

GULF FINANCE COMPANY– (Under Liquidation)
(A Joint Stock Company)
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR’S AUDIT REPORT ON
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

GULF FINANCE COMPANY (Under Liquidation)
(A Joint Stock Company)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S AUDIT REPORT ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GULF FINANCE COMPANY
[A JOINT STOCK COMPANY]

(1 /3)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets of the Gulf Finance Company (the "Company") as at 31 December 2024, and its changes in net assets for the year then ended in accordance with the standard "Financial Reporting on the Basis of Liquidation: Principles and Requirements for Recognition, Measurement, Presentation and Disclosure" that are issued in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the financial statements of the Company, which comprise of the following:

- The statement of net assets as at 31 December 2024;
- The statements of changes in net assets for the year then ended; and
- The notes to the financial statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Company's financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER – BASIS OF ACCOUNTING

We draw attention to note 3 to the financial statements, which describes the basis of accounting used for the preparation of the financial statements. On 01 November 2022, the board of directors passed a resolution to recommend the Shareholder's General Assembly to liquidate the Company and the same has been communicated to SAMA. Accordingly, the financial statements of the Company have been prepared on the basis of liquidation in accordance with the standard "Financial Reporting on the Basis of Liquidation: Principles and Requirements for Recognition, Measurement, Presentation and Disclosure". Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GULF FINANCE COMPANY
[A JOINT STOCK COMPANY]

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the standard "Financial Reporting on the Basis of Liquidation: Principles and Requirements for Recognition, Measurement, Presentation and Disclosure" that are issued in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GULF FINANCE COMPANY
[A JOINT STOCK COMPANY]

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the management; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

For PKF Albassam
Chartered Accountants



Sulaiman Bin Dhafir Al Hussain
Certified Public Accountant
License No. 645
Riyadh, Kingdom of Saudi Arabia
24 Dhul Qidah 1446H
Corresponding to: 22 May 2025



GULF FINANCE COMPANY (Under Liquidation)
(A Joint Stock Company)
STATEMENT OF NET ASSETS
AS AT 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

		As at 31 December	
	Notes	2024	2023
ASSETS			
Cash and bank balances	5	16,037,609	1,026,448
Net investment in Islamic financing	6	18,106,018	51,441,381
Restricted cash deposit	11.2	2,267,000	2,267,000
TOTAL ASSETS		36,410,627	54,734,829
LIABILITIES			
Other payables and accruals	8	3,234,429	1,772,354
Due to related parties	9	666,098	598,646
Provision for zakat	10	42,091	73,871
Financial facilities	11	12,962,955	29,054,829
Employees' post-employment benefits	12	862,072	730,053
TOTAL LIABILITIES		17,767,645	32,229,753
NET ASSETS (EQUITY)		18,642,982	22,505,076

The accompanying notes 1 to 23 form an integral part of these financial statements.

GULF FINANCE COMPANY (Under Liquidation)
(A Joint Stock Company)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2024	2023
Income from Islamic financing, net	14	1,215,242	4,710,348
General and administrative expenses	16	(5,274,207)	(4,784,659)
Finance cost	15	(879,825)	(1,128,093)
Impairment on Islamic financing	6	(310,009)	(2,601,499)
Other income	17	1,465,675	1,788,354
Zakat	10	(78,970)	(47,213)
Net decrease in net assets of liquidation		(3,862,094)	(2,062,762)
Net assets of liquidation as at 1 January		22,505,076	24,567,838
Net assets of liquidation as at 31 December		18,642,982	22,505,076

The accompanying notes 1 to 23 form an integral part of these financial statements.

GULF FINANCE COMPANY (Under Liquidation)
(A Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

1. LEGAL STATUS AND OPERATIONS

Gulf Finance Company ("the Company") is a Joint Stock Company formed under the laws of the Kingdom of Saudi Arabia and registered under the commercial registration under No. 1010369744 and unified No. 7013624916 on 28 Dhul Qa'adah 1433H (corresponding to 14 October 2012).

On 15 December 2013 and in accordance with article 6 of the implementing regulations of the law of supervision of finance companies, the Company submitted its application to the Saudi Central Bank (SAMA) to obtain its license as a financing company. On 3 Jumada al-Akhirah 1435H (corresponding to 3 April 2014), the Company obtained the preliminary approval on the license from SAMA. On 16 Safar 1436H (corresponding to 8 December 2014) the Company obtained the license from SAMA to engage in the finance lease activities. The principal activities of the Company include financial lease, financing production assets to Small and Medium Enterprises (SMEs).

The new Companies Law issued through Royal Decree M/132 on 1 Dhul Hijjah 1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26 Jamad-ul-Thani 1444H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26 Jamad-ul-Thani 1444H (corresponding to 19 January 2023). The management has assessed the impact of the New Companies Law and updated the By-Laws accordingly to ensure alignment with its provisions.

The Company has agreed to a business winding-up plan with SAMA, and it expects to wind up the business in a period of 1.5 years. The liquidator might be appointed at the end of the agreed wind-up period.

The Company's Head Office is located at the following address:

Gulf Finance Company
Building number 6209, Prince Mohammad Ibn Saad Ibn Abdulaziz Rd,
Secondary number 2827, Al Aqeeq Dist.
P.O. Box 13515
Riyadh
Kingdom of Saudi Arabia

The Company's activities as per the commercial registration of the Company include:

(a) Wholesale and retail trade in cars and vehicles, trucks, tankers and heavy equipment, electrical and electronic devices and its spare parts in cash and installment; and

(b) Purchase of land for the construction of buildings and the investment of these buildings by selling or leasing them for the benefit of the Company provided that the real estate shall be outside the boundaries of Makkah and Madinah.

The Company has the following branches:

S. No	Branch	C.R. No.	Date
1	Riyadh	7013624916	26 Jumada Al-Awwal 1434H
2	Jeddah*	7001738363	28 Dhul Qada 1433H
3	Dammam**	2050091775	12 Rajab 1434H

*The Company has transferred its head office from Jeddah to Riyadh and now Jeddah is only active branch of the Company.

**The commercial registration of the branch has expired. As of 31 December 2024, the branch is not operational.

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

On November 01, 2022, the board of directors passed a resolution to recommend the Shareholder's General Assembly to liquidate the Company and the same has been communicated to SAMA. Accordingly, the financial statements of the Company have been prepared on the basis of liquidation in accordance with the standard "Financial Reporting on the Basis of Liquidation: Principles and Requirements for Recognition, Measurement, Presentation and Disclosure" issued in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), which requires the preparation of a statement of net assets of liquidation and a statement of changes in net assets of liquidation and the accompanying notes thereto.

The Company's financial year begins on 1 January and ends on 31 December. Contrary to the standards applicable to entities operating on a going concern basis, the "Financial Reporting on the Basis of Liquidation: Principles and Requirements for Recognition, Measurement, Presentation and Disclosure" standard requires estimates for future income and costs, and for the amounts expected to be realized from the realization of assets and settlement of liabilities to the date of the end of the liquidation in accordance with the assumptions regulated by the standard, and that may affect the amounts presented in the financial statements and the accompanying notes thereto. The final amounts realized may differ from such estimates

Assets and liabilities in the statement of net assets are presented in the order of liquidity.

2.2. BASIS OF MEASUREMENT

These financial statements are prepared under the liquidation basis with all the assets and liabilities are measured at estimated realizable values.

2.3. FUNCTIONAL AND PRESENTATION CURRENCY

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

3. LIQUIDATION BASIS OF ACCOUNTING

As a result of the approved liquidation decision, the Company's liquidation has been considered inevitable; therefore, the liquidation basis of accounting has been applied for the entire financial period, during which the liquidation decision was taken, and the subsequent years/ periods according to the requirements of the standard "Financial Reporting on the Basis of Liquidation: Principles and Requirements for Recognition, Measurement, Presentation and Disclosure". The liquidation basis is as follows:

- i. Measure the Company's assets at the amount of cash or compensation expected to be collected upon disposal of such assets.
- ii. Measure the liabilities at the contractual amount due to settle such liabilities.
- iii. Recognize other assets that were not recognized in accordance with the financial reporting framework applicable to the entity when it was a going concern when an estimated value can be determined reliably, and it is expected to be sold in liquidation or settlement of liabilities thereto.
- iv. Recognize the entitlement of the expected costs to dispose of assets or other items expected to be sold in the liquidation and present them in the statement of net assets of the liquidation deducted from the related assets thereto or present the total of such costs separately from the assets when they can be estimated reliably and whenever the assumptions of this estimate are realizable.
- v. Recognize the costs and items of income expected to be incurred or earned (for example, salary costs or income from previous existing orders that the entity expects to complete during liquidation) until the end of the liquidation, when they can be estimated reliably, and the assumptions of that estimate are realizable.

GULF FINANCE COMPANY (Under Liquidation)
(A Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

4. MOVEMENT IN NET ASSETS UNDER LIQUIDATION DURING THE YEAR

	As at 1 January 2024	Collections	Payments	Expenses directly paid	Other profit and loss movement (Note 4.1)	As at 31 December 2024
ASSETS						
Cash and cash equivalents	1,026,448	34,240,596	(19,843,739)	(851,371)	1,465,675	16,037,609
Net investment in Islamic financing	51,441,381	(34,240,596)	-	-	905,233	18,106,018
Restricted cash deposit	2,267,000	-	-	-	-	2,267,000
TOTAL ASSETS	54,734,829	-	(19,843,739)	(851,371)	2,370,908	36,410,627
LIABILITIES						
Other payables and accruals	1,772,354	-	(3,602,911)	-	5,064,986	3,234,429
Due to related parties	598,646	-	-	-	67,452	666,098
Provision for zakat	73,871	-	(110,750)	-	78,970	42,091
Financial facilities	29,054,829	-	(16,120,328)	(851,371)	879,825	12,962,955
Employees' post-employment benefits	730,053	-	(9,750)	-	141,769	862,072
TOTAL LIABILITIES	32,229,753	-	(19,843,739)	(851,371)	6,233,002	17,767,645
NET ASSETS UNDER LIQUIDATION	22,505,076	-	-	-	(3,862,094)	18,642,982

4.1. Other profit and loss movement

	2024
Income from Islamic financing, net	1,215,242
Movement in recoverability of net investments in Islamic financing	(310,009)
General and administrative expenses	(5,064,986)
Transactions with related party	(67,452)
Zakat provided during the year	(42,091)
Excess zakat accrual reversed during the year	(36,879)
Employees' post-employment benefits charge for the year	(141,769)
Finance cost	(879,825)
Other income	1,465,675
	(3,862,094)

GULF FINANCE COMPANY (Under Liquidation)
(A Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

5. CASH AND BANK BALANCES

		As at 31 December	
	Note	2024	2023
Cash in hand		3,000	3,000
Cash at bank	5.1	16,034,609	1,023,448
		16,037,609	1,026,448

5.1. The Company does not earn profit on current accounts with banks.

6. NET INVESTMENT IN ISLAMIC FINANCING

	As at 31 December	
	2024	2023
<u>Secured</u>		
Ijara	17,718,393	40,597,090
Murabaha	387,625	9,587,307
	18,106,018	50,184,397
<u>Unsecured</u>		
Murabaha	-	1,256,984
	18,106,018	51,441,381

The aging of net investment in Islamic financings contracts net-off unearned origination fee is as under:

	As at 31 December	
	2024	2023
Neither past nor due	963,280	8,680,876
Past due 1-30 days	-	937,187
Past due 31-90 days	412,413	7,565,225
Past due 91-180 days	6,640,434	7,557,823
Past due 181-365 days	190,018	3,873,076
Past due over 1 year	44,406,475	83,899,904
Net Investment in Islamic financing before adjustment of recoverability	52,612,620	112,514,091
Less: Adjustment of recoverability	(34,506,602)	(61,072,710)
Expected realizable value	18,106,018	51,441,381
Total portfolio coverage ratio	65.46%	54.28%
Non-performing loan ratio	97.39%	84.73%

Collateral held as security and other credit enhancements

The credit risks on gross amounts due in relation to the investment in Islamic financing is mitigated by holding collaterals which are Kafalah and real-estate. Further, the carrying amount of investment in Islamic financing amounts against which collateral has been obtained amounts to SR 18.11 million (31 December 2023: SR 51.44 million) and the fair value of collateral amounting to SR 74.83 million as at 31 December 2024 (31 December 2023: SR 101.09 million). The Company is not permitted to sell or repledge the collateral in the absence of default by the lessee. There have not been any significant changes in the quality of the collateral.

GULF FINANCE COMPANY (Under Liquidation)
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7. SHARE CAPITAL

The Company's subscribed and paid-up share capital of SR. 100,000,000 is divided into 10,000,000 equity shares of SR. 10 each, fully subscribed and paid, and distributed among shareholders as follows:

Shareholders	31 December 2024		31 December 2023	
	Holding %	No. of Shares	Amount	Amount
Shuaa Capital PSC, UAE	92%	9,200,000	92,000,000	92,000,000
Gulf Finance Company PJSC, UAE	5%	500,000	5,000,000	5,000,000
Shuaa 1 for Commercial Brokerage LLC, UAE	1%	100,000	1,000,000	1,000,000
Shuaa 2 for Commercial Brokerage LLC, UAE	1%	100,000	1,000,000	1,000,000
Shuaa 3 for Commercial Brokerage LLC, UAE	1%	100,000	1,000,000	1,000,000
	100%	10,000,000	100,000,000	100,000,000

8. OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2024	2023
Sharia'a imposed penalties payable	962,819	962,819
Accrued expenses	1,918,787	398,871
Payable to suppliers	221,481	348,864
Others	131,342	61,800
	3,234,429	1,772,354

9. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions during the year

Names of Related Parties	Nature of Relationship	Nature of transactions	2024	2023
Gulf Finance Company PJSC - UAE	Shareholder	Allocation of IT software and related costs	(67,452)	300,129
Shuaa Capital PSC, UAE	Shareholder	Loan repayment received	-	1,000,000
		Collection on behalf of Shuaa Capital PSC, UAE	(70,541)	(110,913)
Key Management Personnel	Executives	Salaries and other short-term employee benefits	1,368,200	1,252,762
		Employees' post-employment benefits	130,050	135,794
	Directors	Board remuneration	50,000	100,000

GULF FINANCE COMPANY (Under Liquidation)
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9. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Balances as at year-end

			As at 31 December	
		Note	2024	2023
Due from shareholder				
Shuaa Capital PSC, UAE	Loan to shareholder	9.1	8,143,123	8,143,123
	Allocation of software and related cost, and collection on behalf of Company		(558,176)	(487,635)
			7,584,947	7,655,488
	Provision for recoverability		(7,584,947)	(7,655,488)
			-	-
Due to a related party				
Gulf Finance Company PJSC, UAE	Allocation of software and related cost		666,098	598,646
			666,098	598,646

- 9.1.** This represents an unsecured short-term intercompany loan without any asset-backed financing to the Parent Company under an agreement made on 7 February 2019. The loan bears interest of 9.5% per annum and was repayable in 90 days. However, upon the expiry of the term, it was rescheduled by the Company on the request of the Parent Company dated 5 August 2019 for another 180 days and was repayable on 4 November 2019. As at 31 December 2024, the loan has been overdue for more than 1860 days. However, full provision for recoverability has been recorded.

Net investments in Islamic financing

The Company had entered into certain Islamic financing agreements with the related parties. These related parties are special purpose vehicles of Shuaa Capital KSA.

During the year, the Board of directors, approved a write-off of gross investment in Islamic financing receivable from related party amounting to SR 26.71 million (31 December 2023: 36.42 million) with an existing provision of SR 26.71 million (31 December 2023: 36.42 million). These amounts are subject to enforcement activities.

Below is the movement of balance during the year:

	2024	2023
Balance at the beginning of the year	36,418,662	36,418,662
Received during the year	(9,710,529)	-
Written off during the year	(26,708,133)	-
Balance at the end of the year	-	36,418,662

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10. PROVISION FOR ZAKAT

The movement in the provision for zakat is as follows:

	2024	2023
Balance at the beginning of the year	73,871	126,513
Provided during the year	42,091	73,872
Payment during the year	(110,750)	(99,855)
Prior year / (excess) tax adjusted during the year	36,879	(26,659)
Balance at the end of the year	42,091	73,871

The Zakat return for the year ended 31 December 2023 has been filed and is under review with ZATCA. The Company has obtained a certificate from the ZATCA valid until 2 Sulfide 1446H, corresponding to 30 April 2025.

11. FINANCIAL FACILITIES

		As at 31 December	
	Note	2024	2023
SAMA funding for lending		5,000,000	14,801,163
Local banking institution	11.1	7,934,500	12,468,500
Social Development Bank		-	1,705,506
Finance cost payable		28,455	79,660
		12,962,955	29,054,829

11.1. Secured financial facilities at amortized cost

	As at 31 December	
	2024	2023
Murabaha	7,934,500	12,468,500

- 11.2.** The Company obtained bank financial facilities from a local bank for the purpose of financing working capital needs. These bank facilities bear finance costs at market prevailing rates and also have restricted cash deposits. The Company has collateralized certain Islamic financing receivables amounting to SR 29.97 million (31 December 2023: SR 31.93 in order to obtain these financial facilities.

12. EMPLOYEES' POST-EMPLOYMENT BENEFITS

The employees' post-employment benefits liability is calculated as per the Saudi Labor Law. The liability includes SR 0.82 million related to key management personnel.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments for the company as at the reporting date.

14. INCOME FROM ISLAMIC FINANCING

	2024	2023
Revenue from main operation – over the period		
Income from Ijara	827,283	2,368,326
Income from Murabaha	387,959	2,342,022
	1,215,242	4,710,348

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15. FINANCE COST

	2024	2023
Islamic financial facilities		
- Murabaha	879,825	1,128,093
	<u>879,825</u>	<u>1,128,093</u>

16. GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
Salaries and allowances	2,511,870	2,513,591
Legal fee	1,535,344	225,140
Professional and consultancy expense	508,865	450,313
IT expense	289,438	529,793
Value added tax	198,208	267,316
Rent expense	14,400	246,745
Outsourced staff	-	108,797
Communication	8,557	20,764
Printing and stationery	6,391	13,170
Others	201,134	409,030
	<u>5,274,207</u>	<u>4,784,659</u>

17. OTHER INCOME

	2024	2023
Reversal of provision for recoverability	70,541	1,487,635
Customers' loss recoveries	1,207,397	-
Other income	187,737	300,719
	<u>1,465,675</u>	<u>1,788,354</u>

18. SOURCES AND USES OF CASH

	2024	2023
<u>Assets sold or realized in cash</u>		
Recoveries during the year	35,706,271	38,171,863
<u>Paid liabilities</u>		
General and administrative expenses	3,602,911	3,841,024
SAMA funding for lending	9,801,163	18,160,243
Local banking institution	4,534,000	4,534,000
Social Development Bank	1,705,505	13,530,221
Finance cost paid	931,031	1,211,684
Zakat	110,750	99,855
Employees' post-employment benefits	9,750	6,066
	<u>20,695,110</u>	<u>41,383,093</u>

19. FUTURE ESTIMATED INCOME

The future estimated income of the Company until the end of the liquidation amounts to SR 0.24 million. The Company expects to receive the estimated income in a period of 1.5 years.

20. FUTURE ESTIMATED EXPENSES

The future estimated expense of the Company until the end of the liquidation amounts to SR 6.4 million. The Company expects the estimated expenses to be paid in a period of 1.5 years.

21. ISLAMIC FINANCING RECEIVABLES – SERVICING AND SECURITY AGENCY AGREEMENTS

In accordance with the terms of servicing and security agency agreement, the Company has transferred certain Islamic financing receivables to the Parent Company. The Company does not retain the risk and reward associated with such receivables.

The Company continues to manage these derecognized Islamic financing receivables as a servicer and security agent in accordance with the agency agreements entered into with the Parent Company. The Company is continuing to manage these sold receivables for an agreed fee which is netted-off with the related cost of servicing these Islamic financing receivables sold to Parent Company.

The outstanding position of such off statement of net assets, Islamic financing receivables is as follows:

	As at 31 December	
	2024	2023
Islamic financing receivables transferred to the parent company	<u>21,789,636</u>	<u>21,860,177</u>

22. SUBSEQUENT EVENTS

There has been no significant subsequent event since the year-end date that require disclosures or adjustment in these financial statements.

23. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 15 May 2025 (corresponding to 17 Dhul Qidah 1446H) by the Board of Directors of the Company.