

**MARBLE DESIGN FACTORY COMPANY
(SAUDI JOINT STOCK COMPANY)
RIYADH - SAUDI ARABIA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT**

**MARBLE DESIGN FACTORY COMPANY
(SAUDI JOINT STOCK COMPANY)
CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Index</u>	<u>Page</u>
Independent Auditor's Report	1-3
Consolidated statement of financial position	4
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of change s in equity	6
Consolidated statement of cash flows	7
Notes to the consolidated financial statements	8 -26

INDEPENDENT AUDITOR'S REPORT ABOUT THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Marble Design Factory Company
 (A Saudi Joint Stock Company)

Opinion

We have audited the attached consolidated financial statements of **Marble Design Factory Company** (A Saudi Joint Stock Company) ("The company"), and its subsidiary referred to together as ("the Group") which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for opinion:

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of professional conduct and ethics that are endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the consolidated 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key audit matter, a description of how our audit addressed the matter is set out below:

Key audit matters	How the matter was addressed in our audit
<p>revenue recognition: During the year ended 31 December 2023, Company's revenue amounted to SAR 51,2 million (2022: SAR 55,2 million).</p> <p>Revenue recognition is a key audit matter because there is a risk that management may override controls to misrepresent revenue transactions.</p> <p>Please refer to notes 5-5 for revenue accounting policy and note 19 related to financial statements.</p>	<p>We have performed the following procedures regarding revenue recognition:</p> <ul style="list-style-type: none"> - Evaluating the appropriateness of the accounting policies related to the revenue recognition of the Company by taking into consideration the requirements of IFRS 15 "Revenue from Contracts with Clients". - Evaluating the design, implementation and testing of the operational effectiveness of the Company's control procedures, including the control procedures to prevent fraud when recognizing revenue in accordance with the Group's policy. - Testing sales transactions, on a sample basis, and perform cut-off tests of revenue made at the beginning or end of the year to assess whether the revenue has been recognized in the correct period. - Testing revenue transactions, on a sample basis, and verifying supporting documents, to ensure the accuracy and validity of revenue recognition.

INDEPENDENT AUDITOR'S REPORT ABOUT CONSOLIDATED FINANCIAL STATEMENTS(CONTINUED)

Other information included in the Company's annual report for the year ended 31 December 2023

Other information consists of other information included in the Company's annual report for the year ended 31 December 2023, other than the consolidated financial statements and the auditors' report thereon. We obtained the report of the Board of Directors, prior to the date of our Auditors' report and we expect to obtain the remaining section of the 2023 Annual Report after the date of this auditor's report. The Company's management is responsible for the other information mentioned in its annual report .

Our opinion on the consolidated financial statements does not cover other information and we do not and will not express any form of assurance conclusion thereon. In our audit of the financial statements, it is our responsibility to read the information described above. In doing so, we consider whether the other information is not materially consistent with the financial statements or knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the regulations for companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance "The Board of Directors" are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, 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 ISAs 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 consolidated financial statements.

As part of an audit in accordance with ISAs 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 risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information or commercial activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for directing, supervising, and implementing the audit process. We remain solely responsible for the audit opinion.

INDEPENDENT AUDITOR'S REPORT ABOUT CONSOLIDATED FINANCIAL STATEMENTS(CONTINUED)**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)**

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Al-Kharashi Co.



Abdullah S. Al Msned
License No. (456)

Riyadh:
Shaaban 18, 1445 H
February 28, 2024



MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	December 31,2023	December 31,2022
<u>Assets</u>			
Non-current assets:			
Property, plant and equipment	6	32,516,725	30,863,072
Right -of- use assets	7	2,261,097	1,186,949
Projects in progress		-	485,788
Total non-current assets		34,777,822	32,535,809
Current assets:			
Trade receivable	8	2,477,954	3,380,282
Other debit balances	9	7,250,263	6,376,157
Inventories	10	49,831,521	53,874,196
Cash and cash equivalents	11	15,408,351	4,898,498
Total current assets		74,968,089	68,529,133
Total assets		109,745,911	101,064,942
<u>Equity and Liabilities</u>			
Equity:			
Share capital	12	60,000,000	60,000,000
Statutory reserve		7,230,071	5,038,799
General reserve	14	3,500,000	3,500,000
Retained earning		28,048,500	18,527,054
Other comprehensive income items		333,356	-
Total equity		99,111,927	87,065,853
Liabilities			
Non-current liabilities:			
Non-current portion of leases liabilities	7	1,504,473	254,763
Employees defined benefits obligations	15	1,509,227	1,820,176
Total non-current liabilities		3,013,700	2,074,939
Current liabilities:			
Current portion of leases liabilities	7	518,067	181,913
Trade payables	16	272,635	742,458
Other credit balances	17	4,933,720	9,274,805
Provisions for zakat	18	1,895,862	1,724,974
Total Current Liabilities		7,620,284	11,924,150
Total liabilities		10,633,984	13,999,089
Total equity and liabilities		109,745,911	101,064,942

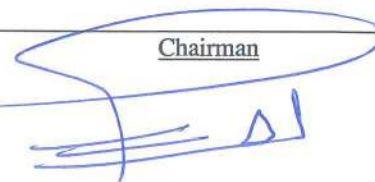
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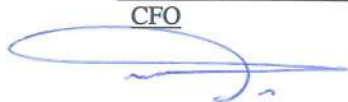
Chairman



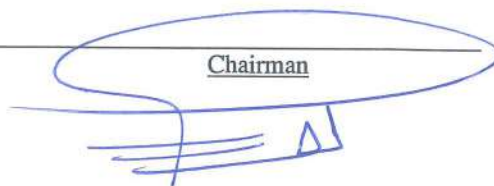
The accompanying notes form an integral part of these consolidated financial statements.

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31,2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	December 31,2023	December 31,2022
Revenues	19	51,182,558	55,169,465
Cost of revenues	20	(18,738,057)	(18,447,071)
Gross profit		32,444,501	36,722,394
Selling and distribution expenses	21	(1,299,314)	(2,297,431)
General and administrative expenses	22	(8,650,076)	(9,923,996)
Profit from operations		22,495,111	24,500,967
Other revenue(expenses):			
Finance cost		(118,747)	(48,033)
Other income	23	400,373	359,904
Gain on disposal Property, plant, and equipment	6	1,031,843	63,974
Profit before zakat		23,808,580	24,876,812
Zakat	18	(1,895,862)	(1,770,757)
Zakat differences for previous years	18	-	(484,034)
Net profit for the year		21,912,718	22,622,021
Other comprehensive income items:			
Re-measurement of actuarial gains on defined. benefits obligation		333,356	-
Total other comprehensive income for the year		22,246,074	22,622,021
Profit per Share			
From operating profit	26	3,75	4,08
From net profit for the year	26	3,65	3,77

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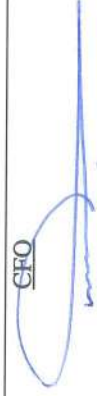

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The accompanying notes form an integral part of these consolidated financial statements.

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31,2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share capital	Statutory reserve	General reserve	Additional Contribution	Retained earning	Employees defined benefit obligations	Total
Balance as at January1,2022	11,000,000	2,776,597	-	24,297,155	47,370,080	-	85,443,832
Increase in share capital	49,000,000	-	-	(21,300,000)	(27,700,000)	-	-
Net profit for the year	-	-	-	-	22,622,021	-	22,622,021
Transfer to statutory reserve	-	2,262,202	-	-	(2,262,202)	-	-
General reserve-(Note 14)	-	-	3,500,000	-	(3,500,000)	-	-
Dividends (Note 13)	-	-	-	-	(21,000,000)	-	(21,000,000)
Change in additional capital contribu	-	-	-	(2,997,155)	2,997,155	-	-
Balance as at December 31,2022	60,000,000	5,038,799	3,500,000	-	18,527,054	-	87,065,853
Balance as at January1,2023	60,000,000	5,038,799	3,500,000	-	18,527,054	-	87,065,853
Net profit for the year	-	-	-	-	21,912,718	-	21,912,718
Transfer to statutory reserve	-	2,191,272	-	-	(2,191,272)	-	-
Employees defined benefit obligations	-	-	-	-	-	333,356	333,356
Dividends (Note 13)	-	-	-	-	(10,200,000)	-	(10,200,000)
Balance as at December 31,2023	60,000,000	7,230,071	3,500,000	-	28,048,500	333,356	99,111,927

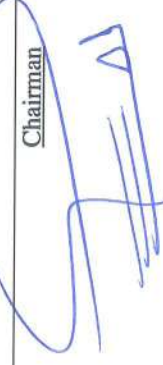
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The accompanying notes form an integral part of these consolidated financial statements

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	December 31,2023	December 31,2022
Cash flows from operating activities:		
Net profit for the year before zakat	23,808,580	24,876,812
Adjustments for non-cash items:		
Depreciation of property, plant, and equipment	6 2,793,169	2,845,736
Employee defined benefit obligation expenses	226,490	197,072
Finance cost of employee defined benefit obligation	52,449	27,267
Depreciation of right -of- use assets	984,913	705,139
Right -of- use assets adjustment	377,404	-
Finance cost of lease obligation	66,298	20,766
(Gain) losses on disposals property, plant, and equipment	(1,031,843)	(63,974)
Change in working capital:		
Trade receivable	902,328	43,361
Other debit balances	(874,106)	(3,017,348)
Inventories	4,042,675	(8,565,814)
Trade payables	(469,823)	(987,917)
Other credit balances	(4,341,086)	222,280
Employees defined benefit obligation paid	(256,532)	(120,255)
Proceeds from Zakat, Tax, and Customs Authority	45,783	-
Zakat paid	(1,770,757)	(1,742,463)
Net cash flow generated from operating activities	24,555,942	14,440,662
Cash flows from investing activities:		
Additions to property, plant, and equipment	(7,023,850)	(1,501,092)
Proceeds from disposal of property, plant, and equipment	4,094,659	9,210,000
Additions to projects in progress	-	(485,788)
Net cash flow generated from investing activities	(2,929,191)	7,223,120
Cash flows from financing activities:		
Lease obligation payments	(916,898)	(1,117,500)
Dividends	(10,200,000)	(21,000,000)
Net cash flow used in financing activities	(11,116,898)	(22,117,500)
Net change in cash and cash equivalents	10,509,853	(453,718)
Cash and cash equivalent at the beginning of the year	4,898,498	5,352,216
Cash and cash equivalents at end of the year	11 15,408,351	4,898,498
Non-cash transaction		
Addition to right -of- assets	2,949,142	110,000

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

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. ACTIVITIES

1/1- Company information

The marble design factory company - a Saudi joint stock company (referred to below the "company") was established its main center, Riyadh, according to Commercial Register No. 1010423253 on 12/11/1435 AH to practice its activities in: Cut and spread marble, marble installation, and the activities of the company's articles of association are in the manufacturing industries, construction and construction, transportation and storage, real estate activities, administrative services, and support services.

The company has the following sub -commercial records:

Statement	Commercial Registration No	Register history	Headquarters	Activity
Marble Design Company for Contracting	1010232822	26/4/1428 AH	Riyadh	General contracting and buildings
Marble design factory company	2051239375	03/06/1443 AH	Al Khobar	Retailing for marble, natural stone, artificial, ceramic, porcelain, and marble installation
Marble design factory company	1010772826	13/06/1443 AH	Riyadh	Retailing for marble, natural stone, artificial, ceramic, porcelain, and marble installation

- The marble design factory company (a Saudi joint stock company) obtained a national industrial facility license No. (431110119818) on 13/10/1439 AH.
- During the previous year, on 27/06/1443 AH (corresponding to 30/01/2022 AD), the shareholders decided to transfer the company from a limited liability company to a closed Saudi joint stock company.
- During the current year, on 21/1/1445 AH (corresponding to 08/08/2023 AD), the company decided to be offered 10% of its total shares, amounting to 6 million shares, in the parallel market "Nomu".

The main center is in the following address:

Kingdom of Saudi Arabia, Riyadh- 8416 Sadous, the industrial zone, p. 59268, postal code 13968

1/2- Consolidated financial statements:

For the company's financial statements, they are consolidated with the financial statements of the Al -Maskan Road Real Estate Development Company "The subsidiary" - a limited liability company - one person whose main position in Riyadh is according to commercial registry No. 1010250230 dated 13/05/1429 AH and ends on 19/1/1445 AH - to practice Its activity in: "General construction of residential buildings, general construction of non -residential buildings such as schools, hospitals and hotels, retail marble, natural, artificial, ceramic and porcelain, buying and selling lands and real estate and dividing them and selling activities on the map, managing and leasing real estate owned or leased (residential), management and rental Realized or leased properties (non -residential). The acquisition of the subsidiary company was as follows:

- On the date of 16/04/1443 AH (corresponding to 21/11/2021 AD) The founding contract for the subsidiary (Al -Maskan Road Real Estate Development Company) was amended by the partner Muhammad Abdul Rahman Abdullah Al -Naeem and the partner Ahmed Abdullah Abdul Rahman Abdullah Al -Kharashi and the waiver of all their shares in the company of 21,300 Classification of capital value 21,300,000 to the new capital owner, a marble design factory company - a closed Saudi joint stock company - and the company's status is modified to become a limited liability company - one person. The entire subsidiary company was acquired by the marble design factory company 100%. The following is the ownership data of the subsidiary included in these unified financial statements:

The subsidiary company	Year Founded	Ownership percentage		Activity	Headquarters
		2023	2022		
Al -Maskan Road for Real Estate Development	2008 AD	%100	%100	Real estate	Kingdom of Saudi Arabia

**MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

2. BASIS OF PREPARATION

2/1 Statement of compliance:

These consolidated financial statements have been prepared in accordance with the International Financial Reports Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

3. BASIS OF MEASUREMENT

3/1 The principle of historical cost:

These consolidated financial statements have been prepared in accordance with the principle of historical cost and using Accrual basis and the concept of continuity of activity, except some of the financial tools that are measured by the amortized cost using the effective interest rate and others that are measured by fair value through the other comprehensive income.

3/2 Presentation currency and activity:

The financial statements are prepared in Saudi Riyals, which is the functional and presentation currency of the Group.

4. BASIS OF CONSOLIDATION OF FINANCIAL STATEMENTS

These consolidated financial statements comprising the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flow and notes to the consolidated financial statements of the Group, include assets, liabilities, and results of the operations of the Company business and subsidiaries. Subsidiaries are the companies controlled by the Group, and in particular, the group controls the invested company only when the group has:

- Authority over the invested company (the existence of rights that give the group a current ability to direct activities related to the company invested in it).
- Exposure to risks or has rights to obtain different returns through its relationship with the company in which it invests.
- The ability to use its powers over the invested company to influence its returns.
- In general, there is an assumption that the majority of voting rights result in control. In support of this assumption, when the group has less than a majority in voting rights or similar rights in the company in which it is invested, the Group takes into account all the facts and circumstances involved in this when ascertaining whether it exercises control over the company in which it invests, including:
 - Contractual arrangements with other voting rights holders of the company in which the investor is invested.
 - Rights resulting from other contractual arrangements.
 - The voting rights of the group and the potential voting rights.

Subsidiaries are consolidated from the date they begin to control and until they cease to exercise that control. The group accounts for business combinations using the acquisition method when the control is transferred to the group. The converted compensation in the acquisition is generally measured at fair value, as is the case with the net identifiable assets acquired. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill in the consolidated statement of financial position. Non-controlling equity is measured by its share of net assets identifiable to the company acquired at the date of acquisition. The share in profit or loss and net assets not controlled by the Group is listed as a separate item in the consolidated statement of profit or loss and other comprehensive income and within the equity in the consolidated statement of financial position. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group.

5. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES:

5/1 Judgments, estimates and important accounting assumptions:

The preparation of these consolidated financial statements requires management to use provisions and estimates that affect the application of accounting policies and the amounts listed assets and obligations and the disclosure of possible assets and obligations in the history of financial statements, revenues and expenses, and although estimates are based on the best information and events available to the administration on the date of issuing financial statements. However, the actual final results may vary fundamentally different from these estimates. These estimates and assumptions are reviewed periodically, the impact of the amendments resulting from changing accounting estimates is shown in the period in which it occurs if the impact of the amendment on the year in which the change occurred only or the year in which the change and the coming years occurred if the impact of the amendment extends to the year in which it occurred. Change and coming years.

**MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

5. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

5/1 Judgments, estimates and important accounting assumptions(continued):

Going concern

In the context of applying the group's accounting policies, the administration has set the following estimates and provisions, which are essential in the financial statements:

- Measuring specific benefits obligations, major actuarial assumptions (Note 5/12 and Note 5)
- Measurement of the landing allowance of receivables, which is a basic assumption of estimating the weighted average of losses (Note 5/4 and Note 8)

The company's management conducted an evaluation of the company's ability to continue according to the principle of continuity, and it has a conviction that the company has sufficient resources for its continued work in the near future. In addition, the management has no fundamental doubts about the company's ability to continue. Therefore, the financial statements are still prepared based on the principle of continuity.

Useful life for property, plant, and equipment

The Group's management determines the estimated useful lives of property, plant, and equipment for the purpose of calculating depreciation. These estimates are determined after considering the expected usage of the assets or the depreciation to which these assets are exposed. The management reviews the residual value and the useful lives annually, and the annual depreciation expenses are adjusted when the management believes that the useful lives differ from previous estimates.

Provisions

By their nature, the measurement of provisions depends upon estimates and assessments whether the criteria for recognition have been met, including estimates the amounts that are possible to pay. The allocations for lawsuits are based on the estimation of costs, after considering the legal advice and other information currently available. The allocations related to non -confirmed liabilities include the best management estimates if it is likely to occur.

Employees defined benefit obligation

The cost of employee benefit obligations and other after-service benefits are determined by actuarial valuation exercises. The actuarial estimates involve making many assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate and future salary increases. Given the complexity of the estimates and the underlying assumptions and their long-term nature, the estimated dues are very sensitive to any change in those assumptions. All actuarial assumptions are reviewed in the history of each consolidated financial position prepared for a special purpose.

Significant judgements in determining the lease term for contracts that include renewal and terminate options:

The Group defines the lease term as the irrevocable term of the lease, together with any periods covered by the option to extend the fee if that right can reasonably be exercised, or any periods covered by the option to terminate it is reasonably certain that it will not exercise this right.

5/2 Lease Contracts:

The international criterion for preparing financial reports No. (16) defines rental contracts how to recognize, measure supply and disclosure of rental contracts. The standard provides one accounting model, which requires tenants to recognize the assets and liabilities of all rental contracts unless the lease contract period is 12 months or less or that the original contract is of a low value. The lessors continue to classify rental contracts as operational or financing within the concept of the international standard for the preparation of financial reports No. (16) related to accounting for the lessor without fundamental change of international accounting standard No. (17). This standard shall apply from the beginning of January 1, 2019, Saudi Organization for Chartered and Professional Accountants has approved the amendment made by the International Accounting Standards Council for the International Financial Report No. (16) rental contracts, which gives the rented option to deal with the rental discounts granted to them due to the Kovid-19 pandemic in order to facilitate the application of the standard.

When applying the international standard for financial report No. (16), the group recognized the rental obligations and the right to use relevant assets regarding contracts that were classified as lease contracts according to the standard. By measuring the obligations of the current value of the remaining rental payments, using the additional borrowing price, and measuring the assets of the right to use related to the amount equivalent to the rental commitment to a rate according to the amount of payments due and related to this rent.

**MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

5. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

5/3 Investments in subsidiary companies (Equity method):

The subsidiary is the facility that is under the control of the parent company. Control is the authority to control the financial and operational policies of the facilities invested in them in order to obtain benefits from their activities. On each date, the financial statements of the facility are unified within the unified financial statements of the parent company.

Control is assumed when the group owns directly or indirectly, through more than half -power facilities - voting for a facility. This may not be assumed in exceptional circumstances when it can be clearly demonstrated that this property is not.

Form control. Control is also - when the parent company has half, or less than half, the voting force of a facility but has:

- A. Salad on more than half of the voting rights in accordance with an agreement with other investors; or
- B. The authority to control the facility's financial and operational policies under legislation or agreement, or
- C. The authority to appoint or isolate the majority of the members of the Board of Directors or the equivalent ruling body and that controlling the facility is through that council or that body; or
- D. The authority to cast a majority of votes in the meetings of the board of directors or the equivalent ruling body and that controlling the facility is through that council or that body.

The results of the assets and affiliates of the affiliated facilities are included in the standard financial center list using the equity method. And according to which the investment in the affiliated facility is recorded in the cost of the unified financial center and the cost is adjusted after that so that the group's share in the profits or losses and the other comprehensive income of the affiliated facility is recorded. When the group's share in the losses of its affiliated facility exceeds its property in the affiliated facility (which includes any long -term property, in its content, part of the group's net investment in the affiliated facility), the group stops admitting its share of additional losses. Additional losses are recorded only to the extent that the group incurs legal or contractual liabilities or made payments on behalf of the affiliated facility. And if the affiliated facility in a later period records profits, the group resumes its share of these profits only when its share of profits is equal to its share of unregistered losses.

Accounting is made about the group's investment in the affiliated facility from the date in which the facility becomes an invested facility. Upon acquiring investment in the affiliated facility, any increase in the cost of investment from the group's share in the net fair value of the assets and liabilities specified for the facility invested in it as fame and included in the book value of the investment.

Any increase in the group's share of the net fair value of the assets and liabilities specified for the facility on the cost of investment after the re -evaluation directly in the list of profits or unified losses in the year in which the investment is acquired.

When one of the group's companies deals with a group of the group, the profits and losses resulting from this deal in the unified financial statements of the group are recorded only as it owns in the subsidiary facility related to the group.

5/4 Financial Instruments

A) Recognition and measurement

The trade receivables are initially proven when they are established. All other financial assets and liabilities are proven in principle when the company becomes a party to the contractual provisions of the tool.

The financial asset (unless it is trade receivable without an important financing element) or the financial commitment in principle is measured by a fair value in addition to a clause that is not fair through profits and losses, the costs of transaction that are attributed directly to their possession or issuance. Accounts receivables are proven to be without a large financing component initially at the price of transaction.

B) Classification and measurement of financial assets and financial liabilities

-Financial assets

At first proof, financial assets are classified as measured financial assets at the amortized cost, or by fair value through other comprehensive income - investments in debt tools, or by fair value through the other comprehensive income or by fair value through profit or loss - investments in tools Property rights. The classification of financial assets in accordance with the international standard - for financial report No. (9) is usually based on the business model through which the financial assets are managed as well as the characteristics of their contractual cash flow. The derivatives included in the contracts where the financial assets are never the host within the scope of the standard, and instead, the mixed financial tool is eliminated with the aim of classifying them.

The financial assets are measured by the amortized cost if both conditions are fulfilled below and are not classified as fair by profit or loss.

It is kept within the workers' model that aims to maintain assets to collect contractual monetary flows,

**MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

5. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

5/4 Financial Instruments(continued)

- Its contractual provisions arise on specific dates of cash flows, which are only payments for the amount and the benefit of the original amount.

All the financial assets that are not categorized by the amortized cost or fair value through the other comprehensive income according to what was indicated above, are measured by fair value through profit or loss, and this includes all derived financial assets. Upon preliminary proof, the group has the right to permanently allocate the financial assets that in another way that meets the measurement requirements at the amortized cost or by fair value through the other comprehensive income, as financial assets of fair value through profit or loss, and if it does, you delete the accounting mismanagement that may It arises in another way or reduces it significantly.

The following accounting policies are applied to the subsequent measurement of financial assets:

Financial assets classified as FVPL-

The subsequent measurement of these assets is done at a fair value. The net gains and losses are proven, and include any interest or profit income, within profit or loss.

Financial assets classified as amortized cost- The subsequent measurement of these assets is carried out at the amortized cost using the actual interest method. The amortized cost is reduced by the losses of the decrease in value. Interest revenues, profits and losses are proven to transfer foreign currencies and decrease in value within profit or loss. Any profit or loss is proven within profit or loss.

The financial assets installed at the amortized cost of the commercial city, contractual and cash assets and the like.

The amounts due from trade receivable and others

Most revenues are made based on regular credit conditions, and do not carry benefits. When the credit is extended until after regular credit conditions, the amounts due from the trade receivable are measured and unavoidable at the cost of amortized using the real interest method. At the end of each report, the book values are reviewed by the amounts due from the trade receivable and others to determine whether there is any objective evidence of a decline in the value of those receivables. If there is objective evidence of the value of the value, the loss of value falls within the profit or the loss is proven directly.

Financial liabilities

Financial liabilities are classified when measured by the amortized cost or fair value through the profit or loss menu. Financial liabilities are categorized by fair value through the profit or loss menu if they are classified as being retained for trading, and they are derived or dedicated in this way when initial recognition. Financial liabilities at fair value through the list of R on or loss are measured by fair value and net gains or losses, including any interest expenses that are proven in profit or loss. Other financial liabilities are later measured by the amortized cost using the real interest method.

The amounts due to trade payable and others

Trade payables are required based on regular credit conditions and do not carry benefits. Commercial credit for foreign currency is transferred to the Saudi riyal using the exchange rate on the date of the report. Foreign exchange profits or losses are included within the revenues or other expenses in the list of profit and losses.

De-recognition

Financial assets:

The group excludes the financial asset when the contractual rights end of the cash flows from the financial origin or transfer the rights to receive the contractual cash flows in a large -scale process in which all the risks and benefits of the financial origin are transferred, or the group does not transfer or retain all the risks and benefits of ownership And do not keep controlling the financial asset.

The group enters operations according to which it transports the assets recognized in its financial position list, but it maintains all or fundamentally all the risks and benefits of the converted assets. In this case, the converted assets are not excluded.

Financial liabilities:

The group de-recognizes financial obligations upon fulfillment of its contractual obligations, abolishing or ending its interest. The group, that is, also cancel the financial obligations when its conditions are adjusted and the cash flows of the amended obligations are fundamentally different, in this case the new financial obligations based on the modified conditions are recognized by fair value.

**MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

**5. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
5/4 Financial Instruments (continued)**

Compensation:

Financial assets and financial liabilities are compensated, and the net amount is presented in the list of financial position when the group is currently the right to be legally implemented in settling the amounts and intends to settle them on a net or to achieve the original and settle the requirements at the same time.

When excluding financial liabilities, the difference between the amortized book value and the paid -up return (including any non -transformed cash assets or supposed obligations) are recognized in profit or loss.

Impairment in value of financial assets

The group recognizes the allocations for the expected credit losses on the financial assets measured by the amortized cost and the assets of the contracts.

The group measures losing allocations with an amount equal to expected credit losses for life.

Under the International Standard of Financial Reports 9, the allocations of losses are measured on any of the following establishes:

- The expected credit losses over a period of 12 months: It is the result of possible stumbling events during a period of 12 months from the date of the financial statements; And
- The expected credit losses over the life of the financial tool: the credit losses that are produced from all possible faltering events over the expected age of the financial tool.

The group considers that the financial asset is behind the payment when:

- The debtor is unlikely to pay his credit obligations to the entire group, without resorting to the group to measures such as achieving the guarantee (if any); or
- The financial assets are more than 4 years from the date of entitlement from government agencies and more than two years from the date of entitlement from the commercial authorities.

Measuring expected credit losses:

The expected credit losses are potentially likely credit losses. Credit losses are measured as the current value of all the shortage of cash (i.e., the difference between the cash flows of the contract and the cash flows that the company expects to receive). The expected credit losses are deducted at the real interest rate of the financial asset.

Low financial assets whose credit value:

The company's date of financial statements assess whether the financial assets listed at the amortized cost are low -value. The financial asset is evaluated as a low -valuable credit when an event occurs or has a negative impact on future cash flows estimated at that financial asset.

Evidence that indicates lower financial assets includes data on the following observation:

- Great financial difficulty for the debtor.
 - Back to the contract, such as negligence or delay more than 4 years from the date of entitlement from government agencies and more than two years from the date of entitlement from the commercial authorities.
 - Restructuring the loan or advance by the company on conditions that the company does not see otherwise.
 - It is possible that the debtor will enter bankruptcy or other financial reorganization, or
- The disappearance of an active securities market due to financial difficulties.

Value decrease:

Loss allowances are deducted for financial assets that are measured at the cost of amortized the book value of the assets.

Low losses in the value of the city's commercial and other city receivables are displayed separately in the list of profits or losses.

The decrease in the value of non -financial assets:

The company, on the date of preparing all financial lists, assesses whether there is an indication of a decrease in the value of a non -financial origin. In the event of any indicator or when it is required to test a decrease in the annual value of the original, the company estimates the recovered value of the original.

The recovered value is the fair value of the original or the unit produced for the cash, minus the costs of exclusion and the value used, whichever is higher. The recovered value of individual origin is determined separately, unless the original does not produce a largely independent cash flow from cash flows from assets or other assets. When the book value of the original or the cash unit increases its recovered value, the asset is considered low value and is reduced to its recovered value.

5. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

The decrease in the value of non -financial assets(continued):

When assessing the current value, future cash flows are estimated at their current value using a discount rate that reflects the current market assessments of the time value of money and private risks of the original. When determining the fair value minus exclusion costs, the good market transactions are considered.

If such transactions are not determined, an appropriate evaluation form is used. These calculations are recognized by complications of evaluation, arrow prices listed for traded companies or other fair value indicators available.

As for the assets except for goodwill, an evaluation is made on the date of each financial report to determine whether there is any indication that the losses of decreased value previously did not exist or have decreased. In the event of such an indicator, the company estimates the recovered value of the asset or the cash produced unit. The loss of the decrease in the previously recognized value is reflected only if there is a change in the assumptions used to determine the recovered value of the original since the last recognition of a decrease in the value. It determines the opposite so that the book value of the original does not exceed the recovered value and does not exceed the book value that could have been determined in net after consumption if the loss of the value of the asset is not recognized in the previous years.

5/5- Revenues and revenues recognition:

Revenue is recognized when controlling one of the assets either over time or at a certain time. Know control of one of the assets with the ability to direct use and all the benefits related to these assets.

Revenue from the main activity:

Revenue is recognized when transporting goods or performing the required service to customers in an amount that reflects the financial compensation that the group expects to deserve in exchange for those goods. Revenue is recognized when the following steps are met:

1. Determine the sale contract with the customer. This contract does not have to be written.
2. There is a performance commitment.
3. Determine the price of the transaction.
4. Distributing the price of the transaction to the performance commitment.
5. Acknowledging the revenues when fulfilling the performance obligations.

When evaluating these steps, the administration puts the following in its account:

- The approval of the parties (the buyer and the seller) to sell, while transferring the rights of each party for these goods under sale. The payment conditions should also be studied to ensure that the contract has a commercial basis and that material compensation for the sale of these goods is likely to be collected.
- Determine independent goods agreed under the contract. These independent goods are referred to as a performance commitment. When studying whether these goods are independent, the administration assesses whether these goods can provide benefit in themselves, and that the group's promise has been determined to convert these goods to the customer separately. All group sales are independent.
- The financial compensation expected to be entitled to the transfer of these goods. All the group's sales have Compensate fixed.
- Distributing the price of the transaction on commodities under the contract.
- Fulfillment of the performance commitment.

5/6 Other revenues:

Other revenues are recognized when it is accrual and are measured by the fair value of the obtained or accrued compensation.

5/7 Revenues returns:

No commitment to the recovery of funds was put in place because of the level of goods returns, as indicated by the group's previous experiences.

5/8 The cost of revenues:

The cost of sales includes direct costs of production that includes the costs of raw materials, contracts and consumption services associated with property, machines, equipment, and extinguishing associated with postponed expenses and indirect costs related directly to production.

5/9- Expenses:

General and administrative expenses include some direct and indirect costs, which are not necessarily part of the cost of revenues in accordance with the accepted accounting principles, and the costs are distributed between the cost of revenues and general and administrative expenses, if necessary, on a regular basis.

**MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

5. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

5/10 Property, plant, and equipment:

Property, machines, and equipment are recognized by cost after accumulated depreciation and any decrease in value. The cost includes direct expenses for the acquisition of the original. Improvements that are essentially more than the production of the asset are reinforced. All other expenses for repair and maintenance are loaded on the list of profits or losses at the time of their occurrence.

The depreciation of property and equipment is calculated using the straight-line method, after deducting the remaining estimated value, over its expected production ages according to the following annual ratios.

Statement	Depreciation rate	Statement	Depreciation rate
• Buildings	%5	• Decorations	%15
• Building equipment on the lands of others	%10	• Cars	%20
• Furniture, furnishing, and office equipment.	%10	• Computer devices and software	%25
• Property and equipment	%12.5		

If the item of property, machinery and equipment consists of the components of individual parts that have the application of other appropriate methods or depreciation methods, then each part is consumed separately. The separate part is a material part or a non -material part that represents a major examination or reform.

The recognition of the item of property, machines and equipment is stopped when excluding the asset or when the future economic benefits are not expected to use it. Any gains or losses resulting from the exclusion of the asset (calculated in the difference between the net exclusion proceeds and the book value of the original) is included in the income list when stopping recognition of the original.

When there are indicators on changing the remaining estimated value or the expected useful of property, machines and equipment, previous estimates are reviewed by the administration and based on this review, the remaining estimated values, the expected useful or depreciation methods of property and equipment are modified in a future impact.

5/11-Inventory:

The company's inventory is the value of raw materials, work in process, complete production and spare parts that appear as stock balances in the history of the financial center list, and the stock is measured at the cost of cost or net valuable value, whichever is less, and the cost is determined based on the weighted average. The cost includes the net purchase value and other direct expenses related to the purchase value, and the net value that can be verified is made up of the estimated sale price minus the costs of completing the sale. It avoids allocated when necessary for any limitable or slow inventory.

- The group follows the continuous inventory method for the inventory.

5/12-Employees define benefits obligations:

The group has a system of end -of -service benefits for employees within a specific benefits plan that is consistent with work and workers systems in the Kingdom of Saudi Arabia based on the last salary and number of years of service. End service benefits plans are not funded. Consequently, the assessments of obligations under plans are implemented by an independent actuary expert based on the estimated additional unit. The costs related to these plans consist of the current value of the benefits attributed on an equal basis in each year of service years and the benefit of this commitment regarding the employee service in previous years.

The current and previous service costs related to post -service benefits are proven and reflect the commitment to the discount rates used in profit or loss. Any changes in net commitment due to actuarial assessments and changes in assumptions are considered as a reinstatement in the other comprehensive income. Realization of profits and losses that arise from the amendments to experience and changes in the actuarial assumptions in the period in which it occurs, directly in the other comprehensive income, and are displayed separately in the list of changes in the rights of unified partners in the period in which it occurs.

Changes in the current value are proven to adhere to the specific benefits resulting from the amendments or reductions of the system immediately in the profit or loss menu and the other comprehensive income as previous service costs. End of service payments depend mainly on the salaries of the final employees, allowances, and the accumulated years of service, as shown in the work system in the Kingdom of Saudi Arabia.

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

5/13- Provision for zakat

Zakat is calculated according to the instructions issued by the Public Authority for Zakat and Income, and a dedicated to the administer of the legal zakat due annually and is loaded on the income menu, and any differences between the calculated provision and the final link are recorded when the final link is approved on the income list at the time.

5/14- Value -added tax:

The company is subject to the value -added tax system, and the tax is calculated upon the issuance of the bill, the delivery of the service, the receipt of the price or a part of it, and the approval of the value -added tax is submitted monthly.

5/15- Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and that it is likely that it is necessary to use resources that include economic benefits to pay the obligation and that the amount of the commitment can be reliably estimated. In cases where the group expects to recover some or all provisions through a third party, for example, according to an insurance contract, the recovered amounts are recognized as an independent asset only, only when the recovery process is really confirmed. The expenses related to the provision in the income statement are recognized after deducting any recovered amounts.

5/16- Possible assets and liabilities:

Possible assets are not proven in the financial statements, but they are disclosed when it is possible to achieve economic benefits. An evaluation is made in the date of each financial period to recognize possible liabilities, which are possible liabilities arising from previous events that can only occur with the occurrence of the occurrence of one or more of the future events that are not subject to the full control of the company.

5/17- Statutory reserve

In accordance with its By-laws and the Regulations for Companies in Kingdom of Saudi Arabia, the Company is required to transfer 10% of its net profit for the year to a statutory reserve until such reserve equals 30% of its share capital. This Statutory Reserve is not available for distribution to shareholders.

5/18- Foreign currencies

The Group's consolidated financial statements are presented in Saudi Riyals, which is the presentational and functional currency in Kingdom of Saudi Arabia. Transactions in foreign currencies are initially recorded by the Group at their market exchange rate against the functional currency at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. And all the differences resulting from the settlement or translation of cash clauses are included at prices that differ from those that were translated with at the initial evidence within the profit or loss directly in the period in which they arise.

5/19- Cash and cash equivalents

Cash and cash equivalents include bank balances and short-term deposits with original maturities of three months or less, if any, which are not subject to fundamental risks to change in their value. Cash and cash equivalents are excluded from banking restrictions and not available for use of cash and cash equivalents for the purpose of preparing a cash flow statement.

5/20- Transactions with the related parties:

The person or a member is close to the family of that person with the company, if that person is a member of the company's senior management employees, or has joint control or control over the company, or has an important impact on the company.

The employee working in the company is a member of the company's senior management employees, if that employee is one of the company's shareholders, or has the powers of taking administrative decisions affecting the company.

A facility related to the company is considered if any of the following conditions applies:

- The facility and the company are members of the company itself.
- To be a colleague or joint venture facility with the company.
- The facility and the company are joint projects for the third party itself.
- One of the facilities is a joint venture for a third facility and the other facility is a colleague of the third facility.
- The facility is a post -employment benefits plan for employees, either in the company or in a company related to the company.
- The fact that the company is under control or control by a specific person in the first paragraph above.
- The facility or any member of the company, which is part of which provides services for the group's senior management staff.
- A specific person in the first paragraph above has an important impact on the company or he is a member of the group's senior management employees.

5. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

5/21 Foundations for measuring and classifying assets and liabilities to "current" and "non-current ":

The company shows the assets and liabilities in the financial position list based on current / non-current.

The assets are current:

- When it is expected to be achieved, intended to sell or rescue it during the regular operations course
- If it is mainly acquired for the purpose of trading
- When it is expected to be achieved within twelve months after the financial period, or
- When you are criticism and equivalent to criticism unless there are restrictions on replacing or using them to pay any liabilities for a period of no less than twelve months after the financial period.

All other assets are classified as " non-current ".

The liabilities are considered current:

- When it is expected to be paid, during the regular operations course
- If it is mainly acquired for trading purposes
- When you deserve to pay within twelve months after the financial period, or
- When there is no unconditional right to postpone the payment of liabilities for a period of not less than twelve months after the financial period.

All other liabilities are classified as "non-current."

5/22- Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A- In the principal market for the asset or liability; or

B- In the absence of a principal market, in the most advantageous market for the asset or the liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or the liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

6- Property, plant, and equipment:

	Lands	Buildings	Buildings on the lands of others	Furniture and fixture	Plant and equipment	Decorations	Cars	Computers and programs	Total
Cost:									
Balance as of January 1, 2023	10,524,560	14,271,717	295,343	2,625,913	11,366,792	791,441	2,467,091	688,428	43,031,285
Addition during the year	5,256,575	-	-	1,084,390	198,180	-	416,520	68,185	7,023,850
Disposals during the year	(2,339,411)	(999,731)	-	(162,562)	-	-	(55,000)	-	(3,556,704)
Balance as of December 31, 2023	13,441,724	13,271,986	295,343	3,547,741	11,564,972	791,441	2,828,611	756,613	46,498,431
Accumulated Depreciation:									
Balance as of January 1, 2023	-	3,511,095	295,343	837,373	5,067,235	791,441	1,219,659	446,067	12,168,213
Depreciation the year	-	632,667	-	266,660	1,404,016	-	382,492	107,334	2,793,169
Accumulated depreciation disposals	-	(899,758)	-	(24,918)	-	-	(55,000)	-	(979,676)
Balance as of December 31, 2023	-	3,244,004	295,343	1,079,115	6,471,251	791,441	1,547,151	553,401	13,981,706
Net book value:									
Balance as of December 31, 2023	13,441,724	10,027,982	-	2,468,626	5,093,721	-	1,281,460	203,212	32,516,725

*Disposals during the year included the disposal of land and a buildings on it, with a net book value of 2,439,384 SAR, in addition to disposal of working in progress on that land with book value in the time of disposal 506,118 SAR, resulting in a gain of 1,154,498 SAR from those disposals.

- The total book value of depreciated PP&E, which are fully depreciated and still in use, amounted to 3,802,278 SAR as of December 31, 2023.
- Depreciation expenses were distributed as follows:

	Note	December 31, 2023	December 31, 2022
Cost of revenues	20	1,815,559	1,849,728
General and administrative expenses	22	977,610	996,008
		2,793,169	2,845,736

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

6- Property, plant, and equipment(continued):

The movement consists of property, plant and equipment during the year ending on December 31, 2022, AD, the following:

	Lands	Buildings	Buildings on the lands of others	Furniture and fixture	Plant and equipment	Decorations	Cars	Computers and programs	Total
Cost:									
Balance as of January 1, 2022	19,670,537	14,271,717	295,343	2,573,021	11,031,042	791,441	1,597,111	510,978	50,741,190
Addition during the year	-	-	-	52,892	335,750	-	935,000	177,450	1,501,092
Disposals during the year	(9,145,977)	-	-	-	-	-	(65,020)	-	(9,210,997)
Balance as of December 31, 2022	10,524,560	14,271,717	295,343	2,625,913	11,366,792	791,441	2,467,091	688,428	43,031,285
Accumulated Depreciation:									
Balance as of January 1, 2022	-	2,781,422	291,173	642,344	3,616,065	791,441	949,858	315,145	9,387,447
Depreciation the year	-	729,673	4,170	195,029	1,451,170	-	334,772	130,922	2,845,736
Accumulated depreciation disposals	-	-	-	-	-	-	(64,971)	-	(64,971)
Balance as of December 31, 2022	-	3,511,095	295,343	837,373	5,067,235	791,441	1,219,659	446,067	12,168,213
Net book value:									
Balance as of December 31, 2022	10,524,560	10,760,622	-	1,788,540	6,299,577	-	1,247,432	242,361	30,863,072

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7- Lease contracts:

7/1- Right of use assets, net

	December 31, 2023	December 31, 2022
Balance at the beginning of the year	1,186,949	1,782,088
Addition during the year	2,949,142	110,000
Less:		
Depreciation during the year	(984,913)	(705,139)
Adjustments	(890,081)	-
Right of use assets, net	<u>2,261,097</u>	<u>1,186,949</u>

7/2- Lease liability

	December 31, 2023	December 31, 2022
Balance at the beginning of the year	436,676	1,423,410
Addition during the year	2,949,142	110,000
Finance cost	66,298	20,766
Less:		
Repayments of lease liability during the year	(916,898)	(1,117,500)
Adjustments	(512,678)	-
Balance at the end of the year	<u>2,022,540</u>	<u>436,676</u>
Lease liability- current portion	<u>518,067</u>	<u>181,913</u>
Lease liability- non-current portion	<u>1,504,473</u>	<u>254,763</u>

8- Trade receivable:

	December 31, 2023	December 31, 2022
Trade receivables	3,031,044	3,933,372
Less: impairment in value of trade receivables	(553,090)	(553,090)
	<u>2,477,954</u>	<u>3,380,282</u>

9- Other debit balances:

	December 31, 2023	December 31, 2022
Advances to suppliers	6,480,348	4,097,738
Less:		
impairment in value of advances to suppliers	(96,975)	(96,975)
	6,383,373	4,000,763
Employee receivable	771,832	2,243,348
Prepaid expenses	52,551	132,046
Accrued interest Revenue	42,507	-
	<u>7,250,263</u>	<u>6,376,157</u>

10- Inventories:

	December 31, 2023	December 31, 2022
Marble and natural stone Slabs	49,723,320	53,754,744
Raw materials	108,201	119,452
	<u>49,831,521</u>	<u>53,874,196</u>

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

11- Cash and cash equivalents:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash at bank	1,408,351	4,898,498
Short-term deposits*	14,000,000	-
	<u>15,408,351</u>	<u>4,898,498</u>

*It consists of Murabaha deposits held by Al Khair Capital Company due within three months from the acquisition date.

12- Share Capital:

The company's capital reached 60,000,000 Saudi riyals divided into 6,000,000 equal value shares, the value of each share is 10 riyals, distributed to the Shareholders as follows: -

	<u>Number of shares</u>	<u>Value</u>	<u>The value of the shares</u>	<u>ownership percentage</u>
		<u>SAR</u>	<u>SAR</u>	<u>%</u>
Ahmed Abdullah Abdul Rahman Abdullah Al -Kharashi	2,592,000	10	25,920,000	%43.20
Adel Abdulaziz Hawas Al -Hawas	1,020,000	10	10,200,000	%17
Mohammed Abdul Rahman Abdullah Al -Naeem	750,000	10	7,500,000	%12.5
Saleh Abdullah Saleh Al -Saleh	675,000	10	6,750.000	%11.25
Abdulaziz Saleh Muhammad Al -Jarbou	675,000	10	6,750.000	%11.25
Meshaal Muhammad Abdul Rahman Al -Kharashi	288,000	10	2,880,000	%4.8
Total	6,000,000		60,000,000	%100

- The ordinary general assembly held on 19/07/1443 AH corresponding to 20/02/2022 AD to offer (600,000) six hundred thousand ordinary shares in the parallel market (growth), which represents 10% of the shares of the company, which is (6,000,000) six million shares common, registration and listing in the parallel market after obtaining the necessary approvals from the Capital Market Authority and the Saudi Tadawul Group as following:

<u>Shareholder name</u>	<u>Number of Shares</u>	<u>The value of the share</u>	<u>Total</u>	<u>The contribution rate</u>
		<u>SAR</u>	<u>SAR</u>	<u>%</u>
Ahmed Abdullah Abdul Rahman Abdullah Al -Kharashi	2,332,800	10	23,328,000	%38.88
Adel Abdulaziz Hawas Al -Hawas	918,000	10	9,180,000	%15.30
Mohammed Abdul Rahman Abdullah Al -Naeem	675,000	10	6,750,000	%11.25
Saleh Abdullah Saleh Al -Saleh	607,500	10	6,075,000	%10.13
Abdulaziz Saleh Muhammad Al -Jarbou	607,500	10	6,075,000	%10.13
Meshaal Muhammad Abdul Rahman Al -Kharashi	259,200	10	2,592,000	%4.32
Other Shareholders	600,000	10	6,000,000	%10
Total	6,000,000		60,000,000	%100

13-Dividends:

- In the year 2022 AD: Profits distributions amounted to 21,000,000 Saudi riyals (twenty-one million Saudi riyals) in accordance with the decision of the Ordinary General Assembly held on 05/05/1444 AH, corresponding to 11/29/2022 AD.
- The Board of Directors, held on 02/07/1445 AH, corresponding to 08/23/2023 AD, approved the authorization of the General Assembly held on 03/22/2023 AD, which authorized the company's Board of Directors to distribute semi-annual and quarterly interim dividends for a period of one year from the date of the Assembly, and for this reason it agreed The Board of Directors agrees to distribute dividends to shareholders for the period from 01/01/2023 AD to 06/30/2023 AD at the rate of (1.7 Saudi riyals) (one riyal and seventy halalas) per share, at a rate of 17% of the company's capital, with a total amount of (10,200,000 Saudi riyals) (Ten million two hundred thousand Saudi riyals).

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

14- General reserve:

The ordinary general assembly of the company and held on 12/08/1443 AH corresponding to 07/07/2022 AD to form a statutory reserve for the company in the amount of 3,500,000 Saudi riyals (three million five hundred thousand Saudi riyals).

15-Employees defined benefit obligations:

The benefits plan is based on the employee's final salary, and the company has not investigated the assets of the specified benefits and therefore there are no risks.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Movement in provision during the year		
Balance at the beginning of the year	1,820,176	1,716,092
Charged to profit and loss:		
Current service cost	226,490	197,072
Interest cost	52,449	27,267
Charged to other comprehensive income		
Actuarial gain from remeasurement of employees' defined benefits	(333,356)	-
Net charged to other comprehensive income	<u>1,765,759</u>	<u>1,940,431</u>
Paid during the year	(256,532)	(120,255)
Balance at the end of the year	<u><u>1,509,227</u></u>	<u><u>1,820,176</u></u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Assumptions used for calculating the provision are as follows:		
Discount rate	%4,88	%3.1
The average salary height	%5,00	%5.00
Workers' rotation rate	Medium	Medium
Death rate	-	-

16-Trade payables:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Trade payables	<u>272,635</u>	<u>742,458</u>

17- Trade payables and other credit balances:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Advances from customers	4,186,304	7,174,686
Employees accrued	101,990	958,994
Travel tickets and accrued vacations	105,144	129,926
Zakat, Tax and Customs Authority - VAT	540,282	1,011,199
Total	<u><u>4,933,720</u></u>	<u><u>9,274,805</u></u>

18- Provision for Zakat:

Zakat position:

The company submitted its consolidated Zakat declaration to the General Authority for Zakat, Tax and Customs until the fiscal year 2022 and obtained a certificate from the Public Authority for Zakat, Tax and Customs valid until 10/10/1444 AH corresponding to 30/4/2024 AD.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Net profit for the year	23,808,580	24,876,812
Additions	278,939	224,339
Adjusted net profit	<u>24,087,519</u>	<u>25,101,151</u>

The significant components of the zakat base are as follows:

Total base	109,386,161	102,107,396
Total decisions of the base	(35,111,178)	(32,655,261)
The net zakat base estimated	<u>75,834,480</u>	<u>70,830,273</u>
Zakat 2.5%	<u><u>1,895,862</u></u>	<u><u>1,770,757</u></u>

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

18- Provision for Zakat (continued):

Zakat Division Movement Statement:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Balance at the beginning of the year	1,724,974	1,212,646
Zakat paid during the year	(1,770,757)	(1,742,463)
Zakat differences for previous years	45,783	484,034
Zakat for year	<u>1,895,862</u>	<u>1,770,757</u>
Balance at the end of the year	<u>1,895,862</u>	<u>1,724,974</u>

19- Revenues:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Marble Sales	<u>51,182,558</u>	<u>55,169,465</u>

- All revenues are caused by the sale of marble to independent clients, and the relationship with them is based on requests and orders of direct purchase, all of whom are present in the Kingdom of Saudi Arabia.
- There are no sale channels, but there are branches to display commodities to the customer, then manufacturing, then the goods are transferred at appropriate times for the customer.
- The methods used to prove revenue are the customer's signing of receipt, after the transfer of goods to the customer.

20- Cost of revenues:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cost of goods sold	14,720,542	13,939,435
Depreciation	1,815,559	1,849,728
Salaries and employees' benefits	1,126,667	1,126,667
Operation expenses	896,126	1,288,071
Communication and Bonus	89,800	105,000
Employees define benefit	57,470	50,538
Transfer, shipping, and customs expenses	<u>31,893</u>	<u>87,632</u>
	<u>18,738,057</u>	<u>18,447,071</u>

21- Selling and distribution expenses:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Salaries and employees' benefits	676,000	864,000
Commissions and Bonus	596,994	878,498
Benefits of specific employees	26,320	25,622
Marketing expanses	<u>-</u>	<u>529,311</u>
	<u>1,299,314</u>	<u>2,297,431</u>

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

22- General and administrative expenses:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Salaries and employees' benefits	3,309,849	3,154,668
Amortization on leases contracts	984,913	705,139
Depreciation	977,610	996,008
Board of Directors and Committees' Members Bonus and Attendance Allowances	970,000	-
Social insurance	402,324	429,815
Maintenance	319,525	239,389
Consultations and Legal fees	205,500	657,750
Medical insurance	186,226	169,553
Employees define benefit	142,700	120,912
Fees & Subscription	138,923	540,003
Fuels	121,308	106,337
Phone and Email	118,328	105,729
Water electricity	89,865	157,573
stationary	87,882	80,212
Residencies	85,848	132,901
Commissions and Bonus	82,202	1,986,891
Bank commissions	30,214	329,106
Other exp	396,859	12,010
	<u>8,650,076</u>	<u>9,923,996</u>

23-Other income:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Interest from Deposits	221,935	-
Support for the National Employment Portal (Netaqat)*	156,500	335,250
Local Content Support	12,338	-
Revenue from Scrap Sales	9,600	24,654
	<u>400,373</u>	<u>359,904</u>

*These grants represent support for the National Employment Portal (Netaqat) affiliated with the Human Resources Development Fund to support employment.

24- Contingouision Liabilities And Capital Commitments:

The company does not have banking facilities in the form of guaranteed letters and documentary credits by commercial banks, nor is there capital contingencies to buy machines and equipment.

25-Segment information:

The group's activities are mainly in the industrial sector, which is the marble manufacturing sector and is completely sold to local clients, and the group is completely sales within the Kingdom of Saudi Arabia.

26-Earnings per share:

The basic earnings per share were calculated by dividing the profit of the dividend's year into the shareholders on the weighted average of the number of existing shares.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Operations Profit	22,495,111	24,500,967
Net profit for the year	21,912,718	22,622,021
Number of shares	6,000,000	6,000,000
Earnings per share from operating profit	<u>3,75</u>	<u>4,08</u>
Earnings per share from net profit for the year	<u>3,65</u>	<u>3,77</u>

The diluted earnings per share is the same as the basic earnings per share since the company has no discounting instruments.

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

27- Disclosure on related parties:

- The dividends to shareholders during the year 2023 amounted to 10,200,000 Saudi riyals (2022 is 21,000,000 Saudi riyals) and the following is dividends to shareholders:

Name of the shareholder	Nature of relationship	Type of transaction	The volume of transactions during the year	
			2023	2022
Ahmed Abdullah Abdul Rahman Abdullah Al -Kharashi	Shareholder	Dividends	3,965,760	9,072,000
Adel Abdulaziz Hawas Al -Hawas	Shareholder	Dividends	1,560,600	3,570,000
Mohammed Abdul Rahman Abdullah Al -Naeem	Shareholder	Dividends	1,147,500	2,625,000
Saleh Abdullah Saleh Al -Saleh	Shareholder	Dividends	1,032,750	2,362,500
Abdulaziz Saleh Muhammad Al -Jarbou	Shareholder	Dividends	1,032,750	2,362,500
Meshaal Muhammad Abdul Rahman Al -Kharashi	Shareholder	Dividends	440,640	1,008,000
Other Shareholders	Shareholder	Dividends	1,020,000	-
			10,200,000	21,000,000

-Compensation senior management employees

	Nature of relationship	Type of transaction	The volume of transactions during the year	
			2023	2022
Senior management employees	Employees	Salaries, benefits, and bonus	902,935	2,634,558
Board of Directors		Bonus and Attendance Allowances	970,000	-

28-Financial instruments-fair value and risk management:

Fair value risk:

The fair value of each of the cash in the fund and the banks, the trade receivables, the inventory, the trade payables, the assets and the other liabilities is an approach to the value recorded in it as a result of the nature of its short period.

The company does not use the financial tools derived to manage the risk of commission rates and fluctuations in foreign currency rates.

Currency rates risk

Currency rates risk is the risk related to the impact of changes in commission rates in the market on the financial position of the company and its cash flows, the company does not have fundamental assets or requirements that bear floating commission rates as on December 31, 2023, and the company manages its cash flow by monitoring the timing between the cash flow obtained and the cash flow used.

Foreign currency risk

The Company does not have assets or liabilities in foreign currency as at the reporting date and it was not exposed to the fluctuation risk of foreign currency, Company transactions are made in Saudi Riyals. The Management monitors currency rate fluctuations and believes that a currency risk is not material.

Credit risk

Credit risk is the risk that other parties will not be able to meet their contractual obligations to the Company, which may result in a financial loss to the Company. The concentrations of potential credit risk include mainly trade receivables and cash. The company deposits its monetary assets in a number of financial institutions with high credit capacity and begins a policy to reduce the size of its assets deposited in each financial institution, and the company does not believe that there are significant incompetence risks in these financial institutions.

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

28-Financial instruments-fair value and risk management (continued):

Credit risk (continued):

The company is formed for the expected credit losses, which, as on December 31, 2023 AD, reached an amount of 553,090 Saudi riyals, and the following ages of the city's receivables as in the history of the financial statements:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
From 1 Day to 30 Day	1,033,339	1,680,821
From 31 Day to 60 Day	54,955	-
From 61 Day to 90 Day	217,083	422,866
From 91 Day to 180 Day	765,637	785,632
From 181 Day to 360 Day	362,453	306,791
More than 360 Day	597,577	737,262
	<u>3,031,044</u>	<u>3,933,372</u>

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, The company does not believe that it is subject to fundamental risk of liquidity. The company does not think it is subject to any relatively important risks related to the above.

As on December 31, 2023, AD, the standard financial center list showed an increase in the current assets from the current liabilities in the amount of 67.3 million Saudi riyals, which means that the trading rate is 9.84.

Sales price risk

Sales price risk is the risk associated with changes in the prices of some commodities that the company is exposed to from an unwanted impact on the company costs and cash flows.

These risks sales in the prices of basic goods from the expected purchases of some goods from the raw materials used by the company.

Capital Managements

The Board of Directors' policy is to maintain an effective capitalist base to maintain the confidence of investors, creditors and the market and support the future development of the Board of Directors. The Board of Directors monitors the return on the capital used and the level of profits of ordinary shareholders.

29- Comparative Figures

The company reclassified the total selling and marketing expenses, which were within general and administrative expenses, at a value of 2,297,431 Saudi riyals, to a separate item, which is selling and marketing expenses, in the statement of profits and losses and other comprehensive income.

Consolidated statement of profit or loss and other comprehensive income

	As December 31, 2022		
	<u>Before Reclassifications</u>	<u>Reclassifications</u>	<u>After Reclassifications</u>
Selling and distributions expenses	-	2,297,431	2,297,431
General and administrative expenses	12,221,427	(2,297,431)	9,923,996

30- Approval of the financial statements:

The consolidated financial statements for the year ended December,31 2023 were approved by the Group's Board of Directors on 14 Shabaan 1445H (February 24, 2024)