



**MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
(A SAUDI JOINT-STOCK COMPANY)
MAKKAH – SAUDI ARABIA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REPORT
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**

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**INDEPENDENT AUDITOR'S REVIEW REPORT FOR
THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

To the Shareholders
Makkah Construction and Development Company
(A Saudi Joint-Stock Company)
Makkah - Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Makkah Construction and Development Company (a Saudi joint-stock company) (the "Company") as of September 30, 2024, the interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2024, the changes in shareholders' equity and cash flows for the nine-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

Jeddah 28 Rabi Al-Thani 1446 H
Corresponding to 31 October 2024



For El Sayed El Ayouty & Co.



Abdullah A. Balamesh
Certified Public Accountant
License No. (345)

Makkah Construction and Development Company
(A Saudi joint-stock company)
Makkah – Saudi Arabia
Interim condensed consolidated statement of financial position (unaudited)
As of 30 September 2024
(Expressed in Saudi Riyals)

	Note	30 September 2024 (unaudited)	31 December 2023 (audited)
Assets			
Non-current assets			
Property, plant and equipment - net	5	1,321,765,835	1,324,015,388
Investment properties- net	6	210,467,133	212,771,921
Financial assets at fair value through other comprehensive income	7	2,711,666,449	2,469,793,670
Investments in associates	8	359,246,890	16,231,613
Total non-current assets		4,603,146,307	4,022,812,592
Current assets			
Trade receivables - net	9	67,883,737	24,115,946
Inventory		2,398,887	2,061,732
Prepayments and other debit balances - net		57,039,221	47,451,954
Financial assets at fair value through profit or loss (FVTPL)		3,300,000	-
Cash and cash equivalent		283,157,265	525,726,172
Total current assets		413,779,110	599,355,804
Total assets		5,016,925,417	4,622,168,396
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital		1,648,162,400	1,648,162,400
Statutory reserve		836,280,685	836,280,685
Revaluation gains of financial assets at fair value through other comprehensive income	7	1,432,959,571	1,190,279,326
Retained earnings		495,191,118	416,815,311
Total Shareholders' equity		4,412,593,774	4,091,537,722
Non-current Liabilities			
Long-term loan - non-current portion		74,998,850	99,998,850
Employees' defined benefit obligations		39,978,657	38,285,999
Total non-current liabilities		114,977,507	138,284,849
Current Liabilities			
Long-term loan - current portion		25,000,000	27,776,420
Short-term loan		135,822,794	-
Deferred revenue		41,309,133	10,634,204
Trade payables		3,549,283	3,886,080
Accrued expenses and other credit balances		85,660,570	117,366,024
Dividends payable	11	189,557,896	184,235,872
Provision for zakat	12	8,454,460	48,447,225
Total current liabilities		489,354,136	392,345,825
Total liabilities		604,331,643	530,630,674
Total Shareholders' equity and liabilities		5,016,925,417	4,622,168,396

The accompanying notes from (1) to (20) form an integral part of these interim condensed consolidated financial statements which were approved by the Company's Board of Directors and signed on behalf of the following:

Saleh Mohammed Awad bin Laden



Chairman of Board of Directors

Mohammed A. Al Nafea



Chief Executive Officer

Ahmad Mohanad Jaber



Chief Financial Officer

Makkah Construction and Development Company
(A Saudi joint-stock company)
Makkah – Saudi Arabia
Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited)
For the three-month and nine-month periods ended 30 September 2024
(Expressed in Saudi Riyals)

		For the three-month period ended		For the nine-month period ended	
	Note	30 September 2024 (unaudited)	30 September 2023 (unaudited)	30 September 2024 (unaudited)	30 September 2023 (unaudited)
Revenue		141,873,118	249,189,582	677,385,795	597,122,895
Cost of revenue		(65,969,620)	(169,166,921)	(307,365,211)	(279,455,097)
Gross profit		75,903,498	80,022,661	370,020,584	317,667,798
Selling and marketing expenses		(1,510,124)	(1,462,395)	(4,521,245)	(5,051,288)
General and administrative expenses		(9,583,977)	(8,465,048)	(43,727,937)	(45,449,459)
Provision for expected credit losses		-	-	-	(4,910,640)
Profit from operations		64,809,397	70,095,218	321,771,402	262,256,411
Finance costs		(822,794)	-	(822,794)	-
The Company's share in results of associates		(314,657)	-	(314,657)	-
Investment settlement in an associate		2,440,288	-	2,440,288	-
Return on Islamic Murabaha deposit		5,052,606	-	14,850,909	-
Other income		10,435	-	24,347	217,795
Net profit for the period before Zakat		71,175,275	70,095,218	337,949,495	262,474,206
Zakat		(1,785,104)	(1,752,380)	(12,578,221)	(6,561,855)
Net profit for the period		69,390,171	68,342,838	325,371,274	255,912,351
Other comprehensive income					
Items that will not be subsequently reclassified to statement of profit or loss					
losses of re-measurement of employee defined benefit obligations		-	-	-	-
Unrealized net gain/(loss) from revaluation of financial assets at fair value through other comprehensive income (OCI).		107,959,618	(225,558,488)	242,909,140	663,747,293
Comprehensive income for the period		107,959,618	(225,558,488)	242,909,140	663,747,293
Comprehensive income for the period		177,349,789	(157,215,650)	568,280,414	919,659,644
Earnings per share					
Basic and diluted earnings per share from net profit for the period	13	0.42	0.41	1.97	1.55

The accompanying notes from (1) to (20) form an integral part of these interim condensed consolidated financial statements which were approved by the Company's Board of Directors and signed on behalf of the following:

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Chairman of Board of Directors

Mohammed A. Al Nafea



Chief Executive Officer

Ahmad Mohanad Jaber



Chief Financial Officer

Makkah Construction and Development Company
(A Saudi joint-stock company)
Makkah – Saudi Arabia
Interim condensed consolidated statement of changes in shareholders' equity (unaudited)
For the nine-month period ended 30 September 2024
(Expressed in Saudi Riyals)

	Share capital	Statutory reserve	Revaluation gains of financial assets at fair value through other comprehensive income	Retained earnings	Total
Balance at January 01, 2023 (audited)	1,648,162,400	836,280,685	628,664,525	246,941,316	3,360,048,926
Net profit for the period (unaudited)	-	-	-	255,912,351	255,912,351
Other comprehensive income for the period (unaudited)	-	-	663,747,293	-	663,747,293
Comprehensive income for the period (unaudited)	-	-	663,747,293	255,912,351	919,659,644
Dividends	-	-	-	(164,816,240)	(164,816,240)
Balance at September 30, 2023 (unaudited)	1,648,162,400	836,280,685	1,292,411,818	338,037,427	4,114,892,330
Balance at January 01, 2024 (audited)	1,648,162,400	836,280,685	1,190,279,326	416,815,311	4,091,537,722
Net profit for the period (unaudited)	-	-	-	325,371,274	325,371,274
Other comprehensive income for the period (unaudited)	-	-	242,909,140	-	242,909,140
Comprehensive income for the period (unaudited)	-	-	242,909,140	325,371,274	568,280,414
Transfer of revaluation gains on financial assets at fair value through other comprehensive income (OCI)	-	-	(228,895)	228,895	-
Dividends during the period (unaudited)	-	-	-	(247,224,362)	(247,224,362)
Balance at 30 September 2024 (unaudited)	1,648,162,400	836,280,685	1,432,959,571	495,191,118	4,412,593,774

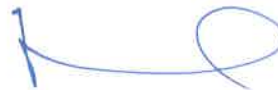
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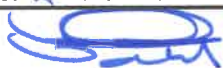


Chief Financial Officer

Makkah Construction and Development Company
(A Saudi joint-stock company)
Makkah – Saudi Arabia
Interim condensed consolidated statement of cash flows (unaudited)
For the nine-month period ended 30 September 2024
(Expressed in Saudi Riyals)

		For the nine-month period ended 30 September 2024 (unaudited)	For the nine-month period ended 30 September 2023 (unaudited)
	Note		
Cash flows from operating activities:			
Net profit for the period before Zakat		337,949,495	262,474,206
Adjustments:			
Depreciation on property, plant, and equipment	5	22,864,483	20,558,465
Gains on disposal of property, plant and equipment		(13,912)	-
Depreciation on investment properties	6	3,918,775	3,878,632
The Company's share in results of associates		314,657	-
Investment settlement in an associate		(2,440,288)	-
Finance costs		822,794	-
Allowance for expected credit losses		-	4,910,640
Employees' defined benefit obligations formed		4,147,145	5,661,146
Return on Islamic Murabaha deposit		(14,850,909)	-
		352,712,240	297,483,089
Changes in:			
Trade receivables		(43,767,791)	36,474
Inventory		(337,155)	(818,902)
Prepayments and other debit balances		(8,242,823)	(24,791,165)
Deferred revenue		30,674,929	12,249,235
Trade payables		(336,797)	(2,566,325)
Related Parties		-	348,679
Accrued expenses and other credit balances		(31,705,454)	9,589,965
Employees' defined benefit obligations paid		(2,454,487)	(3,911,738)
Provision for zakat paid		(52,570,986)	(11,659,336)
Net cash generated from operating activities		243,971,676	275,959,976
Cash flows from investing activities:			
Payments to property, plant, and equipment		(20,614,932)	(16,747,275)
Proceeds from disposal of property, plant and equipment		13,914	-
Payments to investment properties		(1,613,987)	(157,111)
Payments for financial assets measured at fair value through profit or loss		(3,300,000)	-
Proceeds from the liquidation of the commodity trading fund		1,036,361	-
Investment payments in associates		(340,889,646)	-
Finance costs paid		(2,776,420)	(2,476,616)
Proceeds from return on Islamic Murabaha deposit		13,506,465	-
Net cash flows (used in) investing activities		(354,638,245)	(19,381,002)
Cash flows from financing activities:			
Settlement of a long-term loan		(25,000,000)	(25,000,000)
Proceeds from short-term loans		135,000,000	-
Dividends paid		(241,902,338)	(161,050,780)
Net cash (used in) financing activities		(131,902,338)	(186,050,780)
Net change in cash and cash equivalent		(242,568,907)	70,528,194
Cash and cash equivalents at beginning of the period		525,726,172	371,036,741
Cash and cash equivalents at end of the period		283,157,265	441,564,935
Other Non-cash transactions:			
Unrealized gain from revaluation of financial assets at fair value through other comprehensive income		242,909,140	663,747,293

The accompanying notes from (1) to (20) form an integral part of these interim condensed consolidated financial statements which were approved by the Company's Board of Directors and signed on behalf of the following:

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Chief Executive Officer

Ahmad Mohanad Jaber

Chief Financial Officer

Makkah Construction and Development Company
(A Saudi joint-stock company)
Makkah – Saudi Arabia
Notes to the interim condensed consolidated financial statements
For the three-month and nine-month periods ended 30 September 2024 (unaudited)
(Expressed in Saudi Riyals)

1. General

1.1 Corporate information

Makkah Construction and Development Company (A Saudi Joint Stock Company) (the "Company") was incorporated in accordance with the Companies' Law and as per Royal Decree no. (M/5) dated 13 Dhu Al-Qi'dah 1408H. The incorporation was declared by the Minister of Commerce and Investment no. 859 dated 21 Dhu Al-Qi'dah 1409 H (corresponding to 24 June 1989). The Company is registered in Makkah under Commercial Registration number 4031020101 dated 1 Dhu Al-Hijjah 1409 H (corresponding to 4 July 1989).

The main activity of the Company is the construction of the area near Al Masjid Al Haram, the ownership, development, management, investment, purchase, and lease of the properties near Al Masjid Al Haram. In addition to performing all necessary engineering works to perform building, constructing, repairing, and demolishing works.

The Head office of the Company is located in Makkah Al Mukarramah, Faqih Center, P O Box 7134- Kingdom of Saudi Arabia.

Branches: The Company has the following branches:

S/N	City	CR No.	Date	Name of branch
1	Makkah	4031102134	18/3/1439H	Branch of Makkah Construction and Development Company for Omrah Services

These consolidated financial statements comprise the financial statements of the parent company and its subsidiaries As of September 30, 2024, the parent company has the following subsidiaries:

Company Name	CR No.	Date	Shareholding %	Principal activities
Hotel Towers Company Makkah Hotel Company	4031045190	18/9/1424 H (11/11/2003)	100%	The hotels provide services for Umrah performers, visitors to the Prophet's Mosque, and services for pilgrims coming from outside the Kingdom and domestic pilgrims.
Manafa Al-Barakah Investment Company	4031300209	19/10/144H (28/04/2024)	100%	Other financial service activities, except insurance and pension funding.

On December 24, 2023, the Company transferred the branch of the Makkah Hotel and Towers, having a commercial registration number 4031045190 dated 11/11/2003, including all rights, obligations, labor, classification, licenses, and all its financial, technical, and administrative components, to a single-owner limited liability company while retaining the name, number, and date of the commercial registration of the company's branch as the main center for the newly incorporated company named Hotel Towers Company Makkah Hotel Company with an unpaid capital of one million Saudi Riyals.

On April 28, 2024, Manafea Al Baraka Investment Company was established as a single-member limited liability company with Commercial Registration No. 4031300209 and an unpaid capital of five hundred thousand Saudi Riyals. The company has not yet commenced its operations to date.

1.2 Fiscal year:

The company's consolidated fiscal year begins on January 1 and ends on December 31 of each calendar year. The condensed interim consolidated financial statements presented are for the period from January 1, 2024, to September 30, 2024.

2. Basis of preparation and statement of compliance

2.1 Compliance with Accounting Standards Applied

These interim condensed financial statements (the "financial statements") have been prepared in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" approved in the Kingdom of Saudi Arabia (the International Financial Reporting Standard that specifies the minimum contents of an interim financial report) and other standards and pronouncements issued by the Saudi Organization for Auditors and Accountants.

The condensed interim consolidated financial statements do not include all the information and disclosures required for a full set of financial statements prepared in accordance with IFRS and should be read in conjunction with the company's annual financial statements as of December 31, 2023 ("the latest annual financial statements"). Additionally, the results for the interim period ended September 30, 2024, may not be an accurate indicator of the expected results for the fiscal year ending December 31, 2024.

Makkah Construction and Development Company
(A Saudi joint-stock company)
Makkah – Saudi Arabia
Notes to the interim condensed consolidated financial statements
For the three-month and nine-month periods ended 30 September 2024 (unaudited)
(Expressed in Saudi Riyals)

2. Basis of preparation and statement of compliance (continued)

2.2 BASIS OF MEASUREMENT

The Consolidated interim condensed financial statements have been prepared on the historical cost basis using the principle of accounting accrual, with the exception of financial instruments that are measured at fair value.

2.3 Functional and presentation currency

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

2.4 Going concern basis

The management of the company has assessed its ability to continue operating as a going concern while preparing the accompanying financial statements and is confident that the company has sufficient resources to sustain its operations in the foreseeable future. In addition, the management is not aware of any material uncertainty that may cast significant doubts about the Company's ability to continue as a going concern.

2.5 Basis for consolidation of financial statements:

These consolidated financial statements consist of the financial statements of the parent company and its subsidiaries. A subsidiary is an entity controlled by the Parent Company. Control is achieved when the parent company is exposed to risks or has rights to receive various returns from its relationship with the invested company and has the ability to influence those returns through its authority over the investees.

Specifically, the parent company controls the investees only when the parent has:

- Control over the investees (i.e. having rights that give the parent the ability to direct the related activities of the investees),
- Exposure to risks, or rights to receive different returns through its relationship with the investees.
- Generally, it is assumed that a majority of voting rights results in control. Supporting this assumption, when the parent company has less than a majority of voting rights or similar rights in the investees, the parent considers all relevant facts and circumstances to determine whether it exercises control over the investees, including:
 - Contractual arrangements with other voting rights holders,
 - Rights arising from other contractual arrangements,
 - The parent company's special voting rights and potential voting rights.
- The parent company re-evaluates whether it exercises control over the investees when facts and circumstances indicate a change in any of the three control elements. Consolidation of subsidiaries begins when the parent company controls the subsidiary and ceases when the parent relinquishes such control. Assets, liabilities, income, and expenses of acquired or disposed subsidiaries during the year are included in the consolidated financial statements from the date control is transferred to the parent until the parent relinquishes control over the subsidiaries.
- Income or loss and each component of other comprehensive income relate to the shareholders of the parent company and non-controlling interests, even if this results in a deficit in non-controlling equity balances. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those adopted by the parent company. All intercompany assets, liabilities, equity, revenues, expenses, and cash flows related to transactions between the parent company and the subsidiaries are completely eliminated during consolidation.
- Any change in equity interests in a subsidiaries, without losing control, is treated as an equity transaction. If the parent company loses control over subsidiaries, it ceases to recognize related assets and liabilities (including goodwill), non-controlling interests, and other equity items, while profits or losses arising from this are recognized in the consolidated income statement. Any investment retained is recognized at fair value. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the equity of the parent company in these subsidiaries.

Makkah Construction and Development Company
(A Saudi joint-stock company)
Makkah – Saudi Arabia
Notes to the interim condensed consolidated financial statements
For the three-month and nine-month periods ended 30 September 2024 (unaudited)
(Expressed in Saudi Riyals)

2. Basis of preparation and statement of compliance (continued)

2.6 Significant accounting judgments and estimates

The preparation of these financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and disclosures. These estimates are based on underlying assumption related to historical experience and various other factors that are believed to be reasonable in the these circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimate is modified if the modification affects current and future periods. The significant judgments and estimates have the most significant effect on the amounts recognized in the financial statements are as follows:

Fulfillment of performance obligations

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Company assessed that one performance obligations is related to maintenance services can be measured reliably.

Determination of transaction prices

The Company is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Company assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration, if any.

Classification of real estate properties

The Company exercises its judgment in the classification of real estate as property and equipment and investment properties. The Company considers recognition criteria as per the supporting accounting standard with the management's intention and effective plan. The Hotels are considered as occupied by the owner and held for use to provide services while commercial malls are classified as investment properties as they are held for a third-party leasing.

Operating lease classification – Company as lessor

The Company entered commercial leases for its investment property. Based on the assessment of the terms and conditions of the agreements, such as the lease term that does not constitute a significant part of the economic life of the property and the present value of the minimum lease payments that amount to substantially all the fair value of the commercial properties, the company has concluded that it retains all significant risks and rewards of ownership of these properties. Therefore, it accounts for the contracts as operating leases.

Impairment of financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds the recoverable amount, which is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is arrived based on available data from binding sales transactions at arm's length, for similar assets. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Useful lives and residual value of of property, equipment and investment property

The Company's management estimates the useful lives of its property and equipment and investment properties for calculating depreciation. Such estimates are updated after considering the expected use of the assets, obsolescence, and wear and tear. The management periodically reviews estimated useful lives, the residual values and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

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Notes to the interim condensed consolidated financial statements
For the three-month and nine-month periods ended 30 September 2024 (unaudited)
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2. Basis of preparation and statement of compliance (continued)

2.6 Significant accounting judgments and estimates (Continued)

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the option to extend or terminate. The assessment is reviewed if a material event or a significant change in circumstances has occurred that affects this assessment. During the current financial period, there was no material financial impact of revising the terms of the lease contracts to reflect the impact of exercising extension or termination options.

Depreciation and amortization of non-current assets

Depreciation and amortization are recognized to write off the cost of assets less their residual value over their useful lives using the appropriate method. The Company's management estimates useful lives, residual values and depreciation method and reviews them at the end of each reporting period. The impact of any changes in estimate is calculated on a prospective basis.

ECL allowance for trade and other debit balances

The Company uses a provision matrix to calculate expected credit losses on trade receivables and contract assets. Provision ratios are determined based on days past due for different groups of customer segments with similar loss patterns (ie geographic region, product type, customer type, price, coverage by letters of credit and other forms of credit guarantee).

Determining expected credit losses for trade and other debit balances requires the Company to take into account certain estimates of forward-looking factors when calculating the probability of default. These estimates may differ from actual circumstances. The matrix is based on past default experience monitored by the Company. The company will calibrate the table in order to adjust the historical credit loss experience with forecast information, for example, if economic conditions (i.e. GDP) are expected to deteriorate over the next year which could lead to an increasing number of defaults in the tourism and services sector, then previous default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The company assessed the growth rate of the gross domestic product, a macroeconomic factor closely tied to future information, which has the potential to impact the credit risk of customers. Based on this assessment, the company made adjustments to the historical loss by considering the expected changes in this factor through various scenarios. An assessment of the relationship between historically observed rates of default, expected economic conditions and expected credit losses is an important estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's previous credit losses and expected economic conditions may not be an indication of the customer's actual default in the future. Information about expected credit losses on trade receivables and contract assets of the company has been disclosed in the related notes.

Provision for Zakat and VAT

When the amount of zakat is an uncertain liability or asset, the Company recognizes the provision that reflects management's best estimate as a more probable outcome based on facts known in the relevant period. Any differences between the zakat estimates and final zakat assessments are charged to the statement of profit or loss in the period in which they are incurred.

Impairment of financial assets

At the end of each reporting period, the Company estimates the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. in the event of this indication, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Contingent liabilities

By default, contingent liabilities will only be resolved upon the occurrence or non-occurrence of one or more future events. The assessment of such contingencies inherently involves exercise of significant judgment and estimates of the outcome of future events.

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2. Basis of preparation and statement of compliance (continued)

2.6 Significant accounting judgments and estimates (Continued)

Employees defined benefit obligations

The cost of employees' terminal benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employees' turnover (employment, termination, resignations). Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each period end. The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, Management considers the market yield on high quality corporate/government bonds. Future salary increases are based on the expected future inflation rates, seniority, promotion, demand, and supply in the employment market. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes.

Fair value measurement of financial instruments

The company measures some financial instruments and non-financial assets according to the fair value at the statement of financial position date.

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:

- Sale or transfer in the principal market for the asset or liability, or
- A sale or transfer in a market other than the principal, i.e. in the most advantageous market for the asset or liability.

The company must have access to the principal market or the most favorable market. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or 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 by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate for the circumstances and for which sufficient data is available to measure fair

value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Inputs are quoted prices asset markets for identical assets (unadjusted) of similar obligations,
- **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 not observable.

The Company's management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Company identified classes of assets and liabilities based on their nature, characteristics and risks of the asset or liabilities and the level of the fair value hierarchy, as described above.

3. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs), AMENDMENTS TO IFRS AND INTERPRETATION

No new accounting standards and interpretations were issued. However, a number of changes to the standards are effective as of January 1, 2024 which were explained in the financial statements of the Company. These standards and interpretations do not have a material impact on the interim condensed consolidated financial statements of the Company.

4. Summary of Material Accounting Policies:

The applied accounting policies and methods of calculation are consistent with those used for the previous financial year.

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5. Property, plant and equipment - net

Cost	Lands	Buildings	Property and equipment	Furniture and Fixtures	Motor vehicles	Total
As of January 01, 2023 (audited)	601,409,769	972,237,475	192,132,363	40,928,032	1,350,919	1,808,058,558
Additions during the year	-	20,423,721	24,632,332	2,140,507	-	47,196,560
Disposals during the year	-	-	(2,453,342)	(620,765)	(205,913)	(3,280,020)
As of 31 December 2023 (audited)	601,409,769	992,661,196	214,311,353	42,447,774	1,145,006	1,851,975,098
As of January 01, 2024 (audited)	601,409,769	992,661,196	214,311,353	42,447,774	1,145,006	1,851,975,098
Additions during the period	-	3,769,208	15,172,779	1,672,945	-	20,614,932
Disposals during the period	-	-	-	-	(199,000)	(199,000)
As of 30 September 2024 (unaudited)	601,409,769	996,430,404	229,484,132	44,120,719	946,006	1,872,391,030
Accumulated depreciation						
As of January 01, 2023 (audited)	-	360,453,920	108,244,415	33,384,848	1,230,599	503,313,782
Deprecation during the year	-	11,716,365	13,536,482	2,468,775	62,357	27,783,979
Disposals during the year	-	-	(2,393,006)	(547,038)	(198,007)	(3,138,051)
As of 31 December 2023 (audited)	-	372,170,285	119,387,891	35,306,585	1,094,949	527,959,710
As of January 01, 2024 (audited)	-	372,170,285	119,387,891	35,306,585	1,094,949	527,959,710
Depreciation during the period	-	8,953,691	12,001,953	1,889,875	18,964	22,864,483
Disposals during the period	-	-	-	-	(198,998)	(198,998)
As of 30 September 2024 (unaudited)	-	381,123,976	131,389,844	37,196,460	914,915	550,625,195
Net book value:						
As of 30 September 2024 (unaudited)	601,409,769	615,306,428	98,094,288	6,924,259	31,091	1,321,765,835
As of 31 December 2023 (audited)	601,409,769	620,490,911	94,923,462	7,141,189	50,057	1,324,015,388

5.1 Included in the additions to property, plant, and equipment are financing costs amounting to SAR 6,051,631 as of September 30, 2024 (December 31, 2023: SR 8,244,668).

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6. Investment properties - net

Cost	Lands	Buildings	Furniture & Furnishings	Total
As of January 01, 2023 (audited)	66,082,344	221,116,068	54,762,760	341,961,172
Additions during the year	-	-	226,820	226,820
Disposals during the year	-	-	(292,734)	(292,734)
As of 31 December 2023 (audited)	66,082,344	221,116,068	54,696,846	341,895,258
As of January 01, 2024 (audited)	66,082,344	221,116,068	54,696,846	341,895,258
Additions during the period	-	224,698	1,389,289	1,613,987
Disposals during the period	-	-	-	-
As of 30 September 2024 (unaudited)	66,082,344	221,340,766	56,086,135	343,509,245
Accumulated depreciation				
As of January 01, 2023 (audited)	-	91,007,879	28,070,413	119,078,292
Depreciation during the year	-	2,744,454	2,437,978	5,182,432
Disposals during the year	-	-	(289,818)	(289,818)
As of 31 December 2023 (audited)	-	93,752,333	30,218,573	123,970,906
As of January 01, 2024 (audited)	-	93,752,333	30,218,573	123,970,906
Depreciation during the period	-	2,061,011	1,857,764	3,918,775
Disposals during the period	-	-	-	-
As of 30 September 2024 (unaudited)	-	95,813,344	32,076,337	127,889,681
Accumulated impairment				
As of January 01, 2023 (audited)	-	4,387,700	-	4,387,700
Impairment during the year	-	764,731	-	764,731
As of 31 December 2023 (audited)	-	5,152,431	-	5,152,431
As of January 01, 2024 (audited)	-	5,152,431	-	5,152,431
Impairment during the period	-	-	-	-
As of 30 September 2024 (unaudited)	-	5,152,431	-	5,152,431
Net book value:				
As of 30 September 2024 (unaudited)	66,082,344	120,374,991	24,009,798	210,467,133
As of 31 December 2023 (audited)	66,082,344	122,211,304	24,478,273	212,771,921

- The parent company has investment properties consisting of a shopping center and four other properties leased to third parties.
- On 31 December 2023, the fair value measurement for all of the investment properties has been categorized as a level 3 fair value based on the inputs to the valuation techniques used.
- The total fair value of the investment properties was determined by an external appraiser, a member of the Saudi Authority for Accredited Valuers and specializing in the valuation of investment properties, with a fair value of SR 3,557,683,692 as of December 31, 2023. Management believes that there has been no significant change in the fair value during the nine months from the valuation date of December 31, 2023, to the date of the condensed interim consolidated financial statements on September 30, 2024.
- The depreciation charge expense the period has been allocated to the cost of revenue

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6. Investment properties - net (continued)

- Amounts recognized in statement of profit or loss and other comprehensive income for investment properties are as follows:

	For the nine-month period ended 30 September 2024 (unaudited)	For the nine-month period ended 30 September 2023 (unaudited)
Rental income from operating leases	168,293,205	136,387,464
Direct operating expenses on property that generated rental income	34,964,868	39,155,098

There are no direct operating expenses for investment properties that do not generate rental income (under development) for the periods ended September 30, 2024, and September 30, 2023.

- The table below shows the technical methods used in measuring the fair value of the investment properties, and the significant unobservable inputs used.

Valuation technique

Income approach: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental, cap rates and occupancy rate.

The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location and lease terms.

Unobservable input

Management has determined approaches using the below key assumptions as follows:

Approach used to determine values Approach used to determine values

Average daily rate	Based on the actual location, type and quality of the properties and supported by historic trends and approved room rents including impacts of expected inflations.
Estimated occupancy rate	Based on current, historic, and expected future market conditions.
Retail developed land value	Prices of residential and commercial land parcels per square meter in the neighboring districts.
Discount rates	Reflects current market assessments of the uncertainty in the amount and timing of cash flows.
Capitalization rate	It is based on actual location, size and quality of the properties and taking into account market data at the valuation date.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) appreciation long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

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7. Financial assets at fair value through other comprehensive income

The Company classified the investments below as financial assets at fair value through other comprehensive income. This is because these financial assets represent investments the Company intends to hold for a long term for strategic purposes. Details are below:

	30 September 2024	31 December 2023
	(unaudited)	(audited)
Jabal Omar Development Co. - investments in listed shares note (7.1)	2,402,101,499	2,159,192,358
Jabal Omar Development Co. - investment shares under issuance note (7.2)	309,564,950	309,564,950
Commodity trading fund	-	1,036,362
	2,711,666,449	2,469,793,670

The table below shows unrealized gains on revaluation and investment movements in equity instruments designed at Fair Value through Other Comprehensive Income (FVTOCI):

	30 September 2024	31 December 2023
	(unaudited)	(audited)
Balance at the beginning of the period / year	1,190,279,326	628,664,525
Unrealized profits for the period/year	242,909,140	561,614,801
Realized gains for the period/year	(228,895)	-
Balance at end of the period/ year	1,432,959,571	1,190,279,326

7.1 The parent company has investments in Jabal Omar Development Company, consisting of investments in listed shares. The Company has a non-controlling interest of 7.508%. These investments have been irrevocably classified at fair value through other comprehensive income. The fair value of these shares determined by the quoted share price in an active market.

The Company holds a total of 96,392,516 shares in JODC. The company requested Jabal Omar Development Company to confirm the number of shares owned by the company as of September 30, 2024. According to the confirmation received, JODC confirmed number of shares less by 1,198,571 shares as compared to the total number of shares recorded in the Company's books and records. These shares are undergoing reconciliation as a result of the difference in the measurement of the areas of lands compared to title deeds provided as in-kind capital from MCDC. The management of the Company sought a legal opinion from their external legal advisor. The Company has been advised by its legal advisor that:

- JODC may not make any adjustment to the number of shares of MCDC, by decreasing, modifying, or any other action, and thus, no amendment or change may occur to the value of the shares entered by MCDC as a shareholder in JODC. According to the Article (66) of the Companies' Law, the evaluation report of in-kind shares submitted by the Company is binding on JODC as long as it is not objected by the Constituent Assembly.

- Before adding the final amount of the area as per the deeds by the respective authorities and departments, the value of the contribution entered by the Company in JODC remains as it is and there is no modification or change to it until the total area of the deeds is added by the respective authorities. It is not permissible for JODC to enforce the Company to pay amounts in excess of the amount they committed when issuing the share.

- Accordingly, the balance of the in-kind shares owned by the Company at JODC is 96,392,516 shares, including the shares related to title deeds that have not yet been transferred to JODC to date, until the total area as per the deeds is added by the respective authorities, and JODC may not reduce the number of shares or reduce the value of the assessment of in-kind shares submitted upon subscription.

Based on the above legal opinion, the management has recorded the total number of shares at the fair value in the interim condensed consolidated financial statements.

Furthermore, out of the total JODC Total shares owned by the Company, there are 8,509,144 share that represent in-kind capital shares in exchange for land titles that the Company acquired from landowners in favor of JODC's project and the transfer of the titles have not yet been finalized. Accordingly, these shares are being registered under Makkah Company's portfolio and upon completion of transferring of the lands' titles to JODC, the Company will be able to access its rights over these shares like in the sale transactions. These shares are already recorded as part of JODC's share capital.

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7. Financial assets at fair value through other comprehensive income (continued)

7.2 The company signed a debt settlement agreement with Jabal Omar Development on December 20, 2023 (7/6/1445 Hijri), under which both parties agreed to settle the remaining due debts amounting to 309,564,950 Saudi Riyals. This debt is the outstanding amount due to the company from Jabal Omar Development arising from the company purchasing the cash share on behalf of property owners who did not complete their legal and regulatory documentation, as stated in subsection (b) of the first item of Article Seven in the bylaws of Jabal Omar Development, in exchange for issuing new shares in Jabal Omar Development. The number of shares to be issued will be determined based on the closing price of the trading day preceding the date of the extraordinary general assembly of Jabal Omar, as stipulated in the terms of the agreement. The main terms of the agreement include the procedures and conditions to be fulfilled by both parties (as applicable) to complete the potential transaction, mainly:

1. Jabal Omar Development Company has obtained the necessary regulatory approvals, specifically the approval from the Capital Market Authority and the Saudi Stock Exchange (Tadawul), for the purpose of issuing and listing new shares.
2. Obtaining any approvals required from other parties whose consent is necessary for the execution of the potential transaction.
3. Gaining approval from the extraordinary general assembly of Jabal Omar Development for the potential transaction.

On April 3, 2024, Jabal Omar Development Company submitted a request to the Capital Market Authority for approval to increase its capital by converting outstanding debts owed by Jabal Omar, including debts owed to Makkah Construction and Development Company amounting to SAR 309,564,950.

On September 1, 2024, the Capital Market Authority announced its decision to approve Jabal Omar Development Company's request to increase its capital by converting outstanding debts amounting to SAR 547,498,209, which includes the debts owed to Makkah Construction and Development Company of SAR 309,564,950. This approval is conditional upon the extraordinary general assembly's approval of Jabal Omar Development Company and the related regulatory requirements.

On October 14, 2024, Jabal Omar announced the date for the extraordinary general assembly meeting, scheduled for Monday, November 4, 2024, which will include an agenda item for increasing the capital through the conversion of outstanding debts owed by Jabal Omar Development Company.

Historical narrative of Jabal Omar's debt:

Due to the location of the project and the characteristics associated with land ownership around the Grand Mosque area, there were some plots of land without title deeds. Accordingly, the shareholders of the plots of land worth SR 359,564,950 were unable to complete the documents related to the ownership of these lands.

With regard to those owners who were unable to present their legal title deeds, in accordance with the ownership transfer agreement, MCDC has subscribed to the company's shares on behalf of these owners. This was approved by Royal Decree No. M/63 on 25/09/1427H (corresponding to 18 October 2006).

The amount paid to MCDC during the year ended on 30 Dhul-Hijjah 1436H (14 October 2015) amounting to SR 50 million was settled in return for the receivable.

On Jumada al-Thani 24, 1438 H corresponding to March 23, 2017, the Ordinary General Assembly of the Jabal Omar Development Company was held and approved the purchase by Jabal Omar Development Company of the remaining cash share of the Makkah Construction and Development Company, amounting at that time to 35,956,495 cash shares, at a nominal value of SR359,564,950 Saudi riyals, and authorizing the Jabal Omar Board of Directors For development to determine the payment mechanism. According to the Articles of Association of Jabal Omar Development Company, Makkah Construction and Development Company is committed to what is approved by the General Assembly of Jabal Omar Development Company regarding the remaining cash shares.

As a result, Jabal Omar Development Company obtained its rights to use these lands. Consequently, Jabal Omar Development Company completed the construction on these lands, and in 2020, regulatory authorities issued a unified title deed in the company's name for the total area of the project under the name of Jabal Omar Development Company. The fact that the Company subscribed to the shares on behalf of the owners who were unable to present the legal title deeds for their title deeds, the corresponding amount was recognized as a liability of Makkah Construction and Development Company.

On 29 March 2023, a letter from the Chairman of the Board of Directors of Jabal Omar Company, issued, referring to a decision made by the General Assembly of Jabal Omar Company on March 23, 2017, to authorize its Board of Directors to determine the payment mechanism for settlement(cash, property or a combination of both), which falls under the obligation of Jabal Omar Company. Accordingly, Jabal Omar Company resolved to settle the remaining obligation of 309,564.950 million Saudi riyals to Makkah Construction and Development Company. One of the proposed options is to hand over non-financial assets in the form of property.

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7. Financial assets at fair value through other comprehensive income (continued)

The historical narrative of Jabal Omar's debt (continued)

On June 6, 2023, a letter from the Chairman of the Board of Jabal Omar Company was issued, indicating the Board's approval of settling the cash portion by issuing new shares of Jabal Omar Company in favor of Makkah Construction and Development Company. A financial advisor has been appointed to study the valuation mechanism and the appropriate exchange ratio to determine the number of shares required to be issued to settle the cash share.

On December 20, 2023, the debt amount of 309,564,950 Saudi Riyals owed by Jabal Omar was reclassified to financial investments measured at fair value through other comprehensive income based on the share swap agreement concluded with Jabal Omar.

8. Investment payments in associates

The following is a statement of the company's investment in associates accounted for using the equity method:

Name	Country of incorporation:	Principal Activity	Effective ownership %		30 September 2024 (unaudited)	31 December 2023 (audited)
			30 September 2024	31 December 2023		
Jorhum Regeneration and Development Company (closed joint-stock company)	Kingdom of Saudi Arabia	Property development	18.79	27.51	18,357,244	16,231,613
First Avenue for Real Estate Development Company (Joint Stock Company)	Kingdom of Saudi Arabia	Property development	30.13	-	340,889,646	-
					359,246,890	16,231,613

8.1 Below is the movement of investments in associates during the period/year:

For the period ended 30 September 2024	Jorhum Regeneration and Development Company	First Avenue for Real Estate Development Company	Total
Balance at 1 January 2024	16,231,613	-	16,231,613
Acquisition of investments	-	340,889,646	340,889,646
The Company's share in results of associates	(314,657)	-	(314,657)
Investment settlement in an associate	2,440,288	-	2,440,288
Balance at 30 September 2024	18,357,244	340,889,646	359,246,890

For the year ended 31 December 2023	Jorhum Regeneration and Development Company	First Avenue for Real Estate Development Company	Total
Balance at 1 January 2023	16,231,613	-	16,231,613
The Company's share in results of associates	-	-	-
Balance at 31 December 2023	16,231,613	-	16,231,613

8.2 Investments in associates include goodwill arising from acquisitions as part of the carrying amount of the investment.

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8. Investment payments in associates (Continued)

8.3 The Board of Directors of Makkah Construction and Development Company unanimously decided in its meeting No. (133) held on 25 Muharram 1435 AH (corresponding to November 28, 2013) to contribute a cash share in the capital of Jorhum Regeneration and Development Company, which operates in the real estate development sector, primarily focused on developing the Al-Sharashif area. Following this decision, the company decided on 11 Jumada I 1435 AH to pay an amount of SAR 28.84 million, representing 27.5% of the capital of Jorhum Regeneration and Development Company, which was SR 104.84 million at that time.

In 2019, Jorhum Regeneration and Development Company reduced its capital by SAR 55 million to cover accumulated losses, bringing its capital to SAR 49.84 million. This reduction did not affect Makkah Construction and Development Company's ownership percentage in Jorhum Regeneration and Development Company capital.

In 2024, Jorhum Regeneration and Development Company increased its capital to SAR 102.47 million, leading to an adjustment in Makkah Construction and Development Company's ownership percentage in Jorhum Regeneration and Development Company to 18.79%. However, this adjustment did not impact the significant influence of Makkah Construction and Development Company over Jorhum Regeneration and Development Company, and therefore, the investment in Jorhum Regeneration and Development Company continued to be classified as an investment in associates.

8.4 the Board of Directors of Makkah Construction and Development Company unanimously decided to invest in First Avenue Real Estate Development Company, which also operates in the real estate development sector. Following this decision, the company entered into share purchase agreements on 23 Safar 1446 AH (corresponding to August 27, 2024) with 57 shareholders of First Avenue Real Estate Development Company, as well as with the company itself, to acquire a 30.13% stake (representing 56,814,941 ordinary shares) in First Avenue Real Estate Development Company. The total value of the transaction amounted to SAR 340,889,646.

9. Trade receivables - net

	30 September 2024 (unaudited)	31 December 2023 (audited)
Customers of Commercial Center	38,416,286	33,134,735
Customers of Hotels and Towers	18,147,562	13,667,201
Hajj and Umrah customers	34,594,380	1,882,402
Net due from the hotel operator and towers (Millennium)	11,075,954	11,075,954
Tenants of Jabal Omar Real State	3,650,000	2,356,099
	105,884,182	62,116,391
Less: Provision for the expected credit loss (note 9.2)	(38,000,445)	(38,000,445)
Balance at end of the period/ year	67,883,737	24,115,946

9.1 Trade receivables are non-derivative financial assets carried at amortized cost and are generally on terms of 90 to 180 days. The carrying value may be affected by changes in the credit risk of the counterparties. It is not the practice of the Company to obtain collateral over third party trade receivables and these are, therefore, unsecured. The company's trade receivables are concentrated in the Kingdom of Saudi Arabia. Because trade receivables have short maturity, their carrying amounts are approximated to their fair values as of September 30, 2024, and December 31, 2023.

9.2 Movement in allowance for expected credit losses on trade receivables:

	30 September 2024 (unaudited)	31 December 2023 (audited)
Balance at beginning of period/year	38,000,445	44,266,505
Provision charged for the period/year	-	10,333,907
Reclassified from due from related parties	-	3,282,868
Trade receivables written off during the the period/period	-	(218,386)
Reversal of provision during the the period/period	-	(19,664,449)
Balance at end of the period/ year	38,000,445	38,000,445

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10. Related parties transactions and balances

Key Management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any director (whether executive or otherwise).

	For the nine-month period ended 30 September 2024 (unaudited)	For the nine-month period ended 30 September 2023 (unaudited)
Salaries, allowances and incentives	5,275,091	2,638,884
Rent	480,148	936,300
	5,755,239	3,575,184

11. Dividends payable

On March 25, 2024, the company announced the Board of Directors' recommendation to distribute cash dividends to its shareholders for the year ended December 31, 2023, totaling SAR 247,224,362, with a per-share distribution of SAR 1.5, subject to the approval of the company's General Assembly held on 21 Dhu al-Qi'dah 1445 (corresponding to May 29, 2024). For the year 2023, dividends amounting to SAR 164,816,240 were distributed, with a per-share distribution of SAR 1, based on the approval of the General Assembly held on 17 Dhu al-Qi'dah 1444 (corresponding to June 6, 2023). Below is the breakdown of dividends payable:

	30 September 2024 (unaudited)	31 December 2023 (audited)
Balance at the beginning of the period / year	184,235,872	181,169,478
Dividends declared during the period / year	247,224,362	164,816,240
Dividend payments during the period/year	(241,902,338)	(161,749,846)
Balance at end of the period/ year	189,557,896	184,235,872

Dividends payable as of September 30, 2024, represent the remaining balance related to dividends declared for the years from 1994 until the period ended September 30, 2024, which are pending until some shareholders complete the necessary bank transfer procedures before the payment of the outstanding dividends. The company maintains separate bank accounts amounting to SAR 115.3 million (December 31, 2023: SAR 113.35 million) specifically for the dividends payable to its shareholders.

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12. Zakat provision

12.1 Movement in zakat provision

	30 September 2024	31 December 2023
	(unaudited)	(audited)
Balance beginning of the period / year	48,447,225	60,599,598
Formed during the period/year	12,578,221	14,526,465
Paid during the period/year	(52,570,986)	(26,678,838)
Balance at end of the period/ year	8,454,460	48,447,225

12.2 Zakat status

12.2.1 The Company submitted its zakat returns until the last year on 31 December 2023.

In 2024, the General Authority of Zakat and Tax (GAZT) conducted a preliminary assessment of the company for the period from December 5, 2021, to December 31, 2022, which is still under review, with responses pending from the company.

The Zakat, Tax, and Customs Authority issued the zakat assessment for the years 1440 AH and 1441 AH, which identified a total zakat difference of 28,620,237 SAR. A lawsuit was filed with the General Secretariat of Tax Committees, and decision number (2409-2022-IFR) was issued by the first circuit for adjudicating income tax violations and disputes in Riyadh. The decision was appealed before the first appellate circuit for income tax violations and disputes. The appellate committees rejected the company's appeal for the years 1440 AH and 1441 AH. The company paid the remaining zakat differences, amounting to 8,831,809 SAR for the year 1440 AH and 12,624,828 SAR for the year 1441 AH, thereby resolving its zakat situation for both years. It is noted that the company had previously paid 25% of the zakat difference amounts for both years.

The Zakat, Tax and Customs Authority (ZATCA) issued a zakat assessment for 1438 H and 1439 H with a zakat difference amounting to SR 15,019,502. The Company appealed against these assessments before the General Secretariat of Tax Committee. Resolution number IZD-2022-695 was issued by the First Circuit of Tax Violation and Dispute Resolution in Dammam. The decision was appealed before the First Appellate Division for the Settlement of Income Tax Violations and Disputes, and the decision of the First Appellate Committees for the Settlement of Income Tax Violations and Disputes was issued, rejecting the appeal in its entirety. The company has paid all the Zakat differences and settled the Zakat position for the years 1438H and 1439H.

During the year 2024, the Zakat, Tax and Customs Authority demanded zakat differences for the year 1431 H amounting to SR 16,587,884, which the company paid in full during the year 2024.

12.2.2 - Management believes that the provisions recorded are sufficient to cover future zakat obligations, according to the opinion of the company's zakat consultant.

13. Earnings per share

As of September 30, 2024, and September 30, 2023, basic earnings per share are calculated by dividing the profit attributable to the company's shareholders by the weighted average number of outstanding shares during the period. As there are no diluted shares outstanding, basic, and diluted earnings per share are identical.

	For the nine-month	For the nine-month
	period ended 30	period ended 30
	September 2024	September 2023
	(unaudited)	(unaudited)
Profit for the period attributable to shareholders of the Company	325,371,274	255,912,351
Weighted average number of shares outstanding	164,816,240	164,816,240
Basic and diluted earnings per share	1.97	1.55

Diluted earnings per share

During the period, there were no transactions resulting in diluting the earning of the shares, and thus, the diluted earning per share doesn't differ from the basic earning per share.

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14. Segment information

For the nine-month period ended 30 September 2024

	The Commercial Center	Hotels and towers	Hajj and Umrah	Investment sector	Other	Total
Revenue	168,293,205	349,092,049	157,090,844	-	2,909,697	677,385,795
Cost of revenue	(34,964,868)	(130,359,946)	(142,040,397)	-	-	(307,365,211)
Gross profit for the sector	133,328,337	218,732,103	15,050,447	-	2,909,697	370,020,584
Selling and marketing expenses	-	(4,521,245)	-	-	-	(4,521,245)
General and administrative expenses	-	(23,344,201)	-	-	(20,383,736)	(43,727,937)
Finance costs	-	-	-	-	(822,794)	(822,794)
Return on Islamic Murabaha deposit	-	-	-	-	14,850,909	14,850,909
The Company's share in results of associates	-	-	-	-	(314,657)	(314,657)
Investment settlement in an associate	-	-	-	-	2,440,288	2,440,288
Other income	-	-	-	-	24,347	24,347
Zakat	-	-	-	-	(12,578,221)	(12,578,221)
Net Profit (loss) during the period	133,328,337	190,866,657	15,050,447	-	(13,874,167)	325,371,274
As of 30 September 2024,						
Segment assets	375,978,639	1,188,141,342	35,833,191	3,070,913,339	346,058,906	5,016,925,417
Segment liabilities	71,651,526	59,719,033	14,986,672	-	457,974,412	604,331,643

For the nine-month period ended September 30, 2023

	The Commercial Center	Hotels and towers	Hajj and Umrah	Investment sector	Other	Total
Revenue	136,387,464	331,110,890	125,717,245	-	3,907,296	597,122,895
Cost of revenue	(39,155,098)	(121,276,459)	(119,023,540)	-	-	(279,455,097)
Gross profit for the sector	97,232,366	209,834,431	6,693,705	-	3,907,296	317,667,798
Selling and marketing expenses	-	(5,051,288)	-	-	-	(5,051,288)
General and administrative expenses	-	(23,732,046)	-	-	(21,717,413)	(45,449,459)
Provision for credit loss	-	-	-	-	(4,910,640)	(4,910,640)
Other income	-	-	-	-	217,795	217,795
Zakat	-	-	-	-	(6,561,855)	(6,561,855)
Net Profit (loss) during the period	97,232,366	181,051,097	6,693,705	-	(29,064,817)	255,912,351
As of 30 September 2023,						
Segment assets	406,613,323	1,196,670,273	9,277,345	2,278,592,826	760,367,400	4,651,521,167
Segment liabilities	32,755,715	92,352,037	941,001	-	410,580,084	536,628,837

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15. Contingencies and commitments

	30 September 2024	31 December 2023
	(unaudited)	(audited)
Letters of guarantee	2,000,000	2,000,000
Capital commitments	38,248,073	49,050,211
Investment contribution - unpaid	-	19,543,280

16. Seasonality

The business results for the period do not necessarily represent an accurate indication of the actual results for the full year operations. The revenue of operating suits and hotel rooms increase during Hajj and Omrah seasons and during summer vacations. Revenue decreases during the rest of the year. Such changes are reflected on the financial results of the Company's operations during the period. Therefore, the operation results for this period may not be an accurate indication of the actual results of the full year.

17. Legal cases

17.1 Cases filed by the Company against others

As of September 30, 2024, there is a legal claim filed by the company against a third party, with a total value of SAR 8.5 million (compared to SAR 10.7 million as of December 31, 2023).

The company has also initiated legal proceedings against the previous hotel operator, Millennium & Copthorne Hotels Middle East Limited, to recover a receivable balance of SAR 39 million, representing the minimum guaranteed difference according to the agreement signed with Makkah Construction and Development Company at the Economic Court. The arbitration panel ruled that the company is not entitled to the minimum guaranteed difference; however, the company has recorded adequate provisions against the receivable balance, in line with the opinion of its management and legal advisor.

A lawsuit raised by the Company against Makkah Region Development Authority ("the Authority") for the recovery of consultancy fees, designs, and models and various other costs that were incurred by the Company amounting to SR 17.36 million on the studies of the Western Parallel Road project under the supreme order no. 22589 dated 14 Jumada Al-Ula, 1424H. The authority appealed the case; however, the appeal ruling was in favor of the company, obligating the authority to compensate the company for the incurred costs. Nevertheless, the authority filed another appeal during the year ending on 29 Rabi' al-Thani 1443 AH (corresponding to December 4, 2021), and the appeal ruling concluded that the company is not entitled to this compensation. The company has set aside provisions against the receivable balances, according to the opinion of its management and legal advisor.

17.2 Cases filed by others against the Company

"There are legal claims filed against the company as of September 30, 2024, with a specified value of SAR 3.65 million (December 31, 2023: SAR 600,000), as well as an unspecified claim related to contract termination. According to the company's legal advisor, the company holds a strong position to win these cases.

18. Comparative figures

Certain comparative figures for the three-month period from July 1, 2023, to September 30, 2023, have been reclassified to align with the current year's classification as follows:

	As restated		
	previously	Reclassification	Restated
Statement of income			
Cost of revenue	158,834,109	10,332,812	169,166,921
Selling and marketing expenses	-	1,462,395	1,462,395
General and administrative expenses	20,260,255	(11,795,207)	8,465,048

Certain comparative figures for the nine-month period from January 1, 2023, to September 30, 2023, have been reclassified to align with the current year's classification as follows:

	As restated		
	previously	Reclassification	Restated
Statement of income			
Cost of revenue	257,233,124	22,221,973	279,455,097
Selling and marketing expenses	-	5,051,288	5,051,288
General and administrative expenses	72,722,720	(27,273,261)	45,449,459

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19. Subsequent events

On October 31, 2024, the Board of Directors of Company issued a resolution recommending the Extraordinary General Assembly to increase the share capital through granting bonus shares to the Company's shareholders. Each shareholder will be granted one share for every 4.6844 shares owned by transferring SR 351.8 million from retained earnings so the share capital, after the increase, becomes SR 2 billion.

Except for above, the Management believes there are no significant events as of the date of the interim condensed consolidated statement of financial position on September 30, 2024 and until the date of preparing these interim condensed consolidated financial statements that may have a significant impact on the Company's financial position reported.

20. Approval of financial statements:

The condensed interim consolidated financial statements for the period ending September 30, 2024, were approved for issuance by the company's Board of Directors on Rabi' al-Thani 28, 1446 (corresponding to October 31, 2024).