

RETAL URBAN DEVELOPMENT COMPANY

(A Saudi Closed Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

RETAL URBAN DEVELOPMENT COMPANY

(A Saudi Closed Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION
TO THE SHAREHOLDERS OF RETAL URBAN DEVELOPMENT COMPANY**
(A Saudi Closed Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Retal Urban Development Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2021 and the related condensed consolidated interim statement of profit and loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard No. 34 – "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on the condensed consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other Matter

We draw attention to the fact that the condensed consolidated interim financial information of the Company for the period from 1 January 2020 to 30 June 2020 have not been reviewed.

BAKER TILLY MKM & CO.
Certified Public Accountants

Ayad Obeyan Alseraihi
License No. 405

Al-Khobar 2 Muharram 1443H
10 August 2021



RETAL URBAN DEVELOPMENT COMPANY
(A Saudi Closed Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

		30 June 2021 (Reviewed and Unaudited)	31 December 2020 (Audited)
	<i>Note</i>	<i>SR</i>	<i>SR</i>
ASSETS			
Current assets			
Cash on hand and at banks	5	296,559,135	64,980,903
Prepayments and other receivables		129,427,148	95,963,416
Accounts receivable	6	182,052,805	81,217,784
Inventories		21,867,076	22,253,953
Contract assets	17	118,515,296	203,751,210
Development properties	7	177,582,125	139,487,750
		926,003,585	607,655,016
Non-current assets			
Accounts receivable - non-current portion	6	1,771,990	2,869,455
Property and equipment		91,550,796	90,211,857
Right-of-use assets		10,604,961	14,915,574
Investment properties	8	251,651,078	329,198,152
Intangible assets		3,424,469	3,499,266
Investment in associate	9	178,636,464	121,249,913
		537,639,758	561,944,217
TOTAL ASSETS		1,463,643,343	1,169,599,233
EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable	10	249,300,630	259,460,337
Accrued expenses and other payables	11	77,356,981	26,020,767
Lease liabilities		6,634,892	8,693,371
Contract liabilities	17	26,795,847	24,690,054
Refundable incentives	12	-	115,018,686
Short-term loan	13	50,000,000	50,000,000
Term-loans - current portion	13	310,747,533	83,733,333
Dividend payable		80,000,000	-
Zakat payable		6,361,137	5,975,018
		807,197,020	573,591,566
Non-current liabilities			
Lease liabilities		173,493	3,073,311
Term loans - non-current portion	13	117,608,988	64,666,667
Employee termination benefits		10,189,009	9,481,493
		127,971,490	77,221,471
Total liabilities		935,168,510	650,813,037
Equity			
Capital	14	400,000,000	375,000,000
Statutory reserve		27,301,429	18,832,565
Actuarial reserve		(2,508,550)	(2,508,550)
Retained earnings		103,681,954	127,462,181
Total equity		528,474,833	518,786,196
TOTAL EQUITY AND LIABILITIES		1,463,643,343	1,169,599,233

The accompanying notes form an integral part of these condensed consolidated interim financial information

RETAL URBAN DEVELOPMENT COMPANY

(A Saudi Closed Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

		<i>For the six month period ended 30 June 2021 (Reviewed and Unaudited)</i>	<i>For the six month period ended 30 June 2020 (Unreviewed and Unaudited)</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
Revenue	17	375,338,016	187,442,863
Cost of revenue	18	(284,358,621)	(153,029,473)
Gross profit		90,979,395	34,413,390
General and administrative expenses		(15,439,741)	(13,875,872)
Selling and marketing expenses		(6,869,705)	(4,710,662)
Operating profit		68,669,949	15,826,856
Finance costs		(881,710)	(881,526)
Share of results of associates	9	4,966,551	12,541,180
Gain on sale of investments at fair value through profit or loss		311,164	374,422
Commission income		3,806,250	-
Other income, net		542,049	778,988
Profit before zakat		77,414,253	28,639,920
Zakat		(4,376,965)	(1,800,000)
Income from continuing operations		73,037,288	26,839,920
Discontinued operations:			
Gain on sale of disposal of a subsidiary, net of zakat	16	11,651,349	-
Income from discontinuing operations		11,651,349	-
Profit for the period		84,688,637	26,839,920
Other comprehensive income (OCI)			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent years:</i>		-	-
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		84,688,637	26,839,920
Earnings per Share for the Period (basic and diluted)	20	2.21	1.07

The accompanying notes form an integral part of these condensed consolidated interim financial information

RETAL URBAN DEVELOPMENT COMPANY

(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

	<i>Capital</i>	<i>Statutory reserve</i>	<i>Contribution from a shareholder</i>	<i>Actuarial reserve</i>	<i>Retained earnings</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
For the six month period ended 30 June 2021:						
(Reviewed and unaudited)						
As at 1 January 2021 (Audited)	375,000,000	18,832,565	-	(2,508,550)	127,462,181	518,786,196
Profit from continuing operation for the period	-	-	-	-	73,037,288	73,037,288
Profit from discontinuing operation for the period	-	-	-	-	11,651,349	11,651,349
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	84,688,637	84,688,637
Transfer to statutory reserve	-	8,468,864	-	-	(8,468,864)	-
Increase in contribution from shareholders (note 15)	-	-	5,000,000	-	-	5,000,000
Increase in share capital (note 14)	25,000,000	-	(5,000,000)	-	(20,000,000)	-
Dividend (note 14)	-	-	-	-	(80,000,000)	(80,000,000)
As at 30 June 2021	400,000,000	27,301,429	-	(2,508,550)	103,681,954	528,474,833
 For the six month period ended 30 June 2020:						
(Unreviewed and unaudited)						
As at 1 January 2020 (Audited)	250,000,000	8,969,214	-	(1,494,163)	88,692,027	346,167,078
Profit for the period	-	-	-	-	26,839,920	26,839,920
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	26,839,920	26,839,920
Transfer to statutory reserve	-	2,683,992	-	-	(2,683,992)	-
As at 30 June 2020	250,000,000	11,653,206	-	(1,494,163)	112,847,955	373,006,998

The accompanying notes form an integral part of these condensed consolidated interim financial information

RETAL URBAN DEVELOPMENT COMPANY

(A Saudi Closed Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

	<i>For the six month period ended 30 June 2021 (Reviewed and Unaudited)</i>	<i>For the six month period ended 30 June 2020 (Unreviewed and Unaudited)</i>
	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES		
Profit before zakat	89,065,602	28,639,920
Adjustments for non-cash items:		
Depreciation and amortization	3,104,854	1,473,192
Depreciation on right of use assets	4,034,675	3,831,241
Employee benefits obligations	1,047,818	754,867
Gain on sale of disposal of a subsidiary, net of zakat	(11,651,349)	-
Share of results of associates	(4,966,551)	(12,166,758)
Gain on sale of instruments at fair value through profit or loss	(311,164)	(374,422)
Finance charges	881,710	881,526
	<u>81,205,595</u>	<u>23,039,566</u>
Changes in working capital:		
Development properties	17,250,660	1,446,075
Inventories	386,877	(34,971,152)
Contract assets	85,235,914	34,124,092
Accounts receivable	43,927,685	(6,351,965)
Prepayments and other receivables	(33,463,732)	1,960,779
Accounts payable	(10,159,707)	(35,237,753)
Accrued expenses and other payables	51,336,214	13,210,455
Contract liabilities	2,105,793	(1,606,183)
Cash generated (used in) from operations	<u>237,825,299</u>	<u>(4,386,086)</u>
Employee termination benefits paid	<u>(340,302)</u>	<u>(376,555)</u>
Net cash flows from (used in) operating activities	<u>237,484,997</u>	<u>(4,762,641)</u>
INVESTING ACTIVITIES		
Additions to investment properties	(114,494,960)	(12,014,516)
Purchase of property and equipment	(3,253,001)	(586,005)
Proceeds from sale of property and equipment	-	1,501
Purchase of investments at fair value through profit or loss	(716,520)	(1,356,600)
Proceeds from sale of investments at fair value through profit or loss	1,027,684	1,731,022
Disposal / Redemption of investment in an associate	-	37,919,790
Investment in an associate	(54,000,000)	-
Dividends received from associates	1,580,000	-
Finance cost paid	(623,838)	(2,846)
Net cash flows (used in) from investing activities	<u>(170,480,635)</u>	<u>25,692,346</u>
FINANCING ACTIVITIES		
Repayment from refundable incentives	(115,018,686)	-
Proceeds from borrowings, net of repayment	279,956,521	-
Lease payments	(5,363,965)	(703,130)
Proceeds from contribution from shareholders	5,000,000	-
Net cash flows from (used in) financing activities	<u>164,573,870</u>	<u>(703,130)</u>
Net change in cash and cash equivalents	<u>231,578,232</u>	<u>20,226,575</u>
Cash and cash equivalents at the beginning of the period	9,975,407	4,112,430
Less: change in restricted bank balance (note 5)	<u>(155,272,853)</u>	<u>(8,838,405)</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>86,280,786</u>	<u>15,500,600</u>

The accompanying notes form an integral part of these condensed consolidated interim financial information

RETAL URBAN DEVELOPMENT COMPANY
(A Saudi Closed Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (Continued)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

NON-CASH TRANSACTIONS:

	<i>For the six month period ended 30 June 2021 (Reviewed and Unaudited)</i>	<i>For the six month period ended 30 June 2020 (Unreviewed and Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Development properties transferred from investment properties , net (note 7,8)	55,345,035	1,440,019
Property and equipment transferred from development properties (note 7)	225,128	-
Receivable against disposal of a subsidiary (note 6 , 16 and 19)	152,250,000	-
Investment properties transferred through contribution from a shareholder (note 15)	-	17,560,000
Investment in associates transferred through contribution from a shareholder (note 15)	-	107,440,000
Investment in associate transferred to related party, net	-	72,357,490
Zakat provision transferred to a related party	-	692,862
Increase share capital through transfer from retained earnings (note 14)	20,000,000	-
Dividends	80,000,000	-
Finance cost charged by a related party (note 19)	-	682,236

The accompanying notes form an integral part of these condensed consolidated interim financial information

RETAL URBAN DEVELOPMENT COMPANY

(A Saudi Closed Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****1 GROUP INFORMATION**

Retal Urban Development Company ("the Company") or ("the Parent Company") is a closed joint stock company (previously a limited liability company) registered in the Kingdom of Saudi Arabia under commercial registration No. 2051047761 issued in Khobar on 12 Rabi'I 1433H (4 February 2012). The registered address of the Company is P.O. Box 1448 Prince Faisal Bin Fahad Bin AbdulAziz Avenue, Al Khobar, 31952, Kingdom of Saudi Arabia.

During the year 2020, the shareholders decided to convert the Company from a limited liability Company to a closed joint stock company. The Company obtained ministerial approval for the official announcement of the conversion on 9 Muharram 1442 H, corresponding to 28 August 2020.

The Company's by-laws stipulate that the Company's first fiscal year starts from the date of ministerial approval of the official announcement to convert the Company from a limited liability company to a closed joint stock company i.e. 28 August 2020 until 31 December of the following year. The Company's management believes that since the change in the legal form of the Company did not lead to any new accounting unit, the consolidated financial statements for the year ended 31 December 2020 have been prepared for a full year from 1 January 2020 to 31 December 2020, to better reflect the Company's operations on a consistent and comparable basis.

The Parent Company is principally engaged in:

- Purchase and sale of land and real estate, divide them, and sale on map activities;
- General construction of residential buildings;
- General construction of non-residential building, including (schools, hospitals, hotels ...etc).

The Parent Company's By-laws includes the activity of acquisition of shares or shares in existing companies or merger with them.

The financial statements include the assets, liabilities, and the results of the Company and the following branch:

Branch	Date	Location	Registration certificate
Retal Urban Development Company branch	21 Dhu al-Qi'dah 1441	Riyadh	1010642508

The Ultimate Parent Company is Abdullatif and Mohammed Al Fozan Company.

These condensed consolidated interim financial information include the financial information of the Company and the following subsidiaries (collectively referred to as "the Group") that are 100% directly and indirectly owned and prepared by the management for the purposes of submitting them to GAZT in accordance with Ministerial Resolution No. 1005 that dated 28 Rabi' al-Thani 1428H.

	Effective ownership	
	30 June 2020 (Reviewed and Unaudited)	31 December 2020 (Audited)
	%	%
Tadbeer Real Estate Company ("Tadbeer")	100	100
Nesaj Urban Development Company ("Nesaj")	100	100
Building and Construction Company ("BCC")	100	100
Tadbeer Real Estate Company Limited	100	-
Wejha United Real Estate Company ("Wejha") (note 16)	-	100

Tadbeer

Tadbeer is a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration No. 2051059223 issued in Khobar on 11 Muharram 1436H (4 November 2014). The registered address of the Company is P.O. Box 38, Prince Turki Bin Abdulaziz street, Khobar 31952, Kingdom of Saudi Arabia.

Tadbeer is principally engaged in general cleaning, maintenance and operating, buildings, gardens, parks and sports facilities.

RETAL URBAN DEVELOPMENT COMPANY

(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

1 GROUP INFORMATION (Continued)

Nesaj

Nesaj is a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 2051049871 on 17 Ramadan 1433H (5 August 2012). The registered address of the Company is P.O.Box 31059, Al Turki business park, Al-Khobar, 31952, Kingdom of Saudi Arabia.

The principle activities of the Nesaj are:

- Buying lands and constructing buildings on them for sale or rental to third parties;
- Management, maintenance and development of real estate;
- Erection, management and maintenance of industrial, commercial, and service projects, restaurants, central markets, residential compounds, commercial and industrial complexes; and
- General contracting for residential, commercial, public, educational, recreational, medical, airport, and precast buildings.

BCC

BCC is a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration No. 2051023581 issued in Khobar dated 15 Jumada II 1420H (25 September 1999). The registered address of the Company is P.O. Box 30730, Prince Turki Bin Abdulaziz st, Khobar 31952, Kingdom of Saudi Arabia.

BCC is principally engaged in general contracting (building repairs, demolition and renovation), construction of roads, dams, tunnels, sewerage, air conditioning and refrigeration, in addition to electrical, mechanical, digging and renovating related works. In addition to management and operation of factories, industrial projects, shopping malls and infrastructure construction.

Wejha (note 16)

Wejha is a single person limited liability company registered in the Kingdom of Saudi Arabia under commercial registration No. 2051232830 issued in Khobar dated 1 Rabi' Al-Thani 1442H (16 November 2020). The registered address of Wejha is P.O. Box 34421, Rawabi, Khobar, Kingdom of Saudi Arabia.

The principle activities of Wejha company are general contracting of residential buildings.

During the period, Wejha company has no revenue and has not incurred any expenses.

During the period ended 30 June 2021, the shareholders of the Company resolved to dispose 100% shareholding in Wejha United Real Estate Company to an associate Alpha Saudia Equity Fund having 30% ownership, for the consideration of SR 152.2 million against share capital of SR 50,000 and gross assets amounting to SR 135.6 million. Furthermore, the Company has earned commission income on disposal of land amounting to SR 3.8 million. The amounts are receivable as at 30 June 2021 (note 6 and 19).

Tadbeer Real Estate Company Limited

Tadbeer Real Estate Company Limited (TRS) is a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration No. 2051063497 issued in Khobar dated 10 Shawwal 1442H (22 May 2021). The registered address of the Company is P.O. Box 30730, King Faisal Rd, Al Rawabi, Al Khobar 34421, Kingdom of Saudi Arabia.

TRS is principally engaged in sale of fixed and movable assets, purchase and sale of land and real estate and its division and off-plan sales activities, management and rental of owned or leased (residential) real estate, management and rental of owned or leased (non-residential), activities of brokers' agents (brokers' offices), real estate management activities for a commission, money management and preservation of the property.

RETAL URBAN DEVELOPMENT COMPANY

(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

2 BASIS OF PREPARATION

2.1 Basis of preparation

These condensed consolidated interim financial information of the Group for the six-month period ended 30 June 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

These condensed consolidated interim financial information do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020.

Moreover, the results of operations for the six-month period ended June 30, 2021 do not necessarily provide an indication of the apportionment results of operations for the year ending December 31, 2021. No apportion occurred on the profit of the period ended June 30, 2021 which is performed at the end of the financial year.

These condensed consolidated interim financial information have been prepared on historical cost basis, except for equity instruments and defined benefits obligations measured at fair value. The condensed consolidated interim financial information are presented in Saudi Riyals which is also the functional currency of the Group and all values are rounded to the nearest Riyal (SR), except when otherwise indicated.

2.2 Basis of consolidation

The condensed consolidated interim financial information comprise the financial information of the Parent Company and its subsidiaries as at 30 June 2021 and 31 December 2020 as disclosed in note 1.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group directly or indirectly has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Any contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of consolidated other comprehensive income ("OCI") are attributed to the shareholders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**4.1 Judgements**

Preparation of the accompanying condensed interim consolidated financial information and the application of accounting policies require from the Company's management to estimates, assumptions and diligence some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect income, expenses, provisions, expected credit losses and changes in fair value within condensed interim statement of comprehensive income and statement of shareholders' equity. And in a specific way, it requires the Group's management to estimate and assess the amounts and timing of future cash flows. The aforementioned estimates are based on several assumptions and factors with varying degrees of consideration and uncertainty. Furthermore, the actual results may differ from the estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The estimates used in the condensed consolidated interim financial information are reasonable and consistent with the estimates used in preparing the consolidated financial statements for the year ended 31 December 2020.

4.2 Backdrop of the Covid-19 pandemic

The Group has reviewed the key sources of estimation uncertainties disclosed in the consolidated financial statements against the backdrop of the Covid-19 pandemic. Management believes that all sources of estimation uncertainty remain similar to those disclosed in the financial statements as of December 31, 2020. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

RETAL URBAN DEVELOPMENT COMPANY**(A Saudi Closed Joint Stock Company)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****5 CASH ON HAND AND AT BANKS**

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Cash on hand	918,646	127,217
Cash at banks	295,640,489	64,853,686
	<u>296,559,135</u>	<u>64,980,903</u>

As at 31 December, cash and cash equivalents was as following:

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Cash on hand	918,646	127,217
Cash at banks	295,640,489	64,853,686
Minus: restricted bank balance	(210,278,349)	(55,005,496)
	<u>86,280,786</u>	<u>9,975,407</u>

As at 30 June 2021, cash at banks include banks' balances of SR 210,278,349 (31 December 2020: SR 55,005,496) in a local banks in restricted escrow accounts.

Cash at banks represent balances with local banks with a sound credit rating. Furthermore, these balances bear no interests. The carrying amount of these assets is approximately equal to their fair value.

6 ACCOUNTS RECEIVABLE

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Accounts receivable - third parties	17,503,857	75,940,999
Accounts receivable - related parties (note 19)	166,320,938	8,146,240
	<u>183,824,795</u>	<u>84,087,239</u>

Accounts receivables are classified into current and non-current receivables as follows:

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Current receivables	182,052,805	81,217,784
Non-current receivables	1,771,990	2,869,455
	<u>183,824,795</u>	<u>84,087,239</u>

RETAL URBAN DEVELOPMENT COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021
6 ACCOUNTS RECEIVABLE (Continued)

As of the date of these condensed consolidated interim financial information, the Group's accounts receivable - third parties are concentrated in 5 major counter parties in an amount of SR 12,604,134 (31 December 2020: 67,098,234), which is equivalent to 72% (31 December 2020: 81%) of the total accounts receivable - third parties.

The non-current portion of accounts receivable represents balances that management estimates to be collected after one year from the date of the statement of financial position.

An aged analysis of trade receivables - third parties is as follows:

	Neither past due nor impaired	Past due but not impaired			Total
		< 180 days	181-365 days	366-730 days	
	SR	SR	SR	SR	SR
30 June 2021	3,217,451	8,690,841	636,148	4,959,417	17,503,857
31 December 2020	60,553,444	6,129,387	5,356,195	3,901,973	75,940,999

The Group measures the allowance for trade receivables at an amount equivalent to the expected lifetime credit loss. The expected credit losses from trade receivables are estimated using a matrix based on the experience of defaulting on the previous debtor's repayment and an analysis of the debtor's current financial position, adjusted for debtors' factors and the general economic conditions of the sector in which they work and assessing both the current trend and expectations for conditions in the history of the consolidated financial statements. No expected credit loss has been recorded as there has not been a significant change in credit quality.

The Group has determined that balances with related parties are collectible and fully recoverable and that the financial position of the related entities is good. Moreover, all the related parties balances are guaranteed by Al Fozan Holding Company (shareholder).

7 DEVELOPMENT PROPERTIES

	<i>Land</i>	<i>Building and development cost</i>	<i>Total</i>
	SR	SR	SR
At 1 January 2020	8,134,444	22,754,002	30,888,446
Additions	68,047,787	481,501,302	549,549,089
Transferred from investment properties (note 8)	2,629,516	4,595,284	7,224,800
Transferred from long term development properties	-	2,208,323	2,208,323
Transferred to investment properties (note 8)	(1,185,623)	(3,001,770)	(4,187,393)
Cost of units / projects sold	(35,294,929)	(410,675,458)	(445,970,387)
Transferred to property and equipment	-	(225,128)	(225,128)
At 31 December 2020 (Audited)	42,331,195	97,156,555	139,487,750
Additions	-	265,485,749	265,485,749
Transferred from investment properties, net (note 8)	53,857,234	1,487,801	55,345,035
Cost of units / projects sold	(5,863,676)	(276,872,733)	(282,736,409)
At 30 June 2021 (Reviewed and Unaudited)	90,324,753	87,257,372	177,582,125

RETAL URBAN DEVELOPMENT COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021
7 DEVELOPMENT PROPERTIES (Continued)

As of 30 June 2021 and 31 December 2020, short-term projects represent mainly the cost of land and developments incurred by the Group toward the construction of Nesaj Town Khobar (Aziziah), Nesaj Town 2 residential units, Ayala project and other projects for the purpose of sale in future. Management believes that these units will be sold within the next twelve months.

The title deeds of Nesaj Town Riyadh project land amounted to SR 57.3 million (31 December 2020: 57.3 million) are mortgaged against a term loan from a local commercial bank (note 13.1-B).

8 INVESTMENT PROPERTIES

	<i>Land</i>	<i>Building</i>	<i>Capital Work in progress ("CWIP")</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Cost:				
At 1 January 2020	167,355,829	36,404,934	7,593,282	211,354,045
Additions	159,862,630	3,653,033	19,886,302	183,401,965
Transferred from CWIP	-	195,860	(195,860)	-
Transferred from development properties (note 7)	1,185,623	3,001,770	-	4,187,393
Transferred to development properties (note 7)	(2,629,516)	(5,171,051)	-	(7,800,567)
Transferred to property and equipment	(32,565,500)	-	(27,283,724)	(59,849,224)
At 31 December 2020 (Audited)	293,209,066	38,084,546	-	331,293,612
Additions	114,217,557	277,403	-	114,494,960
Disposal of a subsidiary (note 16)	(135,581,004)	-	-	(135,581,004)
Transferred to development properties (note 7)	(53,857,234)	(1,727,579)	-	(55,584,813)
Transferred to property and equipment	-	(277,403)	-	(277,403)
At 30 June 2021 (Reviewed and Unaudited)	217,988,385	36,356,967	-	254,345,352
Accumulated depreciation:				
At 1 January 2020	-	916,226	-	916,226
Charge for the year	-	1,755,001	-	1,755,001
Disposal	-	(575,767)	-	(575,767)
At 31 December 2020 (Audited)	-	2,095,460	-	2,095,460
Charge for the period	-	838,592	-	838,592
Transferred to development properties (note 7)	-	(239,778)	-	(239,778)
At 30 June 2021 (Reviewed and Unaudited)	-	2,694,274	-	2,694,274
Net book value:				
At 30 June 2021 (Reviewed and Unaudited)	217,988,385	33,662,693	-	251,651,078
At 31 December 2020 (Audited)	293,209,066	35,989,086	-	329,198,152

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021
8 INVESTMENT PROPERTIES (Continued)

As at 30 June 2021 and 31 December 2020, investment properties represent apartments held for the purpose of generating rental income. Investment properties include investment in land held for future appreciation, and/or development with value of SR 36.6 million (2020: SR 38.1 million).

The investment properties are valued annually on 31 December at fair value, determined by an independent, professionally qualified valuer "BAR CODE", who is licensed by Saudi Authority for Accredited Valuers (License number "1210000001"). As at 31 December 2020, the valuation of the above investment properties amounted to SR 377.67 million.

Part of the lands in the amount of SR 22.5 million and SR 94.9 million are mortgaged against a term loan from a local commercial bank (note 13-C and note 13-E) respectively.

9 INVESTMENT IN ASSOCIATE

The Company's investment in associates comprise the following:

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Investment in associates:		
Alpha Fund	54,000,000	-
Saudi Tharwa Company	124,636,464	121,249,913
Total investment in associates	178,636,464	121,249,913
	Effective ownership	
	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>%</i>	<i>%</i>
Investment in associates:		
Alpha Fund	30.00	-
Saudi Tharwa Company	39.50	39.50

The movement of investment in associates during the period ended is as follows:

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
At 1 January 2021	121,249,913	-
Addition	54,000,000	107,440,000
Dividend	(1,580,000)	(1,580,000)
Share of results, net	4,966,551	15,370,020
Share of OCI	-	19,893
At 30 June 2021 (Reviewed and Unaudited)	178,636,464	121,249,913

RETAL URBAN DEVELOPMENT COMPANY**(A Saudi Closed Joint Stock Company)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****10 ACCOUNTS PAYABLE**

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Accounts payable - third parties	180,785,595	121,752,375
Retention payable - third parties	3,502,990	13,748,228
Accounts payable - related parties (note 19)	65,012,045	123,959,734
	249,300,630	259,460,337

11 ACCRUED EXPENSES AND OTHER PAYABLES

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Advances from customers	62,996,177	13,478,166
Employees' accruals	9,954,416	6,644,671
Unearned revenue	-	2,608,047
Others	4,406,388	3,289,883
	77,356,981	26,020,767

12 REFUNDABLE INCENTIVES

During the year 2018, the Group signed an agreement for the development, marketing and construction of Nesaj Town Project (the "Project") with Ministry of Housing (MOH) to build 674 residential units on a land owned by MOH and sell them to the eligible citizens at a pre-determined price under the MOH's homeownership program. Refundable MOH Incentive represents funds received from MOH to support the Group in financing the project. The incentive amount was deposited in an escrow bank account where withdrawals were restricted to project related expenditure. However, last year the Group has utilized all the balance in escrow account for project related expenses. Upon completing the construction work in the year 2020, MOH started the withdrawal of the incentive balance from the sale proceeds deposited in the escrow bank account which is amounted to SR 73.02 million (31 December 2020: SR 35 million) during the period, remaining balance is expected to be settled in 2021. Further, the MOH is committed to buy the remaining unsold residential units by the time of completing the construction. Settlement related to this commitment will be through offsetting the refundable incentive balance. During 2020, the project has been totally sold, and the incentives has been paid to the MOH in total during the period ended 30 June 2021.

13 LOANS

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Short-term loan (A)	50,000,000	50,000,000
Term-loan (B)	81,120,000	97,000,000
Term-loan (C)	141,000,000	51,400,000
Term-loan (D)	94,999,430	-
Term-loan (E)	111,237,091	-
	478,356,521	198,400,000

RETAL URBAN DEVELOPMENT COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021
13 LOANS (Continued)
13.1 Classification of loans:

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Short-term loan (A)	50,000,000	50,000,000
Term-loan (B)	81,120,000	97,000,000
Term-loan (C)	141,000,000	51,400,000
Term-loan (D)	94,999,430	-
Term-loan (E)	111,237,091	-
Short-term loan (A)	(50,000,000)	(50,000,000)
Less term loans - current portion	(310,747,533)	(83,733,333)
Term loans - non-current portion	117,608,988	64,666,667

The repayment schedule for term loans is as follows:

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Within one year	360,747,533	133,733,333
Not later than five years	117,608,988	64,666,667
	478,356,521	198,400,000

During the period the Group engaged into the following medium-term loan transactions:

- A.** The Group obtained short-term loan facility from a local commercial bank of SR 50 million bearing financial charges at Saudi Arabia Interbank Offered Rate ("SIBOR") plus a fixed margin of 1.5%. The loans are repayable in one installment on 6 September 2021. The loan is guaranteed by shareholders guarantee.
- B.** The Group obtained term loan facility from a local commercial bank of SR 97 million bearing financial charges at Saudi Arabia Interbank Offered Rate ("SIBOR") plus a fixed margin of 1.65%. The loan is repayable in six equal quarterly installments commencing from 31 August 2021. The loan is guaranteed by pledge of lands deeds amounted to SR 57.3 million (note 7) and shareholders guarantee.
- C.** The Group obtained term loan facility from a local commercial bank of SR 141 million, of which SR 141 million has been utilized up to 30 June 2021, bearing financial charges at Saudi Arabia Interbank Offered Rate ("SIBOR") plus a fixed margin of 1.50%. The loan is repayable to be paid out from Nesaj Town Riyadh South Marcia project collections over three years max. The loan is guaranteed by pledge of land deeds amounted to SR 22.5 million and SR 32.5 million against property and equipment and investment properties (note 8) respectively.
- D.** The Group obtained term loan facility from a local commercial bank of SR 142 million, of which SR 95 million has been utilized up to 30 June 2021, bearing financial charges at Saudi Arabia Interbank Offered Rate ("SIBOR") plus a fixed margin of 1.65%. The loans are to be paid out from Al Nakheel and Retal Rise projects collections over three years max. The loan is guaranteed by shareholders guarantee.
- E.** The Group obtained term loan facility from a local commercial bank of SR 121.4 million, of which SR 111.24 million has been utilized up to 30 June 2021, bearing financial charges at Saudi Arabia Interbank Offered Rate ("SIBOR") plus a fixed margin of 1.75%. The loans are to be paid out from Nesaj Town II project collections over two years max. The loan is guaranteed by pledge of land deeds amounted to SR 94.9 million (note 8).

RETAL URBAN DEVELOPMENT COMPANY**(A Saudi Closed Joint Stock Company)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****14 CAPITAL**

The shareholders of the Company and their respective shareholding as of June 30, 2021 and December 31, 2020 are as follows:

Name	Share Capital		Ownership %	
	30 June 2021 (Reviewed and Unaudited)	31 December 2020 (Audited)	30 June 2021 (Reviewed and Unaudited)	31 December 2020 (Audited)
	SR	SR		
Al Fozan Holding Company	375,000,000	356,250,000	93.75%	95%
Mr. Abdullah Faisal Abdul Aziz Al-Braikan	20,000,000	18,750,000	5.00%	5%
Al Saham Holding Company	1,250,000	-	0.31%	-
Athman Holding Company	1,250,000	-	0.31%	-
Geraas Holding Company	1,250,000	-	0.31%	-
Maali Al Khaleej Holding Company	1,250,000	-	0.31%	-
	400,000,000	375,000,000	100%	100%

During the period, the shareholders of the Company resolved to increase the share capital of the Company from SR 375,000,000 to SR 400,000,000 million through transfer of SR 20,000,000 from retained earnings and cash transfers from new shareholders of SR 5,000,000. The legal formalities in this regard were completed during the period ended June 30, 2021. Furthermore, the shareholders resolved to introduce new shareholders.

During the period ended June 30, 2021, the Board of directors declared the dividend of SR 80 million (June 30, 2020: nil).

15 CONTRIBUTION FROM A SHAREHOLDER

Contributions from a shareholder represent amounts, investments and real estate provided to the Group to increase the capital. These contributions are not subject to interest, have no specific repayment schedule, and do not bear any financial interest, and there is no current financial obligation on the Group to pay this balance to the shareholder.

During the year 2020, a contribution was made from the shareholders in the amount of SR 125 million, including an amount of SR 107.4 million representing 15,800 shares or 39.5% of the capital of Saudi Tharwa Company (an associate company), and an amount of SR 17.6 million consisting of plots of land in Durrat Al-Nakheel Scheme No. 741 received from the shareholder to increase the capital.

On December 24, 2020, the general assembly decided in its extraordinary meeting to increase the Group's capital with the total contribution balance of SR 125 million through the issuance of new shares for subscription by the shareholders registered in the Group's records, and accordingly, the entire balance was transferred to the Company's capital account. The legal procedures for issuing the articles of association of the Group have been completed during the period ended June 30, 2021.

During the period, the new shareholders of the Company contributed SR 5,000,000 in cash and on 1 May 2021, the general assembly decided in its extraordinary meeting to increase the Company's capital with the total contribution balance of SR 5 million through the issuance of new shares for subscription by the new shareholders that will be registered in the Company's records, and accordingly, the entire balance was transferred to the Company's capital account. The legal formalities for issuing the articles of association of the Group are yet to be completed for the period ended June 30, 2021.

RETAL URBAN DEVELOPMENT COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021
16 DISPOSAL OF A SUBSIDIARY

During the period ended 30 June 2021, the shareholders of the Company resolved to dispose 100% shareholding in Wejha United Real Estate Company to an associate Alpha Saudia Equity Fund having 30% ownership for the consideration of SR 152.2 million against share capital of SR 50,000 and gross assets amounting to SR 135.6 million. Furthermore, the Company has earned commission income on disposal of land amounting to SR 3.8 million. The amounts are receivable as at 30 June 2021 (note 6 and 19).

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
ASSETS		
Investment properties	-	135,581,004
EQUITY AND LIABILITIES		
Current liabilities		
Due to a related party	-	135,531,004
EQUITY / NET ASSETS		
Capital	-	50,000

17 REVENUE FROM CONTRACTS WITH CUSTOMERS
17.1 DISAGGREGATED REVENUE INFORMATION

Segments	<i>For the six month period ended 30 June 2021 (Reviewed and Unaudited)</i>	<i>For the six month period ended 30 June 2020 (Unreviewed and Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Type of goods or service:		
Construction contracts revenue	339,805,687	96,972,822
Revenue from sale of real estate units / projects	17,673,225	73,393,155
Facility management revenue	14,322,686	13,941,953
Rent contracts revenue	3,536,418	3,134,933
Total revenue from contracts with customers	375,338,016	187,442,863
Type of customer:		
Government and quasi-government customers	1,945,329	70,865,557
Corporate customers	22,448,540	26,307,077
Individual customers	350,944,147	90,270,229
Total revenue from contracts with customers	375,338,016	187,442,863
Credit terms:		
Cash sales	21,214,291	76,528,088
Credit sales	354,123,725	110,914,775
Total revenue from contracts with customers	375,338,016	187,442,863

RETAL URBAN DEVELOPMENT COMPANY**(A Saudi Closed Joint Stock Company)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****17 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)****17.2 CONTRACT BALANCES**

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Accounts receivable	183,824,795	84,087,239
Contract assets (see note (a) below)	118,515,296	203,751,210
Contract liabilities (see note (b) below)	26,795,847	24,690,054

a) Contract assets:

Contract assets are initially recognised for revenue earned from construction contracts as receipt of consideration is conditional on successful completion of specific milestones. Upon completion of a milestone and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

b) Contract liabilities:

Contract liabilities include long-term advances against construction contracts and short-term advances received to provide services as well as transaction price allocated to unsatisfied performance obligations.

17.3 PERFORMANCE OBLIGATIONS**Revenue from sale of investment properties and real estate units:**

Revenue is recognized from sale of developed projects upon the completion of the related legal formalities or unconditional exchange. Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the significant risks and rewards of ownership of the sold assets have been transferred to the buyer. Revenue from sale of projects and developed land is measured at the value of consideration received.

Construction contracts:

Revenue is recognised over time based on the cost-to-cost method. The related costs are recognised in profit or loss when they are incurred. Payments terms comprise a long-term advance, progress payments and payment of retentions one or two years after completion of the project. The duration of each project depends on the size and complexity of customer design and normally span for more than one year.

18 COST OF REVENUE

	<i>For the six month period ended 30 June 2021 (Reviewed and Unaudited)</i>	<i>For the six month period ended 30 June 2020 (Unreviewed and Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Cost of construction contracts	257,348,430	72,700,904
Cost of sale of real estate units / projects	12,513,465	66,230,299
Cost of facility management	12,321,254	11,996,273
Cost of rent contracts	2,175,472	2,101,997
	284,358,621	153,029,473

RETAL URBAN DEVELOPMENT COMPANY**(A Saudi Closed Joint Stock Company)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****19 RELATED PARTIES TRANSACTIONS AND BALANCES**

The Group entered into transactions with related parties based on terms and conditions approved by the management of the Group. Some of the balances with related parties bear interest at inter-group rates approved by Al Fozan group management.

The significant transactions and the related approximate amounts are as follows:

		<i>For the six month period ended 30 June 2021 (Reviewed and Unaudited)</i>	<i>For the six month period ended 30 June 2020 (Unreviewed and Unaudited)</i>
		<i>SR</i>	<i>SR</i>
	Relationship		
<i>Finance charges</i>			
Al Fozan Holding Company	Shareholder	-	682,236

As at 30 June 2021 and 31 December 2020 due from related parties includes the following:

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Alpha Saudi Equity Fund	156,056,250	-
United Homeware Company - (NICE)	3,917,380	589,809
Al Maali Holding Company	2,041,270	4,751,999
Abdullatif Ali Abdullatif Al Fozan	1,405,250	-
Wajha United Company Limited	1,025,629	-
Tadbeir AlSharq for Real Estate	890,568	668,909
ARAC & Partner Company (MIMAR)	267,815	-
ARAC Office for Architectural Engineering Consultancy	228,630	-
Al Fozan Holding Company	184,407	-
Ajwad Holding Company	181,401	377,298
United Wasem Co.	100,953	-
Midad Chemical Factory	13,800	-
Itlalah Al Sharq Co	7,585	-
United Electronics ("Extra")	-	215,310
Nesaj Residential Compound Real Estate Company	-	148,000
Al Fozan Autism Center	-	26,285
Others	-	1,368,630
	166,320,938	8,146,240

As of 30 June 2021 and 31 December 2020, the Group believes that due from related parties' balances are receivable upon request. As a result, these balances are classified as current assets. These balances bear no interest and there is no repayment schedule.

RETAL URBAN DEVELOPMENT COMPANY**(A Saudi Closed Joint Stock Company)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****19 RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)**

As at 30 June 2021 and 31 December 2020 due to related parties includes the following:

	<i>30 June 2021 (Reviewed and Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Al Fozan Holding Company	54,372,853	111,915,754
ARAC Office for Architectural Engineering Consultancy	4,936,044	3,992,345
Madar Electrical Materials Company	2,247,350	2,109,850
Bina for Ready-mix Products Company	1,246,527	2,415,149
Madar Building Materials Company	1,020,226	654,198
Madar Hardware Company	672,150	901,279
Bawan Metal Industries Company	344,354	1,615,751
Arnon Plastic Company	137,667	137,667
Ajwad Holding Company	34,875	217,741
	65,012,046	123,959,734

As of June 30, 2021 and December 31, 2020, the Group believes that due to related parties' balances are repayable upon request. As a result, these balances are classified as current liabilities.

The balances of the related party other than Al Fozan Holding Company are free of interest.

Some of the Parent Company's operational activities are funded through the cash transferred from Al Fozan Holding Company ("Shareholder"). This account carries finance charges at commercial rates and the terms were approved by management.

Compensation of key management personnel of the Group is as follows:

	<i>For the six month period ended 30 June 2021 (Reviewed and Unaudited)</i>	<i>For the six month period ended 30 June 2020 (Unreviewed and Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Board of Directors compensation	-	-
Short term employee benefits	5,423,265	6,846,542

RETAL URBAN DEVELOPMENT COMPANY**(A Saudi Closed Joint Stock Company)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****20 EARNINGS PER SHARE FOR THE YEAR (BASIC AND DILUTED)**

	<i>For the six month period ended 30 June 2021 (Reviewed and Unaudited) SR</i>	<i>For the six month period ended 30 June 2020 (Unreviewed and Unaudited) SR</i>
Profit for the period	84,688,637	26,839,920
	Share	Share
Weighted average number of shares	38,333,333	25,000,000
	SR / Share	SR / Share
Earnings per share for the period (basic and diluted)	2.21	1.07

21 COMMITMENTS AND CONTINGENCIES**Guarantees:**

The Group is contingently liable for bank guarantees issued in the normal course of business amounting SR 110 million as at 30 June 2021 (31 December 2020: SR 110 million).

Capital Commitments

The Group had the following capital commitments:

	<i>30 June 2021 (Reviewed and Unaudited) SR</i>	<i>31 December 2020 (Audited) SR</i>
Capital commitments for construction contracts	770,250,846	924,610,272

As of 30 June 2021, the Group has a contractual construction commitment of SR 770,250,846 (31 December 2020: SR 924,610,272) against housing projects for local customers. The collection from these housing projects (which have been financed through facilities agreement signed between the bank, the Group and local customers) will be used to finance these commitments payment of the housing projects.

22 SUBSEQUENT EVENTS

There are no subsequent events after the reporting period.

23 DATE OF AUTHORIZATION

These condensed consolidated interim financial information were authorized for issue by the Company's Board of Directors on 1 Muharram 1443H corresponding to 9 August 2021.