

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

**FOR THE THREE-MONTH AND SIX-MONTH PERIODS
ENDED 30 JUNE 2023
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

INDEX	PAGE
Independent auditor's review report on the interim condensed financial statements	1
Interim statement of financial position	2
Interim statement of profit or loss and other comprehensive income	3
Interim statement of changes in shareholders' equity	4
Interim statement of cash flows	5
Notes to the interim condensed financial statements	6 - 16

**PKF****Ibrahim Ahmed Al-Bassam
& Co. Certified Public Accountants**

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)

(1/1)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Al Tayseer Arabian Company (the "Company") as of 30 June 2023 and the related interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended and the interim statement of changes in shareholders' equity and interim cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes ("the interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

For Al-Bassam & Co.



Ahmed Abdul Majeed Mohandis

Certified Public Accountant

License No. 477

Khobar: 27 July 2023

Corresponding to: 9 Muharram 1445H

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AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		30 June	31 December
		2023	2022
		SR	SR
ASSETS	Note	(Unaudited)	(Audited)
Non-current assets			
Property and equipment		6,550,408	6,789,891
Right-of-use assets		3,310,713	4,746,996
Intangible assets		4,365,705	3,511,904
Net investment in finance lease	5	656,897,130	539,083,672
Net investment in murabaha finance	5	95,275,849	95,292,927
Net investment in tawarruq finance	5	367,850,371	273,953,443
Investment carried at FVOCI		892,850	892,850
Total non-current assets		1,135,143,026	924,271,683
Current assets			
Current maturity of net investment in finance lease	5	456,256,885	406,540,389
Current maturity of net investment in murabaha finance	5	85,934,572	71,542,467
Current maturity of net investment in tawarruq finance	5	199,760,948	118,404,612
Prepayments and other receivables	6	85,862,203	38,743,857
Investment at amortized cost	7	20,000,000	20,000,000
Cash and bank balances	7	32,542,709	72,114,719
Assets repossessed held for sale	8	1,024,201	1,387,680
Total current assets		881,381,518	728,733,724
TOTAL ASSETS		2,016,524,544	1,653,005,407
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	13	400,000,000	400,000,000
Statutory reserve		12,468,976	12,468,976
Retained earnings		68,618,637	27,134,129
Total shareholders' equity		481,087,613	439,603,105
LIABILITIES			
Non-current liabilities			
Non-current portion of financial facilities	10	692,124,421	494,041,199
Lease liabilities	12	529,742	1,937,390
Employees' end of service benefits		8,501,774	7,158,057
Total non-current liabilities		701,155,937	503,136,646
Current liabilities			
Current maturity of financial facilities	10	524,881,563	363,438,123
Short-term financial facilities	10	-	24,684,104
Current maturity of lease liabilities	12	2,762,985	2,806,393
Accounts payable		68,727,603	131,480,392
Accrued expenses and other liabilities	11	115,866,985	83,193,290
Due to related parties	9	116,728,248	102,731,526
Provision for zakat	14	5,313,610	1,931,828
Total current liabilities		834,280,994	710,265,656
TOTAL LIABILITIES		1,535,436,931	1,213,402,302
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,016,524,544	1,653,005,407
CONTINGENCIES AND COMMITMENTS	19	-	-

These interim condensed financial statements were approved by the Board of Directors and have been signed on their behalf by:

Ibrahim Al Jomaih
Chairman

Zaid Abdullah Al-Yaesh
Chief Executive Officer

Abdullah AlHajri
Chief Financial Officer

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

		For the three- month period ended 30 June 2023 SR (Unaudited)	For the three- month period ended 30 June 2022 SR (Unaudited)	For the six- month period ended 30 June 2023 SR (Unaudited)	For the six- month period ended 30 June 2022 SR (Unaudited)
Income					
Finance lease, murabaha and tawarruq finance income, net	15	72,448,751	36,834,025	137,974,353	73,561,416
Expenses					
Finance cost	16	(24,572,271)	(6,591,124)	(39,742,316)	(11,057,352)
Other general and administrative expenses		(15,666,805)	(9,374,426)	(26,025,038)	(12,011,407)
Insurance and other cost		(9,239,206)	(6,397,902)	(17,285,381)	(11,840,591)
Salaries and employee related expenses		(8,712,138)	(7,067,007)	(16,484,751)	(12,678,684)
Allowance for expected credit losses		(6,301,991)	(12,259,057)	(15,301,991)	(19,342,217)
Depreciation and amortization		(1,397,134)	(1,538,427)	(2,705,102)	(2,644,216)
Commissions and sales promotion		(1,559,913)	(690,245)	(4,108,501)	(1,129,927)
Other income, net	17	15,261,695	2,831,348	28,913,235	7,946,263
Net profit / (loss) before zakat		20,260,988	(4,252,815)	45,234,508	10,803,285
Zakat (expense) / reversal	14	(1,650,000)	3,351,629	(3,750,000)	2,772,204
Net profit / (loss) for the period		18,610,988	(901,186)	41,484,508	13,575,489
Other comprehensive income for the period		-	-	-	-
Total comprehensive income / (loss) for the period		18,610,988	(901,186)	41,484,508	13,575,489
Earnings / (loss) per share (basic and diluted)	18	0.47	(0.03)	1.04	0.45

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AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

	Share capital SR	Statutory reserve SR	Retained earnings SR	Total SR
Balance as at 31 December 2021 – (audited)	300,000,000	11,705,676	22,554,212	334,259,888
Net profit for the period	-	-	13,575,489	13,575,489
Balance as at 30 June 2022 – (unaudited)	<u>300,000,000</u>	<u>11,705,676</u>	<u>36,129,701</u>	<u>347,835,377</u>
Balance as at 31 December 2022 – (audited)	400,000,000	12,468,976	27,134,129	439,603,105
Net profit for the period	-	-	41,484,508	41,484,508
Balance as at 30 June 2023 – (unaudited)	<u>400,000,000</u>	<u>12,468,976</u>	<u>68,618,637</u>	<u>481,087,613</u>

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AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

	Note	For the six-month period ended 30 June 2023 SR (Unaudited)	For the six-month period ended 30 June 2022 SR (Unaudited)
OPERATING ACTIVITIES			
Net profit before zakat		45,234,508	10,803,285
Adjustments for:			
Gain on modification of loan		(37,376,449)	(1,479,768)
Allowance for expected credit losses	5	15,301,991	19,342,217
Finance cost	16	39,742,316	11,057,352
Provision for non-lease receivables from customers		-	5,415,373
Depreciation and amortization		2,705,102	2,644,216
Provision for employees' end of service benefits		1,463,751	505,073
		67,071,219	48,287,748
Changes in operating assets and liabilities:			
Net investment in finance lease, murabaha and tawarruq finance	5	(372,460,236)	(168,927,383)
Prepayments and other receivables	6	(47,118,346)	(15,334,421)
Assets repossessed held for sale		363,479	(1,214,294)
Due to related parties	9	10,941,229	18,182,229
Accounts payable		(62,752,789)	(32,318,051)
Accrued expenses and other liabilities	11	32,673,695	7,395,299
Cash flow used in operating activities		(371,281,749)	(143,928,873)
Finance cost paid	16	(14,774,492)	(5,903,347)
Employees' end of service benefits paid		(120,034)	(411,391)
Zakat paid		(368,218)	(1,277,476)
Net cash used in operating activities		(386,544,493)	(151,521,087)
INVESTING ACTIVITIES			
Purchase of property and equipment		(1,176,925)	(1,231,255)
Purchase of intangible assets		(706,212)	-
Proceeds from redemption of funds		-	20,414,790
Proceeds from long term deposit		-	18,750,449
Net cash (used in) / generated from investing activities		(1,883,137)	37,933,984
FINANCING ACTIVITIES			
Proceeds from financial facilities	10	535,607,018	301,983,041
Repayments of financial facilities		(185,244,312)	(123,898,021)
Lease liabilities paid	12	(1,507,086)	(1,442,598)
Net cash generated from financing activities		348,855,620	176,642,422
NET CHANGE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period	7	72,114,719	39,260,553
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	32,542,709	102,315,872
Non-cash transactions	20		

These interim condensed financial statements were approved by the Board of Directors and have been signed on their behalf by:

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Chief Financial Officer

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

1. LEGAL STATUS

Al Tayseer Arabian Company ("the Company") is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 2051060381 (unified number 7012309998) issued in Khobar on 11 Jumad ul Thani 1436 H (31 March 2015).

The principal activity of the Company is providing various types of automotive finance services to the retail and corporate sector in the Kingdom of Saudi Arabia under the license number 37/Ash/201508 dated 15 Dhu al-Qidah 1437 H (corresponding to 18/08/2016) granted by Saudi Central Bank (SAMA). The Company is ultimately owned and controlled by Al Jomaih Holding Company ("AJHC", the "Holding Company").

These interim condensed financial statements include the activities of following branches:

Commercial Registration	Branch
2051055139	Khobar, Rakah District
1131313667	Buraidah, Al Basar District
1010323416	Riyadh, Al Mannar District

The Company's head office is located at the following address;

Al Tayseer Arabian Company
P.O. Box 224, King Abdullah Street, 31411
Khobar, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed financial statements of the Company for the three-month and six-month periods ended 30 June 2023 have been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) that is endorsed in Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Company's latest annual financial statements for the year ended 31 December 2022 ("latest annual financial statements").

These interim condensed financial statements do not include all of the information required for a complete set of IFRS financial statements. However, accounting policies and selected explanatory notes are included to reflect events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the latest annual financial statements. The results for the three-month and six-month periods ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The preparation of interim condensed financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in interim condensed financial statements. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the latest annual financial statements as at 31 December 2022.

2.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention method.

2.3 Functional and presentational currency

These interim condensed financial statements have been presented in Saudi Riyals (SR) which is the Company's functional and presentation currency. Figures have been rounded to the nearest Saudi Riyal, unless otherwise mentioned.

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS

3.1 New standards, amendments to standards and interpretations

Amendments

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Company's interim condensed financial statements, except for where referenced below.

New amendments to standards issued and applied effective in year 2023

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 17	Insurance Contracts	January 1, 2023	This is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005.
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of a liability would not impact its classification.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023	This amendment deals with assisting entities to decide which accounting policies to disclose in their financial statements
IAS 8	Amendment to definition of accounting estimate	January 1, 2023	This amendment regarding the definition of accounting estimates is to help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Income taxes	January 1, 2023	This amendment deals with clarification regarding accounting of deferred tax on transactions such as leases and decommissioning obligations

3.2 New standards, amendments and revised IFRS issued but not yet effective

The Company has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 1	"Presentation of financial statements", on classification of liabilities	January 1, 2024	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 rights that exist at the end of the reporting period and non-current liabilities with covenants.
Amendment to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or Joint venture	N/A	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary.

AL TAYSEER ARABIAN COMPANY

(CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023****3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS**
(Continued)**3.2 New standards, amendments and revised IFRS issued but not yet effective (Continued)**

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 16	Lease liability in a Sale and Leaseback	January 1, 2024	The amendments require seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains.
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	January 1, 2024	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	January 1, 2024	This is a comprehensive new accounting standard sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Management anticipates that these new standards interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

5. NET INVESTMENT IN FINANCE LEASE, MURABAHA AND TAWARRUQ FINANCE

5.1 Investment in financing contracts comprised of investment in Ijara (finance), Murabaha and Tawarruq contracts as mentioned below:

	Ijara		Murabaha		Tawarruq		Total	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	SR	SR	SR	SR	SR	SR	SR	SR
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Contracts receivables, gross	1,469,107,242	1,262,746,359	219,077,537	208,151,699	780,180,074	578,268,447	2,468,364,853	2,049,166,505
Unearned income	(279,849,217)	(246,791,920)	(22,011,011)	(26,304,314)	(153,827,407)	(132,226,921)	(455,687,635)	(405,323,155)
	1,189,258,025	1,015,954,439	197,066,526	181,847,385	626,352,667	446,041,526	2,012,677,218	1,643,843,350
Allowance for expected credit losses	(76,104,010)	(70,330,378)	(15,856,105)	(15,011,991)	(58,741,348)	(53,683,471)	(150,701,463)	(139,025,840)
Contracts receivables, net	1,113,154,015	945,624,061	181,210,421	166,835,394	567,611,319	392,358,055	1,861,975,755	1,504,817,510
Current portion	456,256,885	406,540,389	85,934,572	71,542,467	199,760,948	118,404,612	741,952,405	596,487,468
Non-current portion	656,897,130	539,083,672	95,275,849	95,292,927	367,850,371	273,953,443	1,120,023,350	908,330,042
	1,113,154,015	945,624,061	181,210,421	166,835,394	567,611,319	392,358,055	1,861,975,755	1,504,817,510

5.2 Net investment in finance lease, murabaha and tawarruq contracts includes balances of SR 4.3 million (31 December 2022: SR 7.94 million) from related parties. These transactions are executed on an arm length basis.

AL TAYSEER ARABIAN COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

5. NET INVESTMENT IN FINANCE LEASE AND MURABAHA AND TAWARRUQ FINANCE (Continued)

5.3 Movement in allowance for expected credit losses during the period / year is as follows:

	For the six- month period ended 30 June 2023 SR (Unaudited)	For the year ended 31 December 2022 SR (Audited)
Opening balance	139,025,840	89,085,729
Charge for the period / year	15,301,991	65,105,710
Write-off	(3,626,368)	(15,165,599)
Closing balance	150,701,463	139,025,840

These write-offs have been approved by the Board of Directors. However, receivables written off are subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

6. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
	Note	
Deferred loss on kafalah contracts	37,731,319	30,185,700
Advance to suppliers	27,744,445	2,981,763
Non-lease receivables from customers, net	7,135,194	5,558,175
Prepaid insurance	4,903,647	546,421
Insurance claim receivable	2,971,810	1,869,569
Due from related parties	9 345,320	177,360
Other receivables	11,505,243	3,899,644
	92,336,978	45,218,632
Allowance for impairment	(6,474,775)	(6,474,775)
	85,862,203	38,743,857

6.1 Movement in allowance for impairment for the period / year is as follows:

	For the six- month period ended 30 June 2023 SR (Unaudited)	For the year ended 31 December 2022 SR (Audited)
Opening balance	6,474,775	672,791
Charge for the period / year	-	5,801,984
Closing balance	6,474,775	6,474,775

AL TAYSEER ARABIAN COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

7. CASH AND CASH EQUIVALENTS

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Cash at bank	32,534,454	72,109,719
Cash in hand	8,255	5,000
	32,542,709	72,114,719
Time deposit – original maturity less than three months	20,000,000	20,000,000
	52,542,709	92,114,719

Deposits are placed with local banks with original maturity less than three months and earn financial income at rates ranging from 3.5% (2021: 4.50% to 4.65%). Bank balances are placed with counterparties with sound credit ratings.

8. ASSETS REPOSSESSED HELD FOR SALE

During the period and before, the Company has acquired certain vehicles in satisfaction of claims in order to achieve an orderly realization of Ijara contracts receivables. The Company expects to dispose of these assets within one year.

9. RELATED PARTY BALANCES AND TRANSACTIONS

In the normal course of business, the Company pays for the cars purchased from a related Company on a commercial basis, prices and terms of payment are approved by the management. The Company transacts with the following related parties during the period:

Name	Relationship
Al Jomaih Holding Company	Ultimate Holding Company
Al Jomaih Automotive Company	Shareholder
Al Jomaih Rent-A-Car	Shareholder
Al Jomaih Equipment Company Limited	Affiliate
Al Jomaih Tyres Company	Affiliate
Al Jomaih Automotive ACDelco	Affiliate

Details of significant transactions with related parties during the period and related balances are as follows:

Related party	Nature of transactions	30 June 2023 SR (Unaudited)	30 June 2022 SR (Unaudited)
Al Jomaih Automotive Company (AAC)	Purchase of vehicles for lease	52,176,898	13,547,359
	Finance cost charged	3,055,493	2,390,022
	Shared service cost	1,390,241	1,182,730
Al Jomaih Holding Company (AJHC)	Expense recharged	3,653,998	23,500
Al Jomaih Rent-A-Car (AJRC)	Revenue	240,402	1,004,927
Board of Directors	Benefits and expenses	2,245,844	109,150
Key management personnel	Salaries and benefits	3,942,591	3,400,692

The Company is required to pay remuneration to the members of Board of Directors, under By-Laws, for participation in Board of Directors' meetings.

AL TAYSEER ARABIAN COMPANY

(CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023****9. RELATED PARTY BALANCES AND TRANSACTIONS (continued)****Balance due from related parties is as follows:**

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Al Jomaih Rent-A-Car Company (AJRC) (note 5.2)	4,257,813	7,939,454
Al Jomaih Rent-A-Car Company (AJRC) (others)	253,735	-
Al Jomaih Equipment Company Limited	82,310	174,310
Al Jomaih Tyres Company (AJTC)	3,050	3,050
Al Jomaih Electricity and Water Company	6,225	-
	4,603,133	8,116,814

Due from related parties other than Al Jomaih Rent-A-Car Company (AJRC) is classified under prepayments and other receivables.

Balance due to related parties is as follows:

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Al Jomaih Automotive Company (AAC)	105,268,675	86,150,740
Al Jomaih Holding Company (AJHC)	8,178,295	13,257,593
Al Jomaih Bottling Plants	3,281,278	3,323,193
	116,728,248	102,731,526

Amounts due to AAC are set off on daily basis based on the collections made by the AAC on behalf of the Company. These amounts bear finance cost at prevailing variable market rates.

10. FINANCIAL FACILITIES

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Long-term financial facilities (note 10.1)	1,217,005,984	857,479,322
Short-term financial facilities	-	24,684,104
	1,217,005,984	882,163,426

10.1 The maturity profile of long-term financial facilities is as follows:

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Current	524,881,563	363,438,123
Non-current	692,124,421	494,041,199
	1,217,005,984	857,479,322

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

10. FINANCIAL FACILITIES (Continued)

The financial facilities are classified as follows:

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Secured	503,871,396	337,452,375
Un-secured	713,134,588	520,026,947
	<u>1,217,005,984</u>	<u>857,479,322</u>

Commercial bank loans:

The Company is required to maintain certain covenants under the agreements. As at 30 June 2023, it is compliant with all loan covenants.

During the period, the Company has availed medium-term trade finance facilities amounting to SR 219.65 million from local bank at an interest rate prevailing in the market.

Saudi Central Bank:

During the period, the Company received further interest free loans of SR 194.8 million, SR 59.6 million and SR 61.6 million from Saudi Central Bank (SAMA) under loan guarantee program (Kafalah) and accounted related interest as per the government grant accounting requirements. The loan is obtained under the terms and conditions similar to previous loans.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Accrued purchases and others	60,477,342	48,159,708
Deferred government grant	52,276,379	31,824,896
Advances from customers	1,791,241	2,176,564
Salaries and benefits	1,322,023	1,032,122
	<u>115,866,985</u>	<u>83,193,290</u>

12. LEASE LIABILITIES

Movement on lease liabilities as at period / year-end is as follows:

	For the six- month period ended 30 June 2023 SR (Unaudited)	For the year ended 31 December 2022 SR (Audited)
Balance at the beginning of the period	4,743,783	5,279,895
Addition	-	2,620,330
Payment	(1,507,086)	(2,939,684)
Interest expense	56,030	176,819
Derecognition	-	(393,577)
Balance at the end of the period / year	<u>3,292,727</u>	<u>4,743,783</u>

Liabilities have been classified as follows:

	30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
Non-current portion of lease liabilities	529,742	1,937,390
Current portion of lease liabilities	2,762,985	2,806,393
	<u>3,292,727</u>	<u>4,743,783</u>

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

13. SHARE CAPITAL

The Company's subscribed and paid up share capital of SR 400,000,000 (2022: SR 400,000,000) is divided into 40,000,000 (2022: 40,000,000) equity shares of SR 10 each fully subscribed and paid, and distributed among shareholders.

Shareholding structure of the Company as at 30 June 2023 and 31 December 2022 is as below:

Shareholder	Shareholding Percentage		Number of Shares	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Al Jomaih Automotive Company	98.5	98.5	39,400,000	39,400,000
Al Jomaih Rent-a-Car Company	1.5	1.5	600,000	600,000
	100	100	40,000,000	40,000,000

14. ZAKAT PROVISION

14.1 The movement in zakat provision for the period is as follows:

	For the six- month period ended 30 June 2023 SR (Unaudited)	For the year ended 31 December 2022 SR (Audited)
Balance at the beginning of the period	1,931,828	14,166,601
Charged / (reversed) during the period / year, net	3,750,000	(5,847,396)
Payment during the period	(368,218)	(6,387,377)
Balance at the end of the period	5,313,610	1,931,828

14.2 Zakat and income tax returns for the Company have been filed for the year 2022 and the zakat certificate has been received. The Company has received and cleared final assessments until 2017. The ZATCA has not issued any assessment for years 2018 to 2022.

15. FINANCE LEASE, MURABAHA AND TAWARRUQ FINANCE INCOME, NET

	For the three- month period ended 30 June 2023 SR (Unaudited)	For the three- month period ended 30 June 2022 SR (Unaudited)	For the six- month period ended 30 June 2023 SR (Unaudited)	For the six- month period ended 30 June 2022 SR (Unaudited)
Finance lease contracts income (Note 9)	43,385,491	28,156,932	84,250,616	57,629,932
Murabaha contracts income (Note 9)	5,286,584	2,784,060	10,449,882	10,239,613
Tawarruq contracts income	23,776,676	5,893,033	43,273,855	5,691,871
	72,448,751	36,834,025	137,974,353	73,561,416

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

16. FINANCE COST

	For the three- month period ended 30 June 2023 SR (Unaudited)	For the three- month period ended 30 June 2022 SR (Unaudited)	For the six- month period ended 30 June 2023 SR (Unaudited)	For the six- month period ended 30 June 2022 SR (Unaudited)
Finance cost on financial facilities	22,398,157	4,850,338	35,881,508	8,057,269
Finance cost on related party balances	1,768,471	1,427,033	3,055,493	2,390,022
Bank charges	378,262	250,516	749,285	512,337
Finance charge on lease liabilities	27,381	63,237	56,030	97,724
	24,572,271	6,591,124	39,742,316	11,057,352

17. OTHER INCOME, NET

Other income includes government grant income amounting to SR 10.68 million for three-month period ended and SR 16.92 million for six-month period ended (2022: three-month period ended SR nil and six-month period ended SR 1.48 million).

18. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net income for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. There was no dilution impact on earnings per share of the Company.

	For the six- month period ended 30 June 2023 SR (Unaudited)	For the six- month period ended 30 June 2022 SR (Unaudited)
Net profit for the year attributed to shareholders	41,484,508	13,575,489
Weighted average number of shares	40,000,000	30,000,000
Earnings per share	1.04	0.45

19. CONTINGENCIES AND COMMITMENTS

The Company has no commitments and contingent liabilities as at 30 June 2023 (31 December 2022: Nil).

20. NON-CASH TRANSACTIONS

	For the six- month period ended 30 June 2023 SR (Unaudited)	For the six- month period ended 30 June 2022 SR (Unaudited)
Government grant	(37,376,449)	(7,477,685)
Transfer from property and equipment to intangibles	932,117	-
Right-of-use assets recorded against lease liabilities	-	2,620,330

21. SUBSEQUENT EVENTS

In the opinion of the management, there have been no other significant subsequent events since the period end that would have a material impact on the financial position of the Company as reflected in these interim condensed financial statements.

AL TAYSEER ARABIAN COMPANY
(CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

22. COMPARATIVE FIGURES

Certain comparative figures for prior period / year have been reclassified, to conform with the presentation in the current period.

23. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue on 27 July 2023 corresponding to 9 Muharram 1445H by the Board of Directors of the Company.