, upon incorporation, twenty-six million eight hundred and twenty-six thousand riyals (SR 26,826,000), divided into two hundred and sixty-eight thousand and two hundred and sixty (268260) ordinary shares, at a price of (100) one hundred riyals per share.
- On 30/01/1423H corresponding to 13/04/2011G, the Company's capital, based on the decision of the fourth and fifth extraordinary general assembly held on 30/01/1423H corresponding to 13/04/2011G, has been adjusted to be one hundred million riyals (SR100,000,000) divided into two million (2,000,000) ordinary shares at a nominal value of (50) fifty riyals per share. Accordingly, Article (6) (Capital) of the Articles of Association has been amended.
- On 11/01/1443H, the Company addressed the Ministry of Commerce to approve the request to include the amendment of some articles of the company's Articles of Association. Based on the decision of the extraordinary general assembly held on 06/03/1443H corresponding to 12/10/2021G, the capital has been adjusted to be one hundred million Saudi riyals (SR100,000,000), divided into (10,000,000) ordinary shares with a nominal value of (10) ten riyals per share. Article (7) (Capital) of the Articles of Association has been amended accordingly.
- Based on the extraordinary general meeting held on 12/10/2021G, it has been approved to change the Company's name to become Thimar Development Holding Company. On 29/10/2021G the Company's name (the National Agricultural Marketing Company) has been changed to become Thimar Development Holding Company.
- The Company's activity was, before amending its Articles of Association, the marketing and wholesale and retail trade of agricultural products, foodstuffs, and all kinds of meats fresh, chilled, and frozen red and white, and provision of services in marketing, maintenance, management of agricultural projects, and management and operation of central wholesale markets.
- Article 3 of the amended articles of association stipulates as: (The Company's Objectives: The Company shall practice and implement the following purposes: managing its subsidiaries or participating in the management of other companies in which it has shares or providing the necessary support to them, investing its money in stocks and other securities, and owning real estate and movable property necessary to carry out its activity, providing loans, guarantees and financing to its subsidiaries, and owning, exploiting and leasing the industrial property rights, franchise rights and other moral rights to its subsidiaries or others).
- The address of the Company's headquarters is Riyadh, Al Olaya District, Building No. 3549, El-Orubah Side Road, KSA.
- Financial reorganization procedures: The judgment issued on Wednesday 25/08/1442H corresponding to 07/042021G in Case No. 197 of 1442H states that Thimar Development Holding Company shall be financially reorganized and Hani bin Saleh Al-Aqili shall be appointed as the Company Financial Reorganization Secretary. Accordingly, the Company was granted a period of 150 days to prepare the proposal from the date of opening the procedures, and the period was extended upon the Company's request for 100 days starting from the date of 25/01/1443H corresponding to 05/10/2021G. Then the court agreed to extend the period for 60 days, starting from 06/05/1443H corresponding to 10/12/2021G, and the Company submitted the proposal (Financial Reorganization Plan) to the court through the Financial Reorganization Secretary. The proposal was accepted by the court and the dates on which the owners and creditors would vote the proposal are approved, as 99.57% of the attending shareholders and 99.73% of the attending creditors approved the proposal which was ratified by the court.
- On 15/09/2022G, the Board of Directors decided to amend the Board of Directors' recommendation issued on 09/04/2019G to increase the Company's capital through offering Right Shares at a value of 200 million Saudi riyals instead of 150 million Saudi riyals, so that the Company's capital would become, after the increase, 300 million riyals. This was aimed at maximizing the Company's expansion capacity in investments and providing the necessary liquidity to pay part of the financial obligations due according to the announced financial organization plan.
- On 20/11/2022G, the Commercial Court approved the proposal to reschedule the payment to the creditors.
- On 01/03/2023G, it was announced that the suspension of trading the Company's shares in the market would be cancelled, starting from 02/03/2023G, due to lack of reasons for suspension and trading outside the platform.

- On 08/03/2023G, the Commercial Court in Riyadh ratified the amendment to the financial reorganization proposal for Thimar Development Holding Company.
- On 29/03/2023G, the Board of Directors has decided to amend the recommendation to the Extraordinary General Assembly for increasing the Company's capital by offering Right Shares at one hundred million Saudi riyals (SR 100,000,000) instead of two hundred million Saudi riyals (SR 200,000,000). Furthermore, the Board of Directors decided to recommend to the Extraordinary General Assembly to reduce the capital before increasing the company's capital through canceling nine million (9,000,000) of the Company's shares, so that the capital becomes, after the reduction, ten million Saudi Riyals (SR 10,000,000).
- On 07/05/2023G the Board of Directors decided to amend the Board of Directors' recommendation issued on 29/03/2023G for amending the Board's recommendation to the Extraordinary General Assembly for reducing the Company's capital and then increasing the capital by offering Right Shares so that the Board's recommendation becomes, after the new amendment, as follows: canceling the recommendation to reduce the capital while continuing to increase the capital through offering Right Shares at a value of one hundred million (SR 100,000,000), so that the capital becomes, after the increase, two hundred million (SR 200,000,000) Saudi riyals, and the number of shares is twenty million. (20,000,000).
- On 19/06/2023G, the Board of Directors decided to amend the Board of Directors' recommendation issued on 07/05/2023G to amend the Board's recommendation to the Extraordinary General Assembly for reducing the company's capital and then increasing the capital by offering Right Shares so that the Board's recommendation becomes, after the amendment, as follows: canceling the recommendation to reduce the capital while continuing to increase the capital through offering Right Shares at a value of one hundred million (SR 150,000,000), so that the capital becomes, after the increase, two hundred million (SR 250,000,000), and the number of shares is twenty million. (25,000,000) shares.

9.14 Declarations of Board Members Regarding Legal Information

In addition to the other declarations referred to in this prospectus, the Boards members declare that:

- The issue does not violate the relevant laws and regulations in the Kingdom of Saudi Arabia.
- The issue does not violate any contracts and agreements to which the issuer is a party.
- All Company's essential legal information has been disclosed in the prospectus.
- Other than what is stated in Subsection (11.9) of this Prospectus, the Issuer and its subsidiaries are not subject to any legal claims or proceedings that may, individually or in their entirety, materially affect the business or financial position of the Issuer or its subsidiaries.
- The Issuer's Board Members are not subject to any legal claims or procedures that may, individually or in their entirety, materially affect the business or financial position of the Issuer or its subsidiaries.
- The Company continues and warrants to continues to comply with the requirements of the bylaws, regulations and instructions of the Capital Market Authority and the Saudi Tadawul Group (Tadawul) until the date of this prospectus.

10. Underwriter

The Company and the underwriter (Al Wasatah Al Maliah Company (Wasatah Capital)) have concluded an underwriting agreement to underwrite the subscription of fifteen million (15,000,000) ordinary shares at a price of ten (10) Saudi riyals per share, representing (100%) of the Right Shares offered for subscription (the "Underwriter Agreement").

10.1 Underwriter

Al Wasatah Al Maliah Company (Wasatah Capital)
Riyadh - Al Olaya Main Street, Building No. 7459
Extension No. 2207, Al-Muruj district, postal code 12283
Kingdom of Saudi Arabia
Tel: +966 11 4944067
Fax: +966 11 4944205
Website: www.wasatah.com.sa
Email: info@wasatah.com.sa



10.2 Summary of the Underwriting Agreement

In accordance with the terms and conditions of the subscription agreement:

1. The Company undertakes to the underwriter that, on the allocation date, the Company will issue and allocate to the underwriters all relevant right shares in this subscription, which have not been subscribed by the eligible shareholders as additional shares at the subscription price.
2. The underwriter undertakes for the Company that, on the allocation date, he will purchase the shares underwrote by him in this subscription, which have not been subscribed by eligible shareholders as additional shares at the subscription price.
3. The underwriter will receive a specific fee for his underwriting. Such fee will be paid from the subscription proceeds.
4. The underwriter's obligation to purchase all remaining shares is subject to the provisions related to the termination of the agreement, such as the occurrence of any force majeure as defined in the agreement, or the non-fulfillment of certain prerequisites in relation to the subscription.
5. The Company will provide a number of guarantees, declarations and pledges to the underwriter.

11. Exemptions

The Company has not submitted any exemption request to the Capital Market Authority in connection with the Offering.

12. Information Relating to the Shares and the Offering Terms and Conditions

The Company submitted an application to the Capital Market Authority to register and offer the new shares and an application to the Saudi Stock Exchange Company (Tadawul) to list the new shares. All requirements have been met in accordance with the rules for offering securities, continuing obligations and listing rules.

All eligible shareholders, holders of acquired rights, and bidders shall read the subscription terms and instructions carefully before making the electronic subscription, submitting a subscription application through the broker, or filling out the remaining offering form, as submission of the subscription application or signing and delivery of the remaining offering form is considered an approval and acceptance of the aforementioned terms and conditions.

12.1 Offering

Pursuant to this prospectus, fifteen million (15,000,000) ordinary shares will be offered as right shares at an offering price of (10) ten Saudi riyals per share, with a nominal value of (10) ten Saudi riyals, and with a total offering value of one hundred and fifty million (150,000,000) Saudi riyals representing 150% of the Company's capital before the capital increase, in order to increase the Company's capital from one hundred million (100,000,000) Saudi riyals to two hundred and fifty million (250,000,000) Saudi riyals.

12.2 How to Apply for Subscription to Rights Share (New Shares)

Registered shareholders wishing to subscribe to the right shares shall submit a subscription application during the subscription period through the investment portfolio on the trading platforms through which purchase and sell orders are entered. In addition, subscription may be made through any other means provided by the broker and stock custodian in KSA during Subscription period. During the remaining offering period (if any) subscription applications for any remaining shares may also be submitted by investment institutions only.

By participating in the subscription, the subscriber acknowledges that he:

- Approves to subscribe to the Company for the number of shares indicated in the subscription application.
- Has read, studied and understood the prospectus and all its contents.
- Approves the Company's Articles of Association and the conditions contained herein.
- Has not previously applied to subscribe for the same shares for this offering with the broker, and the Company has the right to reject all applications in the event of a repeated subscription application.
- Accepts the shares allocated pursuant to the subscription application, and accepts all subscription conditions and instructions contained in the application and in this prospectus.
- Ensures that the application is not canceled or modified after being submitted to the broker.

12.3 Subscription Application

The eligible person who wishes to exercise his full right and subscribe for all right shares to which he is entitled to subscribe shall subscribe them through the investment portfolio on the trading platforms through which purchase and sell orders are entered or through any other means provided by the broker and the stock custodian.

The number of shares to which the eligible person is entitled to subscribe is calculated according to the number of priority rights he owns. The subscription amount that the subscriber shall pay is calculated by multiplying the number of existing priority rights that he owns before the end of the subscription period by (10) Saudi riyals.

12.4 The Trading and Subscription Phase and the Remaining Offering Period

Priority rights are considered an acquired right for all shareholders registered in the Company's register at the Depository Center at the end of the second day following the date of the extraordinary general assembly ("Registered Shareholders") and will be calculated based on the number of shares owned by the registered shareholders according to the eligibility factor. Based on the eligibility factor, (1.5) rights will be allocated for every single share owned by a registered shareholder on the eligibility date. Each right gives its holder the right to subscribe for one new share at an offering price. The rights will appear in the registered shareholders' portfolios under a new symbol used for priority rights. The registered shareholders will then be notified of depositing the rights in their portfolios through an announcement on the Saudi Tadawul website, through the Tadawulaty service provided by the Depository Center, and via SMS messages sent through brokerage companies. Registered shareholders will be allowed to trade or subscribe these rights only at the beginning of the trading and subscription periods.

Eligible shareholders who wish to subscribe to the right shares shall submit a subscription application during the subscription period, which begins three (3) working days after the approval of the extraordinary general assembly including the acceptance of the capital increase, on the day 27/03/1445H (corresponding to 12/10/2023G) and ending with 09/04/1445H (corresponding to 24/10/2023G).

The Extraordinary General Assembly held on 23/03/1445H (corresponding to 08/10/2023G) approved the Board of Directors' recommendation to increase the Company's capital by issuing right shares. Pursuant to this prospectus, fifteen million (15,000,000) ordinary shares will be offered for subscription to rights shares, which represent approximately (150%) of the Company's capital before the subscription, at an offering price of (10) ten Saudi riyals per share, including a nominal value of (10) ten riyals per share, with a total offering value of one hundred and fifty million (150,000,000) Saudi riyals. New shares will be issued at a ratio of one share for each priority right. Subscription for the right shares offered to shareholders included in the Company's Shareholder Register will be made at the end of the second trading day following the extraordinary general assembly on 23/03/1445H (corresponding to 08/10/2023G), and to the eligible persons who purchased Rights Issue during the rights issue trading period, including the registered shareholders who purchased additional rights in addition to the rights they already own.

In the event that the eligible persons do not exercise their priority rights by the end of the subscription period, the remaining shares resulting from non-exercise or sale of those rights by eligible persons will be offered to investment institutions through offering them during the remaining offering period.

Registered shareholders will be able to trade priority rights that have been deposited in the portfolios through the Saudi Stock Exchange (Tadawul). These rights are considered an acquired right for all shareholders included in the Company's Registers at the end of the second trading day following the extraordinary general assembly for the capital increase. Each right gives its holder the right to subscribe for one new share, at the offering price. The priority rights will be deposited after the assembly meeting. The rights will appear in the registered shareholders' portfolios under a new symbol used for priority rights, and the registered shareholders will then be notified of the deposit of the rights in their portfolios.

The schedule for the sequence and detail of offering the rights shares will be as follows:

1. Eligibility Date: The end of trading on the day of the Extraordinary General Assembly on 23/03/1445H (corresponding to 08/10/2023G).
2. The Trading and Subscription period: The trading and subscription phase begins three (3) working days after the approval of the extraordinary general assembly, including the approval of the capital increase, on the day 27/03/1445H (corresponding to 12/10/2023G) provided that the trading period ends on the day 04/04/1445H (corresponding to 19/10/2023G) and the subscription period continues until the end of 09/04/1445H (corresponding to 24/10/2023G).
3. Period of Remaining Offering: begins on 14/04/1445H (corresponding to 29/10/2023G) from 10:00 am until 5:00 pm on the next day on 15/04/1445H (corresponding to 30/10/2023G). During this period, the remaining shares will be offered to a number of institutional investors (referred to as "investment institutions"), provided that these investment institutions submit offers to purchase the remaining shares. The remaining shares will be allocated to the investment institutions with the highest offer, then the lowest, then the lowest (provided that the price is not less than the offering price). In such case, the shares will be allocated proportionately to the investment institutions that offer the same offer. As for fractional shares, they will be added to the remaining shares and treated similarly. The subscription price for new shares that have not been subscribed for during this period will equal, as a minimum, the offering price. If the price of the unsubscribed shares is higher than the offering price, the difference (if any) shall be distributed as compensation to the holders of priority rights who did not subscribe for their rights and the holders of fractional shares in proportion to their own rights.
4. Final Allocation of Shares: Shares will be allocated to each investor based on the number of rights he exercised completely and correctly. As for the investors who are entitled to fractional shares, the fractional shares will be collected and offered to the investment institutions during the remaining offering period. The total offering price of the remaining shares will be paid to the company, and the remaining proceeds from the sale of the remaining shares and fractional shares will be distributed without calculating any fees or deductions (exceeding the offering price) to the eligible investors according to their entitlement on a date no later than the day 02/05/1445H (corresponding to 16/11/2023G).
5. Trading New Shares in the Market: The shares offered for subscription will be begun to be traded in the (Tadawul) system upon completion of all procedures relating to registering and allocating the offered shares. The time period between the end of subscription for priority rights and the deposit of shares in the shareholders' portfolios is 9 working days

The Company has submitted an application to the Capital Market Authority to register and offer new shares. Additionally, the Company has submitted a request to the Saudi Stock Exchange (Tadawul) to accept its listing.

12.5 Eligible shareholders Not Participating in the Subscription to New Shares

Restricted shareholders who do not participate in whole or in part in the subscription of shares will be subject to loss and to a decrease in their percentage of ownership in the Company in addition to a decrease in the value of the shares currently owned by them. Restricted shareholders who have not exercised their rights to subscribe will retain the same number of shares they owned before the capital increase. Eligible persons who are not subscribers to the new shares will not receive any advantages or benefits in exchange for the shares of the rights due to them, except for cash compensation from the proceeds of the sale of shares in the remaining offering, each as it is due.

It shall be noted here that in the event that the investment institutions offered to buy the remaining shares at the offering price only, or in the event that these investment institutions did not subscribe to the remaining offering, and therefore the coverage contractor purchased

the remaining shares at the offering price, the eligible persons not participating in the subscription will not receive any compensation for the rights in the new shares, which they did not exercise. In the event that the remaining shares are sold to investment institutions at a price higher than the offering price, the amount of compensation will be determined for the eligible persons who did not participate in the subscription of the new shares in whole or in part according to the following equation:

Amount of compensation for each share not subscribed = (Total remaining offering price - Total proceeds of the remaining offering) / (Number of shares not subscribed)

12.6 Allocation and Refunds

The Company and the Lead Manager will open a bank account in which the proceeds of the subscription will be deposited. The rights shares shall be allocated to the entitled persons based on the number of rights they have fully and correctly exercised. As for the beneficiaries of the fractions of the shares, the fractions of the shares will be collected and offered to the investment institutions during the remaining offering period, and the total price of the remaining shares will be paid to the Company, and the rest of the proceeds of the sale of the remaining shares and the fractions of the shares (exceeding the offering price) will be distributed to their beneficiaries, each according to its entitlements, no later than 02/05/1445H (corresponding to 16/11/2023G). In the event that shares thereafter remain unsubscribed, the Undertaker will purchase those remaining new shares and they will be allotted to him. There will be no compensation for investors who did not subscribe or did not sell their rights, and owners of fractions of shares during the remaining offering period.

It is expected that the final number of shares allocated to each eligible person without any commissions or deductions from the Lead manager will be announced by recording them in the Underwriters' accounts. Eligible persons shall contact the broker through which the subscription application was submitted for any additional information. The results of the allocation will be announced no later than 17/04/1445H (corresponding to 01/11/2023G).

The surplus (the rest of the proceeds of the offering process in excess of the offering price) will be refunded to the eligible persons who did not participate in whole or in part in the subscription of the rights shares (if any) without any deductions no later than 02/05/1445H* (corresponding to 16/11/2023G).

12.7 Supplementary Prospectus

The Company shall submit to CMA a supplementary prospectus in accordance with the requirements of the rules of offering securities and continuing obligations, if the Company becomes aware at any time after the date of publication of this prospectus and before the completion of the offering of any of the following:

- There is an important change in the substantive matters mentioned in this prospectus.
- Any significant issues that shall have been included in this prospectus have arisen.

An investor who has subscribed to the New Shares prior to the publication of the Supplemental Prospectus may cancel or amend his subscription to such Shares prior to the expiry of the Offering Period.

12.8 Suspension or Cancellation of the Offering

The Capital Market Authority (CMA) may, at any time, issue a decision to suspend the offering if it considers that the offering could result in a violation of the Capital Market Law, its executive regulations, or the rules of the market. It is also possible to cancel the offer in the event that the Extraordinary General Assembly does not approve any of the details of the offer

Rights Shares Q & A

What are rights shares?

They are Tradable securities that give the holder the right to subscribe to the new shares offered upon the approval of the capital increase, which is an acquired right of all shareholders who own the shares on the day of the extraordinary general meeting on the capital increase and who are registered in the register of shareholders of the Company at the Depository Center by the end of the second trading day following the date of the extraordinary general meeting. Noting that each right gives the holder the right to subscribe to one share at the offering price.

To whom do you grant rights shares?

For all shareholders registered in the Company's shareholders register by the end of the second trading day following the date of the extraordinary general meeting.

When are these rights deposited?

After the extraordinary general meeting and its approval to increase the capital through the offering of rights shares, rights shall be deposited as securities in the shareholders' portfolios in the company's shareholders' register at the Depository Center at the end of the second trading day after the extraordinary general meeting, and the shares will appear in their portfolios under a new symbol for rights. Trading or subscribing to these rights will not be allowed except at the beginning of the trading and subscription periods.

How is the investor notified of the rights shares to deposit the rights in the portfolio?

The notification is made by advertising on Tadawul website as well as by the service (Tadawulaty) provided by the Securities Depository Center Company and SMS messages sent by brokerage companies.

How many rights will the restricted shareholder receive?

The number depends on the percentage of what each shareholder owns in the capital according to the Company's shareholders' register at the Depository Center at the end of the second trading day after the extraordinary general meeting.

What is the eligibility coefficient?

It is the coefficient that enables the registered shareholders to know the number of rights due to them in exchange for the shares they own at the end of the second trading day after the extraordinary general meeting. This coefficient is calculated by dividing the number of new shares by the number of existing shares of the company. Accordingly, the eligibility coefficient is approximately (1.5) rights per one (1) share owned by the registered shareholder at the date of eligibility. Therefore, if a registered shareholder owns one thousand (1,000) shares at the date of eligibility, he will be allocated (1,500) rights in exchange for the shares he owns.

Will the trading name and symbol of these rights differ from the name and symbol of the Company's shares?

Yes, the acquired right will be added to the investors' portfolios under the name of the original share, and by adding the word rights, in addition to a new code for these rights.

What is the value of the right at the beginning of its trading?

The opening price of the right will be the difference between the closing price of the Company's share on the day before listing of the right and the offering price (the indicative right value). For example, if the closing price of the Company's stock on the previous day was fifteen (15) Saudi riyals, and the offering price was ten (10) Saudi riyals, the opening price of the right would be five (5) Saudi riyals.

Who is the Restricted Shareholder?

Any shareholder who appears in the Company's shareholders' register at the end of the second trading day after the extraordinary general meeting.

Can restricted shareholders subscribe for additional shares?

Yes, restricted shareholders can subscribe for additional shares by purchasing new rights via the market in the trading period.

Is it possible for a shareholder to lose his right to subscribe even if he has the right to attend an extraordinary general meeting and vote on a capital increase by offering rights shares?

Yes, the shareholder loses his right to subscribe if he sells his shares on the day of the extraordinary general meeting or before it on a working day.

How does the subscription process work?

Subscription applications are submitted through the investment portfolio in the trading platforms through which buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the broker to investors and the custodian of shares.

Is it possible to subscribe more than once and through more than one broker?

Yes, it is possible, but it shall be taken into account that the number of shares subscribed to does not exceed the number of rights owned at the end of the rights trading period, as any increase in the number of shares subscribed to over the number of rights owned at the end of the rights trading period will result in the cancellation of the subscription application.

Can the entitled person subscribe for more shares than the rights owned by him?

The entitled person cannot subscribe for more shares than the rights owned by him.

If the Company's shares are held through more than one investment portfolio, in which portfolio are the rights deposited?

Rights will be deposited in the same portfolio in which the shares of the Company linked to the rights are deposited. For example, if a shareholder owns one thousand (1,000) shares in the Company as follows: eight hundred (800) shares in portfolio (A) and two hundred (200) shares in portfolio (B), the total rights to be deposited one thousand five hundred (1500) rights on the basis that each share has approximately (1.5) rights. Accordingly, one thousand two hundred (1,200) rights will be deposited in portfolio (A) and three hundred (300) rights in portfolio (B).

Do holders of share certificates have the right to subscribe and trade?

Yes, holders of share certificates are entitled to subscribe, but they will be able to trade only after depositing the certificates in electronic portfolios through the receiving entities or the Securities Depository Center Company (the "Depository Center"), and bringing the necessary documents.

Does the person who bought additional rights have the right to trade them again?

Yes, he is entitled to sell them and buy other rights during the trading period only.

Is it possible to sell part of the rights?

Yes, the investor can sell part of these rights and subscribe to the remaining part.

When can a shareholder subscribe to the rights purchased during the rights trading period?

After the settlement of the purchase of rights ends (which is two working days), provided that the rights are subscribed to during the subscription period.

Can the holder of the rights sell or waive the right after the expiry of the trading period?

No, it can't be. After the expiry of the trading period, the owner of the right only has the right to exercise the right to subscribe for the shares of the rights or not. In the event that the right is not exercised, the investor may be subject to loss or decrease in the value of his investment portfolio.

What happens to rights that are not sold or exercised during the trading period and underwriting phase?

In the event that all the new shares are not subscribed during the subscription period, the remaining new shares shall be offered for subscription organized by the subscription manager, and the value of the compensation (if any) shall be calculated for the rights holder after deducting the subscription price. Note that the investor may not receive any consideration if the sale is made in the remaining offering period at the offering price.

Who has the right to attend the Extraordinary General Assembly and vote to increase the Company's capital by offering rights shares?

The shareholder registered in the register of shareholders of the Company at the Depository Center after the end of the trading day of the Extraordinary General Meeting shall have the right to attend the Extraordinary General Meeting and vote on the increase of the capital of the Company by offering rights issue shares.

When is the share price adjusted as a result of an increase in the company's capital by offering priority equity shares?

The share price shall be adjusted by the market before the start of trading on the day following the day of the extraordinary general meeting.

If an investor buys securities on the day of the meeting, is he entitled to the rights resulting from the increase in the capital of the issuer?

Yes, as the investor will be registered in the register of shareholders of the Company after two working days from the date of purchase of shares (that is, at the end of trading on the second trading day following the day of the extraordinary general meeting), knowing that rights will be granted to all shareholders registered in the register of shareholders of the Company at the end of trading on the second trading day following the date of the extraordinary general meeting. However, he shall not be entitled to attend or vote at the Extraordinary General Meeting of the Capital Increase.

If the investor has more than one portfolio with more than one brokerage firm, how will the rights be calculated for him?

The investor's share will be distributed to the portfolios owned by the investor, according to the percentage of ownership in each portfolio, and in the event of fractions, those fractions will be collected, and if you complete one or more correct numbers, the correct number will be added to the portfolio in which the investor owns the largest amount of rights.

What are the trading and subscription periods?

Trading and subscription of rights begin at the same time after (3) three working days from the approval of the Extraordinary General Assembly, which includes approval of the capital increase until the end of trading on the sixth day, while the subscription continues until the ninth day, as mentioned in this Prospectus and the company's announcements.

Can I subscribe over the weekend?

No, it can't be.

Can the general public of registered non-shareholder investors subscribe to rights shares?

Yes, after completing the purchase of rights during the trading period.

Additional Help:

In case of any queries, please contact the Company at: boardsecretary@thimar.com.sa For legal reasons, the Company will only be able to provide the information contained herein and will not be able to advise on the merits of the rights issue or even provide financial, tax, legal or investment Advice. For more information on the terms and conditions of subscription, please refer to Section (12) "Terms, Conditions and Instructions for Subscription" and the rest of the information contained herein.

12.9 Resolutions and approvals under which the shares will be offered

On 01/12/1444H (corresponding to 19/06/2023G) (The Board of Directors of the Company recommended increasing the capital of the Company by offering rights equity shares worth one hundred million (100,000,000) Saudi riyals. This increase is mainly aimed at supporting the activities of the Company and repaying creditors.

On 23/03/1445H (corresponding to 08/10/2023G), the Extraordinary General Assembly of the Company approved the increase of the capital of the Company through the issuance of rights issue shares ("Subscription"). The Subscription is the offering of fifteen million (15,000,000) new ordinary shares at an offering price of (10) ten Saudi riyals per share, with a nominal value of (10) ten Saudi riyals with a total offering value of one hundred and fifty million (150,000,000) Saudi riyals, in order to increase the capital of the Company one hundred and fifty million (150,000,000) Saudi riyals to two hundred and fifty million (250,000,000) Saudi riyals.

The Saudi Stock Exchange (Tadawul) approved the request to list the new shares on 05/01/1445H (corresponding to 23/07/2023G). It was also approved to publish this Prospectus and all supporting documents requested by CMA on the date of its announcement on the Authority's website on 26/02/1445 (corresponding to 11/09/2023G).

12.10 Miscellaneous

The subscription application and all relevant terms, conditions and undertakings will be binding and for the benefit of the parties hereto, their successors and assigns, executors, administrators and heirs. It is stipulated that, except as specifically stipulated in this Prospectus, the application or any rights, interests, or obligations arising from it shall not be waived or delegated to any of the parties referred to in this Prospectus without the prior written consent of the other party.

These instructions and clauses and any receipt of subscription application forms or contracts resulting therefrom shall be governed by and construed in accordance with the laws of the Kingdom. This Prospectus may be distributed in Arabic and English, and in the event of conflict between the Arabic text and the English text, the Arabic text of the Prospectus shall prevail.

12.11 A statement of any existing arrangements to prevent the disposition of certain shares

No arrangements are in place to prevent the disposal of any shares

13. Changes in share price as a result of capital increase

The closing price of the Company's share on the day of the extraordinary general meeting, which includes the approval of the capital increase, is (22.04) Saudi riyals and is expected to reach (14.82) Saudi riyals at the opening of the next day and the change represents a decrease of (32.76%). In the event that none of the shareholders registered in the Company's shareholders register at the Depository Center at the end of the second trading day following the date of the extraordinary general meeting, which includes the approval of the capital increase, this will lead to a decrease in their percentage of ownership in the Company.

The method of calculating the share price as a result of the capital increase is as follows:

First: Calculation of the market value of the Company at closing on the day of the extraordinary general meeting:

Number of shares at the end of the day of the Extraordinary General Meeting x the closing price of the Company's share on the day of the Extraordinary General Meeting = the market value of the Company at the close on the day of the Extraordinary General Meeting.

Second: Calculation of the share price at the opening of the day following the day of the Extraordinary General Assembly:

(The market value of the Company at closing on the day of the Extraordinary General Assembly + the value of the shares offered) / (The number of shares at the end of the day of the Extraordinary General Assembly + the number of shares offered for subscription) = the expected share price at the opening of the day following the day of the Extraordinary General Assembly.

14. Subscription Undertakings

14.1 Overview of Subscription Application and Undertakings

Subscription can be made using trading platforms or through any other means provided by the broker to investors. The new shares will be subscribed in one phase according to the following:

1. In this period, all registered shareholders and new investors will be able to subscribe for new shares.
2. The registered shareholder will be able to subscribe directly to the number of his shares during the subscription period. In the event that he buys new rights, he will be able to subscribe to them after the end of their settlement period (two working days).
3. New investors will be able to subscribe for new shares immediately after the settlement of the rights purchase (2 business days).
4. Subscription will be available electronically through the investment portfolio in trading platforms and applications through which the buy and sell order is entered, in addition to subscribing to other channels and means available to the broker, provided that only a number of new shares due under the rights in the investment portfolio are approved for subscription.

Each right gives its holder the right to subscribe for one new share, at the offering price. The subscriber of the new shares acknowledges that:

- Acceptance of all subscription terms and instructions contained in this Prospectus.
- That he has reviewed this Prospectus and all its contents, studied it carefully and understood its content.
- That he has accepted the Articles of Association of the Company.
- Undertaking not to cancel or amend the subscription application after its implementation.

14.2 Allocation Processes

The rights shares are allocated to the entitled persons based on the number of rights they have exercised fully and correctly. With respect to the beneficiaries of the fractions of the shares, the fractions of the shares will be collected and offered to the investment institutions during the remaining offering period, and the total price of the remaining shares of the Company will be paid, and the rest of the proceeds of the sale of the remaining shares and the fractions of the shares (exceeding the offering price) will be distributed to their beneficiaries, each according to what it is entitled to, no later than 02/05/1445H (corresponding to 16/11/2023G). In case that shares remain unsubscribed thereafter, the underwriters will buy those remaining new shares and they will be allocated to it, and there will be no compensation for investors who did not subscribe or did not sell their rights, and the fractions of the shares during the remaining offering period.

Eligible persons shall contact the broker through which the subscription was made for any additional information. The results of the allocation will be announced no later than 17/04/1445H (corresponding to 01/11/2023G).

14.3 Saudi Stock Exchange (Tadawul)

The Saudi Tadawul Group (Tadawul), which was previously the Saudi Stock Exchange Company, announced on 25/08/1442H (corresponding to 07/04/2021G) its transformation into a holding Company in the name of the Saudi Tadawul Group, with a new structure that supports the development of the future of the Saudi stock market and ensures its continued development, and as another step towards the group's readiness for the initial public offering during the current year 2021G. The Saudi Tadawul Group will include four subsidiaries: Saudi Tadawul (as a stock exchange), the Securities Clearing Center Company (as a clearing house), the Securities Depository Center Company (as a depository), and the Company (as a flashing) specialized in innovation-based technical services and solutions. The Group will benefit from the integration of the services of its subsidiaries and joint ventures. Moreover, the independence of companies will provide a flexible and innovative work environment to keep pace with rapid developments in global markets.

Tadawul was established in 2001 as an alternative system to the electronic securities information system, and electronic stock trading began in the Kingdom in 1990. The trading process is carried out through an integrated electronic system from the execution of the trade to its settlement. Every working day of the week from Sunday to Thursday is traded on one period from 10 am to 3 pm during which orders are executed. Outside of these times, it is permitted to enter, modify and cancel orders from 9:30 am to 10 am.

Trades are executed through automatic matching of orders, and orders are received and prioritized according to price. In general, market orders are executed first, which are orders with the best prices, followed by orders with a specific price. In the event that several orders are entered at the same price, they are executed according to the timing of the entry.

Tadawul distributes a comprehensive range of information through various channels, most notably the Tadawul website. Market data is provided instantly to well-known information providers such as Reuters. Trades are settled automatically within two working days according to (T+2).

The Company shall disclose all decisions and information that are important to investors through the Tadawul system. A trading system is responsible for monitoring the market, with the aim of ensuring fair trading and efficient market operations.

14.4 Trading of the Company's shares in the Saudi stock market

An application has been submitted to CMA for the registration and offering of rights shares in the Saudi stock market and an application has been submitted to the Capital Market (Tadawul) for listing. This Prospectus has been approved and all requirements have been met. It is expected that the registration will be approved and trading in rights shares in the Saudi stock market will begin after the final allocation of rights shares has been completed, and this will be announced in due course on Tadawul website. The dates mentioned in this prospectus are preliminary and can be changed with the approval of the Capital Market Authority.

Although the existing shares are listed on the Saudi Stock Exchange and the Company is listed on the Stock Exchange (Tadawul), new shares can only be traded after the final allocation of shares has been approved and deposited in the subscribers' portfolios. Trading in new shares is strictly prohibited before the allocation process is adopted.

Subscribers and bidders in the remaining offering who deal in such prohibited trading activities shall bear full responsibility for them and the Company shall have no legal liability in this case.

15. Documents available for inspection

The following documents will be available for consultation at the Company's headquarters in Riyadh - Olaya District, P.O Box: 88618, Postal Code: 11672, Kingdom of Saudi Arabia, during official working days from Sunday to Thursday during official working hours (from 8:00am to 4:30pm), starting from the first working day after the date of the invitation after the date of the call for the Extraordinary General Assembly, provided that this period shall not be less than 14 days before the date of the Extraordinary General Assembly. These documents will remain available for preview until the end of the offering:

Documents related to the incorporation and the Company's system:

- Certificate of commercial registration of the Company.
- The Articles of Association of the Company and the amendments thereto.

Approvals related to capital increase shares:

- Resolution of the Board of Directors to recommend a capital increase.
- A copy of the CMA's announcement of approval of the rights issue.
- Saudi Tadawul (Tadawul) Approves on the Listing of Priority Equity Shares.
- Resolution of the Extraordinary General Assembly approving the capital increase.

Reports, Letters and Documents:

- lead manager Agreement and Underwriting Agreement.
- Written approvals by the financial advisor, the lead manager, the underwriters, and the legal advisor to use their name, logo, and affidavits within the prospectus.
- Written approvals by External Auditors to use their name and logo within the prospectus.
- Proposal for financial reorganization.



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