



**TAIBA INVESTMENTS COMPANY
(A Saudi Joint Stock Company)**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

Taiba Investment Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

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**INDEPENDENT AUDITOR'S REVIEW REPORT
ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF
TAIBA INVESTMENT COMPANY (SAUDI JOINT STOCK COMPANY)**

Introduction:

We have reviewed the accompanying interim condensed consolidated statement of financial position of Taiba Investment Company (A Saudi Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2023 and the related interim condensed consolidated statements of income and comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") 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.

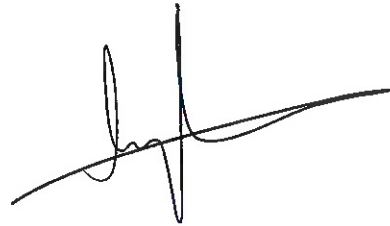
Scope of Review:

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

Conclusion:

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

For Ernst and Young Professional Services



Abdullah Ali AlMakrami
Certified Public Accountant
Licence no. (476)

Jeddah: 28 Shawwal 1444H
18 May 2023G



Taiba Investment Company
(A Saudi Joint Stock Company)

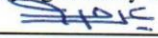


INTERIM CONDENSED CONSOLIDATED FINANCIAL POSITION (UNAUDITED)

AS AT 31 MARCH 2023

(Saudi Riyals)

	Note	31 March 2023 (Unaudited)	31 December 2022 (Audited)
ASSETS			
NON-CURRENT ASSET			
Property and equipment	5	2,622,441,628	2,532,907,422
Intangible assets		1,838,567	2,020,348
Investment properties	6	461,842,754	464,241,768
Financial asset at FVOCI	7	587,672,295	452,241,840
Investment in associates	8	336,242,760	337,656,977
Derivative financial instruments	18	1,169,345	15,346,675
Other non-current assets		4,960,091	5,706,810
TOTAL NON-CURRENT ASSETS		4,016,167,440	3,810,121,840
CURRENT ASSETS			
Inventories		862,102	713,653
Trade receivables	9	9,230,627	11,334,445
Prepayments and other current assets		189,951,284	100,773,278
Financial assets at FVOCI	7	154,945,027	177,809,755
Cash and cash equivalent	11	177,381,842	187,631,365
TOTAL CURRENT ASSET		532,370,882	478,262,496
Assets held-for-sale		57,955,536	58,382,144
TOTAL ASSETS		4,606,493,858	4,346,766,480
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	1,604,574,830	1,604,574,830
Statutory reserves		1,000,000,000	1,000,000,000
General other reserve		208,791,276	208,791,276
Other reserves		125,689,962	27,558,030
Retained earning		852,237,476	790,174,815
EQUITY Attributable to the equity holders of the parent		3,791,293,544	3,631,098,951
Non-controlling interests		25,129,194	25,529,293
TOTAL EQUITY		3,816,422,738	3,656,628,244
NON-CURRENT LIABILITIES			
Long-term loans	17	425,258,947	275,258,947
Employees' benefits liabilities paid		13,403,529	12,932,698
TOTAL NON-CURRENT LIABILITIES		438,662,476	288,191,645
CURRENT LIABILITIES			
Current portion of long-term loans	17	18,334,964	15,827,573
Short-term loans		-	71,665,290
Trade payables and other credit balances		202,715,629	182,951,577
Dividends payable	15	113,418,778	114,722,804
Amounts due to related parties	10	1,471,431	3,853,912
Zakat payable	12	13,301,821	11,163,964
TOTAL CURRENT LIABILITIES		349,242,623	400,185,120
Liabilities directly associated with assets held-for-sale		2,166,021	1,761,471
TOTAL LIABILITY		790,071,120	690,138,236
TOTAL EQUITY AND LIABILITY		4,606,493,858	4,346,766,480

These interim condensed consolidated financial statements have been authorized for issuing, including accompanying notes by the Board of Directors, and signed on behalf of the Board by:

		
Mr. Ayman Hamza VP of Finance	Eng. Saleh Bin Habdan Alhabdan CEO	Mr. Ibrahim Mohamed Al Eisa Head of the Board of Director




The attached notes 1 to 19 form part of these Interim Condensed Consolidated financial statements (unaudited).

Taiba Investment Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
(Saudi Riyals)

		For the three-month period ended 31 March	
	Note	2023	2022
<u>Continued operations</u>			
Revenues		110,956,910	52,554,006
Cost of revenue		(36,802,452)	(30,487,576)
GROSS PROFIT		74,154,458	22,066,430
General and administrative expenses		(18,525,076)	(13,096,869)
Selling and marketing expenses		(99,688)	(119,000)
Other operating income, net		3,257,900	10,289,662
OPERATING PROFIT		58,787,594	19,140,223
Dividends from financial assets at FVOCI		9,729,672	-
Group's share of results of associates	8	(1,414,217)	(780,459)
Other (expenses) income, net		(2,417,457)	6,355,156
Income before zakat from continued operations		64,685,592	24,714,920
Zakat	12	(2,137,857)	(4,223,465)
Net income for the period from continued operations		62,547,735	20,491,455
<u>Discontinued operations</u>			
loss after zakat from discontinued operations		(885,173)	(260,967)
Net income for the period		61,662,562	20,230,488
<u>Net (loss) income attributable to:</u>			
Shareholders of the parent Company		62,062,661	20,348,538
Non-controlling interests		(400,099)	(118,050)
		61,662,562	20,230,488
<u>Earning per share (Saudi Riyals)</u>			
Basic	14	0,39	0,13
Diluted	14	0,39	0,13

These interim condensed consolidated financial statements have been authorized for issuing, including accompanying notes by the Board of Directors, and signed on behalf of the Board by:

 <hr/> Mr. Ayman Hamza VP of Finance	 <hr/> Eng. Saleh Bin Habdan Alhabdan CEO	 <hr/> Mr. Ibrahim Mohamed Al Eisa Head of the Board of Director
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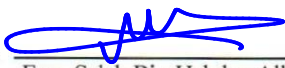

The attached notes 1 to 19 form part of these Interim Condensed Consolidated financial statements (unaudited).

Taiba Investment Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED OTHER COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
(Saudi Riyals)

	Note	<i>For the three-month period Ended 31 March</i>	
		2023	2022
Net Income (loss) for the period			
Shareholders of the parent Company		62,062,661	20,348,538
Non-controlling interests		(400,099)	(118,050)
		<u>61,662,562</u>	<u>20,230,488</u>
Other comprehensive income:			
<i>Item that that may be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>			
Net change in fair value of cash flow hedges	18	(14,480,641)	-
Reclassification of realized portion from cash flow hedge in the consolidated statement of Income	18	46,846	-
<i>Item that that will not be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>			
Net unrealized (loss) from revaluation of financial assets at FVOCI	7	112,565,727	44,067,262
Total other comprehensive income		<u>98,131,932</u>	<u>44,067,262</u>
Total comprehensive income for the period		<u>159,794,494</u>	<u>64,297,750</u>
Total comprehensive income (loss) attributable to:			
Shareholders of the parent Company		160,194,593	64,415,800
Non-controlling interests		(400,099)	(118,050)
		<u>159,794,494</u>	<u>64,297,750</u>

These interim condensed consolidated financial statements have been authorized for issuing, including accompanying notes by the Board of Directors, and signed on behalf of the Board by:

 <hr/> Mr. Ayman Hamza VP of Finance	 <hr/> Eng. Saleh Bin Habdan Alhabdan CEO	 <hr/> Mr. Ibrahim Mohamed Al Eisa Head of the Board of Director
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The attached notes 1 to 19 form part of these Interim Condensed Consolidated financial statements (unaudited).

Taiba Investment Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

Saudi Riyals

	Equity attributable to the equity holders of the parent					Total non-		
	Share Capital	Statutory reserves	General reserve	Other reserves	Retained earning	Total equity	controlling interests	Total equity
Balance at 31 December 2021	1,604,574,830	1,000,000,000	208,791,276	234,668,533	557,800,915	3,605,835,554	35,371,209	3,641,206,763
Net income (loss) for the period	-	-	-	-	20,348,538	20,348,538	(118,050)	20,230,488
Other comprehensive income for the period	-	-	-	44,067,262	-	44,067,262	-	44,067,262
Total comprehensive (loss) income for the period				44,067,262	20,348,538	64,415,800	(118,050)	64,297,750
Disposal of financial assets at FVOCI	-	-	-	(71,072,529)	71,072,529	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-
Balance at 31 March 2022	1,604,574,830	1,000,000,000	208,791,276	207,663,266	649,221,982	3,670,251,354	35,253,159	3,705,504,513
Balance at 31 December 2022	1,604,574,830	1,000,000,000	208,791,276	27,558,030	790,174,815	3,631,098,951	25,529,293	3,656,628,244
Net income (loss) for the period	-	-	-	-	62,062,661	62,062,661	(400,099)	61,662,562
Other comprehensive income for the period	-	-	-	98,131,932	-	98,131,932	-	98,131,932
Total comprehensive income (loss) for the period	-	-	-	98,131,932	62,062,661	160,194,593	(400,099)	159,794,494
Balance at 31 March 2023	1,604,574,830	1,000,000,000	208,791,276	125,689,962	852,237,476	3,791,293,544	25,129,194	3,816,422,738

These interim condensed consolidated financial statements have been authorized for issuing, including accompanying notes by the Board of Directors, and signed on behalf of the Board by:



Mr. Ayman Hamza
VP of Finance



Eng. Saleh Bin Habdan Alhabdan
CEO



Mr. Ibrahim Mohamed Al Eisa
Head of the Board of Director

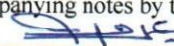
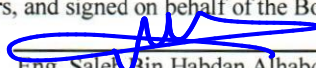

The attached notes 1 to 19 form part of these Interim Condensed Consolidated financial statements (unaudited).

Taiba Investment Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
(Saudi Riyals)

	Note	31 March 2023	31 March 2022
Income before zakat from continued operations		64,685,591	24,714,920
Loss before zakat from discontinued operations		(885,173)	(260,967)
		63,800,418	24,453,953
<i>Adjustments to reconcile income before zakat for the period to net cash flow:</i>			
Depreciation of property and equipment	5	5,536,329	6,154,245
Depreciation on investment properties	6	2,404,873	850,378
Amortization of intangible asset		181,782	191,755
Amortization of finance cost		3,179,221	-
Gains on disposal of property and equipment		-	(150,556)
Employees' benefits provision charged on the period		716,788	727,990
Impairment loss on trade receivables	9	(3,513,298)	(11,813,250)
Impairment losses on due from related parties		-	(3,259,267)
Share of results of associates	8	1,414,217	780,459
Dividends from financial assets at FVOCI		(9,729,672)	-
Losses from discontinued operations		885,173	260,967
Gain from revaluation of other non-current assets		(253,281)	(287,379)
Provision of losses of investment in associates		390,724	(4,885,705)
		65,013,274	13,023,590
<i>Working capital changes:</i>			
Trade receivables		5,617,116	15,870,481
Prepayments and other current assets		778,479	(11,631,910)
Inventories		(148,449)	(109,798)
Trade payables and other credit balances		(30,117,441)	(14,242,535)
Due from related parties		-	22,496,498
Due to related parties		(2,382,481)	(1,844,105)
Cash from operations		38,760,498	23,562,221
Employees' benefits paid		(245,957)	(618,682)
Net cash flows from operating activities		38,514,541	22,943,539
<u>Cash flows from investing activities</u>			
Short-term investments		-	(320,000,000)
Additions to property and equipment	5	(45,189,042)	(27,090,088)
Additions to investment properties	6	(5,859)	-
Advances to contractors for projects under development		(79,027,558)	(73,885,231)
Proceeds from sale of investments		-	157,140,243
Proceeds from sale of property and equipment		-	224,674
Net movement in assets held-for-sale and directly attributable liabilities		831,158	(1,265,013)
Net cash flows generated used in investing activities		(123,391,301)	(264,875,415)
<u>Cash flows from financing activities</u>			
Proceeds from bank loans		150,000,000	64,627,600
Dividends paid	15	(1,304,026)	(1,658,839)
Loans paid		(74,068,737)	-
Net cash flows from financing activities		74,627,237	62,968,761
NET CHANGE IN CASH AND CASH EQUIVALENTS		(10,249,523)	(178,963,115)
Cash and cash equivalent at the beginning of the period		187,631,365	402,012,254
Cash and cash equivalents at end of the period		177,381,842	223,049,139
<u>SUPPLEMENTAL NON-CASH TRANSACTIONS</u>			
Unrealized gains on revaluation of financial asset at FVOCI	7	112,565,727	44,067,262
Additions to property and equipment		49,881,493	9,428,388
Net change in fair value of cash flow hedges		(14,433,795)	-

These interim condensed consolidated financial statements have been authorized for issuing, including accompanying notes by the Board of Directors, and signed on behalf of the Board by:

		
Mr. Ayman Hamza VP of Finance	Eng. Saleh Bin Habdan Alhabdan CEO	Mr. Ibrahim Mohamed Al Eisa Head of the Board of Director

The attached notes 1 to 19 form part of these Interim Condensed Consolidated financial statements (unaudited).

TAIBA INVESTMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
(Saudi Riyals)

1 CORPORATE INFORMATION

Taiba Investment Company ("Taiba", "The Company" or "Parent Company") has been formed as per the Royal Decree number M/41 dated 16, 06, 1408H. Its formation has been declared according to the decision of His Excellency the Minister of Trade and Investment No. 134 dated Safar 13, 1409H, corresponding to September 24, 1988 and Commercial Register No. 4650012403. The Extraordinary General Assembly held on May 14, 2019 agreed to amend article (2) of the Company's By-laws regarding changing the name of Taiba Holding Company to Taiba Investment Company. The Company's articles of association were amended on 21 May 2019.

The Company's registered office is located at Madinah Munawarah, P. O Box 7777, Post Code 41472 - Kingdom of Saudi Arabia.

The Company's main activity is the following (owning real estate, hotels, hospitals, recreational and tourism facilities and investing in them by selling or buying, renting, managing and operating, operating management of cities, facilities, public facilities and contracting in architectural, civil, mechanical, electrical, agricultural, industrial, mining, credit and mortgage service).

The Company practices its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the concerned authorities, if any.

The Company may have an interest or participate in any way with bodies, companies or individuals that engage in similar activities or which may assist in achieving its purpose as it may merge or incorporate or purchased and may invest funds that achieves its interests.

As at March 31, 2023, the share capital of the Company amounting to SR 1.604 million (December 31, 2022: SR 1.604 million), consisting of 160,5 shares (December 31, 2022: 160,5 shares) fully paid up, with a par value of SR 10 each.

On June 13, 2021, Taiba Investment Company announced the start of preliminary discussions with Dur Hospitality Company (a Saudi Joint Stock Company) to study the merge of both companies, and it was announced on March 13, 2022 that these discussions would be terminated and not to continue studying the merge process. On 17-12-2022, a memorandum of understanding has been signed that both companies decided to re-discuss and study a potential transaction, accordingly, the two companies concluded a non-binding memorandum of understanding regarding a potential securities swap transaction, including a non-binding agreement about the structuring and share swap, and if the merge was agreed upon, this will be subject to the terms and approvals of the concerned regulatory authorities, as well as the approval of the extraordinary general assembly of both companies, provided that the structure for implementing the potential transaction is through a share swap offer submitted by Taiba Investment Company (in its capacity as the offeror) to the shareholders of Dur Hospitality (as the offeree) for the purpose of owning all issued shares in Dur Hospitality, in exchange for issuing new shares in Taiba Investment Company to the shareholders of Dur Hospitality in accordance with the provisions of the Merging and Acquisition Regulations issued by the Board of the Capital Markets Authority and other relevant laws and regulations, which will result in the delisting of Dur Hospitality so that it becomes a wholly owned company to Taiba Investment Company.

As at March 31, 2023, the Company had investments in the following subsidiaries (collectively referred to as the "Group"):

a) Companies subject to the direct control of Taiba Investment Company, which was consolidated in these financial statements

<i>Subsidiary</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Effective holding</i>	
			<i>31 March 2023</i>	<i>31 December 2022</i>
Al Aqeeq Real Estate Development Company	Kingdom of Saudi Arabia	Real estate development	100%	100%
Arab Resorts Areas Company (ARAC)*	Kingdom of Saudi Arabia	Hospitality and tourism	99,96%	99,96%
Taiba Agriculture Development Company (TADC)**	Kingdom of Saudi Arabia	Agriculture	54,80%	54,80%

TAIBA INVESTMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
(Saudi Riyals)

1. CORPORATE INFORMATION (Continued)

b) Companies subject to the direct control of Taiba Investment Company, which was consolidated in these financial statements (continue)

*At 17 Dhul Qidah 1442H corresponding to 27 June 2021, the 14th Extraordinary General Assembly of the shareholders of Arab Resorts Areas Company (ARAC) decided to approve the recommendation of the company's board of directors for voluntary liquidation, and accordingly, it was agreed to appoint Dr. Mohamed Al-Amri & Co. (BDO) in order to liquidate Arab Resorts Areas Company (ARAC) according to Companies' Law as of July 1, 2021. Tourism activity will continue to be managed by Al Aqeeq Real Estate Development Company, which is wholly owned by Taiba. As at the date of interim condensed consolidated financial statements, the liquidation procedures are under process.

** On 21 June 2022, the 36th Ordinary Assembly of Taiba Agriculture Development Company (TADC) resolved to approve the recommendation of the company's board of directors for voluntary liquidation, and accordingly, the appointment of Alliance Abdullatif bin Suleiman Lawyers and Legal Consultants and Al-Thunayan Professional Consulting Company is approved for appointing as a liquidator of company's business in light of the provisions of the Companies' Law. The procedures for appointing the liquidator was not completed as the liquidator apologized for taking the liquidation assignment. The procedures to appoint another liquidator are under process until the date of issuing these interim condensed consolidated financial statements. TADC performance results have been classified as discontinued operations in these interim condensed consolidated financial statements, and its related assets and liabilities as held-for-sale. During the period, the Company received an offer from a shareholder of TADC to purchase Taiba's shares in TADC and it was still under review by management.

c) Subsidiaries controlled by subsidiaries

<i>Subsidiary</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Effective holding</i>	
			<i>31 March 2023</i>	<i>31 December 2022</i>
Tawd Real Estate Management and Marketing Company (Tawd)*	Kingdom of Saudi Arabia	Real Estate Management and Marketing	100%	100%

*On 13 Rajab 1443H (corresponding to 14 February 2022), the General Assembly of Tawd registered under CR No. (4650028278) decided to approve the recommendation of the Board of Directors of the company for voluntary liquidation, and accordingly, it was approved to appoint BDO to liquidate the business of Tawd in light of the provisions of the Companies' Law as at February 15, 2022 and to authorize Al-Aqeeq to complete all the resulting procedures. As at the date of the interim condensed consolidated financial statements, liquidation proceedings were still in progress.

The interim condensed consolidated financial statements were authorized for issue by the Group's Board Directors on 25 Shawal 1444H (corresponding to 15 May 2023).

2. Basis of preparation

2.1 Statement of Compliance

The interim condensed consolidated financial statements for the three months period ended 31 March 2023, have been prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Certified Public Accountants ("IFRS").

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and therefore they must be read in conjunction with the group's consolidated annual financial statements for the year ending on December 31, 2022 (note 2-5).

The CMA announced on December 30, 2019 that it obliges listed companies to continuously follow the cost model for measuring property and equipment (IAS 16) and investment properties (IAS 40) in financial statements prepared for financial periods within the financial years which begin before 2022. The CMA also requires listed companies to follow the cost model to measure property and equipment and Intangible assets for five years starting from January 1, 2020. The Group complied with the requirements included in the interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
(Saudi Riyals)

2. Basis of preparation (Continued)

2.2 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2023 mentioned in Note (1).

Subsidiaries are entities that are controlled by the Group. 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.

2.3 Basis of measurement

The interim condensed consolidated financial statements have been prepared in accordance with the principle of historical cost, except for equity instruments at fair value through other comprehensive income and biological assets at fair value. Employee benefit obligation accruals prepared at the current value of future obligations are recognized using the expected actuarial credit unit method.

2.4 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals (SR), which is the functional and presentation currency of the Group.

2.5 Use Judgments and estimates

The preparation of the Company's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. The management's estimates in the application of accounting policies, calculation methods and main sources of estimates are the same applied in the financial statements for the year ended December 31, 2023.

3. CHANGES IN ACCOUNTING POLICIES OF THE COMPANY

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards which are effective from 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.1 IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The amendments had no impact on the Group's interim condensed consolidated financial statements.

3.2 Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES OF THE COMPANY (continued)

3.3 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had no impact on the Group's interim condensed consolidated financial statements,

3.4 Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

3-5 Amendments to IFRS 3 “Definition of a Business”

The amendments replace a reference to the current version issued in March 2018 instead of a previous version of the conceptual framework issued by the International Accounting Standards Board, without fundamentally changing its requirements. The amendments added an exception to the principle of recognition stipulated in International Financial Reporting Standard No. (3) “Enterprise Consolidation Operations” in order to avoid issuing potential profits or losses on the “second day”, which would result in potential liabilities and obligations that would fall within the scope of International Accounting Standard No. (37) “Provisions and Contingent Liabilities and Contingent Assets” or Interpretation No. (21) issued by the International Financial Reporting Interpretations Committee: Taxes, if each is incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21 Interpretation, respectively, rather than the conceptual framework for determining whether a present obligation exists at a date. acquisition.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition on the acquisition date. In accordance with the provisions of the transition, the Company shall apply the amendments prospectively; That is, on business combinations that take place after the beginning of the annual financial statements period during which the amendments are applied for the first time (the date of initial application). These amendments did not have any impact on the interim condensed consolidated financial statements of the company since there were no potential assets, liabilities or liabilities within the scope of these amendments that arose during the period.

3-6 Property and Equipment: Revenues Received Prior to Intended Use - Amendments to IAS No. (16) Leases

The amendment prohibits entities from deducting the cost of an item of property and equipment and any revenues derived from the sale of produced items pending the arrival of the asset to its necessary location and condition so that it is able to operate in the manner intended by management. Rather, the entity recognizes the revenue from the sale of these items and the costs of producing those items in profit or loss. According to the transition provisions, the amendments apply retroactively only to items of property and equipment that are available for use on or after the beginning of the earliest period listed when the entity first applied the amendments (the date of initial application). The amendments had no impact on the Group's interim condensed consolidated financial statements.

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4. SEGMENT INFORMATION

For administrative purposes, the Group consists of business units based on products and services provided by it and it has several sectors for which the report is prepared as follows:

- Real estate sector - includes leasing services and commercial centers owned by the Group, and this is one of the major sectors of the Group.
- Tourism sector - includes the operation and accommodation of hotels, hotel suites and tourist resorts.
- Agriculture sector - includes the activity of planting and selling dates and some other agricultural products.
- Management sector - includes management of real estate.
- Headquarter - includes the Company's Headquarter and the financial information regarding other investments owned by the Group.

The sectors' performance is evaluated based on income or loss and measured based on fixed basis in accordance with profit or loss in the interim condensed consolidated financial statements. However, the group's financing (including financial burdens) are managed on the Group level basis and not distributed to the operating sectors and revenues.

The Group and its subsidiaries activities occur in KSA. The following is an analysis to the sector information:

	<i>Real Estate</i>	<i>Tourism</i>	<i>Agriculture</i>	<i>Management</i>	<i>Headquarter</i>	<i>Elimination of inter segment operations</i>	<i>Total</i>
<i>For the period ending 31 March 2023 (unaudited)</i>							
Revenues	44,175,242	66,781,668	-	-	-	44,175,242	110,956,910
Revenues cost (without depreciation)	(5,022,513)	(24,046,183)	-	-	-	(5,022,513)	(29,068,696)
Depreciation and amortization	(2,431,308)	(5,302,448)	-	-	-	(2,431,308)	(7,733,756)
Gross segment profit	36,721,421	37,433,037	-	-	-	36,721,421	74,154,458
Segment assets	470,500,582	1,336,540,902	57,955,536	3,241,160,334	(499,663,496)	470,500,582	4,606,493,858
Segment liabilities	54,829,813	118,961,971	2,360,283	1,113,582,549	(499,663,496)	54,829,813	790,071,120
<i>For the period ending 31 March 2022 (unaudited)</i>							
Revenues	13,875,821	39,656,173	-	-	(977,988)	13,875,821	52,554,006
Revenues cost (without depreciation)	(4,237,027)	(21,167,008)	-	-	977,988	(4,237,027)	(24,426,047)
Depreciation and amortization	(876,813)	(5,184,716)	-	-	-	(876,813)	(6,061,529)
Gross segment profit	8,761,981	13,304,449	-	-	-	8,761,981	22,066,430
Segment assets	253,382,458	1,386,757,516	78,789,913	2,458,200,528	(122,516,740)	253,382,458	4,054,613,675
Segment liabilities	50,172,712	49,816,837	822,025	370,814,328	(122,516,740)	50,172,712	349,109,162
<i>31 December 2022 (Audited)</i>							
Segment assets	475,035,693	1,327,227,063	58,382,144	2,833,524,212	(347,402,632)	475,035,693	4,346,766,480
Segment liabilities	55,345,155	100,654,336	1,761,471	879,639,656	(347,402,632)	55,345,155	689,997,986

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5. PROPERTY AND EQUIPMENT

For the purposes of preparing interim condensed consolidated statement of cash flows, movement in property and equipment during the the three-month period ended 31 March are as follows:

	2023 (Unaudited)	2022 (Unaudited)
Balance at beginning of the period	2,532,907,422	2,386,709,709
Cash additions to property and equipment during the year	45,189,042	27,090,088
Non cash additions to property and equipment during the year	49,881,493	9,428,388
Depreciations during the period	(5,536,329)	(6,154,245)
Disposals during the period	-	(74,118)
Balance at end of the period	<u>2,622,441,628</u>	<u>2,416,999,822</u>

On June 21, 2022, the thirty-sixth ordinary assembly of Taiba Agriculture Development Company – TADEC decided to approve the recommendation of the Company's board of directors for voluntary liquidation, and accordingly the balance of property and equipment owned by TADEC was reclassified to assets held-for-sale.

The property includes (4) plot of land owned by the Group, in Al Madinah Al Munawwarah and Riyadh, with a total book value of SR 522 million mortgaged to a local bank in exchange for a loan to carry out a business on it.

6. INVESTMENT PROPERTIES

For the purposes of preparing interim condensed consolidated statement of cash flows, movement in investments properties during the the three-month period ended 31 March are as follows:

	2023 (Unaudited)	2022 (Unaudited)
Balance at beginning of the period	464,241,768	234,509,438
Additions of investment properties during the period	5,859	-
Depreciations during the period	(2,404,873)	(850,378)
Balance at end of the period	<u>461,842,754</u>	<u>233,659,060</u>

The Group's investment properties consist of 5 commercial properties in Al Madina Al Munawarah and Riyadh (2022: 4 properties) including offices, buildings and shops fully leased to other parties.

As at the 31 December 2022 the fair value of investment properties amounted to SR 3,82 billion. The fair value was determined by an independent external real estate evaluator (Value Strat) accredited by the Saudi Authority for Accredited Valuers ("TAQEEM") to determine the investment properties fair value. The fair value of investment properties were determined using valuation methodologies including significant judgments and estimations. Any significant change in the assumptions used in the fair valuation of investment properties, such as the discount rate, return, rental growth, etc., will result in a significant change in fair value for these assets.

On 12 March 2020, through the sale agreement of TACOMA, the Group transferred the land and buildings on which it is located with a value of SR 4.3 million for the group under the terms of the agreement, and therefore the land and buildings on which it is located have been reclassified as investment properties. The legal procedures to transfer the ownership of the land and buildings are still under process up to the date of the interim condensed consolidated financial statements .

During the period, the Group concluded a transaction amounting to SR 236.5 million for the purchase of commercial center in Riyadh, and the legal requirements related to the transfer of ownership in favor of Taiba were completed and the property was mortgaged in favor of a local bank in order to obtain a long-term loan to finance 80% of the value of the purchase transaction.

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7. FINANCIAL ASSETS AT FVOCI

Investments represent the following:

		31 March 2023 (Unaudited)	31 December 2022 (Audited)
Investments in listed company shares	7-1	713,140,755	600,575,028
Investments in shares of unlisted companies	7-2	29,476,567	29,476,567
Total		742,617,322	630,051,595
Less: Current portion		154,945,027	177,809,755
Non-current portion		587,672,295	452,241,840

Movement during the year

		31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at beginning of the period / year		630,051,595	764,211,191
Unrealized (Loss) gain		112,565,727	(131,395,620)
Disposals		-	(199,423,247)
Additions on investments		-	256,431,837
Reclassification of investment		-	(59,772,566)
At the end of the period / year		742,617,322	630,051,595

7-1 Investments in listed company shares

investee	Direct ownership %		31 March 2021 (Unaudited)	31 December 2020 (Audited)
	31 March 2023	31 December 2022		
SABIC FOR AGRI-NUTRIENTS*	0.25%	0.25%	154,945,027	177,809,755
Knowledge Economic City Company**	9.60%	9.60%	475,016,400	349,909,200
Makkah Construction and Development Company	0.72%	0.72%	83,179,328	72,856,073
			713,140,755	600,575,028

* During 2021, it was decided to start selling shares owned by Taiba in SABIC Agri, therefore during 2022 a number of 1.06 million shares were sold, resulting in a realised gain of SR 89 million (December 31, 2021: 5.7 million shares were sold, where realized gains resulted in an amount to SR 355.5 million), and the remaining 1.2 million shares were classified in the current assets.

** The Group purchased 21.72 million shares in Knowledge Economic City Company at an amount of SR 257.3 million, directly from Savola Group, and obtained the necessary approvals from the regulatory authorities. During December 2022, the purchase process was completed and the ownership of the shares and shares was transferred to Taiba Investment Company.

7-2 Investments in shares of unlisted companies

investee	Direct ownership %		31 March 2021 (Unaudited)	31 December 2020 (Audited)
	31 March 2023	31 December 2022		
Kinan International Real Estate Development Company	2,33%	2,33%	29,476,567	29,476,567
Development Company Knowledge Economic City*	35,06%	5,01%	-	-
			29,476,567	29,476,567

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8. INVESTMENT IN ASSOCIATES

Details of the Group's investments in associates are as follows:

<i>Name</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Effective holding</i>		<i>31 March 2023</i>	<i>31 December 2022</i>
			<i>31 March 2023</i>	<i>31 December 2022</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Al-Seera City Company for Real Estate Development	Kingdom of Saudi Arabia	Real Estates	20%	20%	147,947	147,947
Saudi Heritage Hospitality Company	Kingdom of Saudi Arabia	Hotels and tourism	30%	30%	3,755,650	3,755,650
Development Company Knowledge Economic City	Kingdom of Saudi Arabia	Real Estates services	35,06%	5,01%	332,339,163	333,753,380
Madinah Airport Hotel Company	Kingdom of Saudi Arabia	Hotel services	33,33%	33,33%	-	-
					<u>336,242,760</u>	<u>337,656,977</u>

Details of the Group's investments in associates are as follows:

	<i>31 March 2023</i>	<i>31 December 2022</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Balance at beginning of the year	337,656,977	80,002,423
Net share in investment results for the year	(1,414,217)	(578,012)
Proceeds from company under liquidation (8-1)	-	(4,500,000)
Additions	-	202,960,000
Reclassification of investment	-	59,772,566
Balance at the end of the year	<u>336,242,760</u>	<u>337,656,977</u>

(8-1) at 31 August 2019, The partners agreed to liquidate Saudi Heritage Hospitality Company during the extraordinary assembly meeting of the Company. The legal procedures for liquidation are under process to the date of issuing the interim condensed consolidated financial statements. During the year, the liquidator distributed SR 15 million and the Group's share of those distributions was SR 4.5 million, the value of the investment was reduced by that amount.

(8-2) During 2020, the sale of the Group's entire share in Oasis Fiberglass Company amounted to 29.5% with a total amount of SR 15.5 million to be paid on quarterly installments for 6 years, resulting in a realized profits of SR 10.7 million. As at 31 2022, the remaining balance was SR 10.7 million, and the non-current portion amounted to SR 5.7 million was recorded at the value of discounted cash flows under other non-current assets.

(8-3) During the year, the partner's loan granted to Madinah Airport Hotel Company was transferred for the purpose of amortization of company's accumulated losses and the group's share of the loan amounting to SR 22,4 million were settled, which is recorded in the group's books as a debt to the related parties as an offset with the balance of the allocation of losses provided as at December 31, 2023 for this matter, resulting in the refund of SR 1,7 million of provision for investment losses in Madinah Airport Hotel Company, also the provision for measuring the impairment in the debt of the related parties amounted to SR 3,3 million were refunded so the total balance of provision for losses as at 31 December 2022 shall be SR 6.9 million (31 December 2021: SR 31,1 million) for legal and contractual liabilities for the financial support to this company to meet its financial obligations when due. The Group shall pay a potential liability of SR 37,3 million, which represents the value of the guarantee granted by the Group to The Banque Saudi Fransi to secure the loan of madinah Airport Hotel Group as a, and the Group has not registered any provision for this potential obligation, and the Group's management does not consider that there is a need to make any provisions for the potential liability.

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9. TRADE RECEIVABLES

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Trade receivables	107,465,504	114,073,524
Less: Provision for impairment of trade receivables	(98,234,877)	(102,739,079)
	9,230,627	11,334,445

The movement in provisions of impairment of trade receivables:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at 1 January	102,739,079	138,285,929
Reversal of impairment of trade receivables provision	(3,513,298)	(8,827,067)
write-off	(990,904)	(26,719,783)
Balance at end of the period	98,234,877	102,739,079

10. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, directors and key management personnel of the Company and entities under their control or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management. The significant transactions with related parties and its balances in the Company are as follows:

Amounts due from related parties

Description	Relationship type	Nature of transactions	Amount of transactions		Closing balance	
			31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Madinah Airport Hotel Company	Associate Company	Finance	-	22,496,498	-	-
				22,496,498	-	-

Amounts due to related parties

Description	Relationship type	Nature of transactions	Amount of transactions		Closing balance	
			31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Owners of Taiba Residential and Commercial Center	Associated foundation	Services Maintenance	858,288	4,865,750	1,471,431	3,853,912
					4,550,510	6,963,872

Compensation of key management personnel

	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Allowances, tickets and directors remunerations:	1,108,488	1,087,691
Salaries, allowances and senior executives remunerations	2,639,828	3,041,302
	3,748,316	4,128,993

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11. CASH AND CASH EQUIVALENT

	31 March 2023 (Unaudited)	31 December 2022 (Unaudited)
Cash at Banks (10-1)	177,381,842	137,631,365
Murabaha deposits (10-2)	-	50,000,000
	<u>177,381,842</u>	<u>187,631,365</u>

10-1 Balances at banks include restricted cash held by the Group amounted to SR 103 million (31 December 2022: SR 100,5 million) related to dividends due to the Group's shareholders and this balance is not available for the general use of the Company.

10-2 As at 31 March 2023 Nil. (2022: the amount represents investment in Islamic Murabaha at rate of 5%, and is due within 73 days).

12. ZAKAT

As at 2019, the Company and its fully owned subsidiaries are submitting a consolidated Zakat declaration on a consolidated basis. For subsidiaries with less than 100% ownership, they must file separate Zakat declarations. Before 2019, subsidiaries used to file separate zakat declarations on an unconsolidated basis. The main components of the Zakat base for each Company according to the Zakat and income tax system consist of shareholders' equity, provisions at the beginning of the year and adjusted income less discounts for the adjusted net book value of property, equipment, investment properties and properties under development and investments.

Zakat charge for the period ended at 31 March comprise of the following:

	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Current period	2,137,857	4,234,117
Prior periods	-	-
	<u>2,137,857</u>	<u>4,234,117</u>

Movement in Zakat provision

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / year	11,163,964	29,468,704
Charged on the period / year	2,137,857	4,234,117
Paid during the period/ year	-	-
Adjustments	-	-
Balance at the end of the period / year	<u>13,301,821</u>	<u>33,702,821</u>

Status of assessment

Company and its fully owned subsidiaries

A consolidated Zakat declaration was submitted for both Taiba Investment Company and Al Aqeeq Real Estate Development Company for the year ended 31 December 2022 and the Company received a Zakat certificate valid till 30 April 2024.

Arab Resorts Areas Company (ARAC)

The Company submitted and paid zakat return and obtained a Zakat certificate for the year ended 31 December 2022, valid till 30 April 2024.

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12. ZAKAT (continued)

Taiba Agriculture Development Company – TADEC

Taiba Agricultural Development Company (TADC) submitted and paid the Zakat returns for the year ended 31 December 2021, and ZATCA has issued the final assessments for the company till 2018.

Tawd Real Estate Management and Marketing Company (Tawd)

ZATCA issued the Company's final assessments until 2017, and the Company submitted and paid zakat return for the year ended 31 December 2021 and obtained zakat certificate valid till 30 April 2023.

13. FINANCIAL INSTRUMENTS

The Group measures financial instruments at fair value as at the date of the financial statements. Fair value is the selling price of an asset or the transfer of a liability in a systematic transaction between two parties to the market at the measurement date. The fair value measurement is based on the assumption that selling an asset or transferring an obligation will take place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants may use when pricing the asset or liability and assuming that the participants act for their best interest.

When measuring the fair value of a non-financial asset, the market participant's ability to generate economic benefits arising from the best use of the asset or its sale to another market participant who may be using the best use is taken into account.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair values are measured or disclosed in the interim condensed consolidated financial statements are classified within the fair value hierarchy, which is illustrated below, on the basis of the minimum inputs that are important to measure the fair values as a whole:

- | | |
|---------|--|
| Level1: | Quoted prices (unadjusted) in active markets for identical assets or liabilities. |
| Level2: | Valuation techniques so that the minimum limit that can be determined for significant inputs to measure fair value can be observed directly or indirectly. |
| Level3: | Valuation techniques so that the minimum limit that can be determined for significant inputs to measure fair value cannot be observed. |

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13. FINANCIAL INSTRUMENTS (continued)

The following table illustrates the book value and fair value of financial assets and liabilities, including their levels and hierarchy of fair value, the fair value information does not include financial assets and liabilities that are not measured at fair value if the book value is a reasonable approximated value of fair value.

	31 March 2023				31 December 2022			
	<i>Total</i>	<i>Amortised cost</i>	<i>fair value through statement of income</i>	<i>Fair value through OCI</i>	<i>Total</i>	<i>Amortised cost</i>	<i>fair value through statement of income</i>	<i>Fair value through OCI</i>
Financial assets								
Financial asset at fair value	742,617,322	-	-	742,617,322	630,051,595	-	-	630,051,595
Trade receivables	9,230,627	9,230,627	-	-	11,334,445	11,334,445	-	-
Cash and cash equivalent	177,381,842	177,381,842	-	-	187,631,365	187,631,365	-	-
Derivative financial instruments	1,169,345	-	-	1,169,345	15,346,675	-	-	15,346,675
Total	930,399,136	186,612,469	-	743,786,667	844,364,080	198,965,810	-	645,398,270
Financial liabilities								
Trade accounts and other payables	210,203,159	210,203,159	-	-	191,074,455	191,074,455	-	-
Dividend payable	113,418,778	113,418,778	-	-	114,722,804	114,722,804	-	-
Bank loans	443,593,911	443,593,911	-	-	362,751,810	362,751,810	-	-
Total	767,215,848	767,215,848	-	-	668,549,069	668,549,069	-	-

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14. EARNINGS (LOSS) PER SHARE

Basic earning (loss) per share

Basis earnings (loss) per share is calculated on distributable income to shareholders for ordinary shares and using weighted average number of ordinary shares at the report date with 160,457,483 shares (31 March 2022: 160,457,483 shares).

Diluted earning (loss) per share

During the period, there are no transactions that reduce the earnings (loss) per share and therefore the earnings per diluted share is not different from earnings (loss) of basic shares.

15. DIVIDEND PAYABLE

Dividends announced for distribution during the period ending on March 31, 2023 are Nil (March 31, 2022: Nil), and the following is the movement in the account of dividends due:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at 1 January	114,722,804	120,627,400
Dividends declared during the period / year	-	-
Dividends paid during the period / year	(1,304,026)	(5,904,596)
Balance at the end of the period / year	<u>113,418,778</u>	<u>114,722,804</u>

The Group holds restricted cash amounted to SR 103 million as at 31 March 2023 (2022: SR 100.5 million) in segregated bank accounts for dividends payable to the Group's shareholders and this balance is not available for the general use of the Group.

16. SEASONAL CHANGES

The results of business for the three-month period do not necessarily represent an accurate indicator of the actual results of the whole year operations, as the revenues from operating apartments and hotel rooms increase during the hajj and umrah seasons and during summer holidays, and decrease during the rest of the year and these changes are reflected in the group's financial results during the year. Therefore, the business results for this initial period may not be an accurate indication of the actual results of the whole year operations.

17. LOANS AND FACILITIES

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Tawarruq financing	-	71,665,290
Murabaha financing	443,593,911	291,086,520
Balance at the end of the period / year	<u>443,593,911</u>	<u>362,751,810</u>
Less: Current portion	18,334,964	87,492,863
Non-current portion	<u>425,258,947</u>	<u>275,258,947</u>

During the period ended 31 March 2023, the total financing costs amounted to SR 5.31 million. The amount of 2.13 million was capitalized under project Under development, and the portion charged to the interim condensed consolidated statement of Income amounted to SR 3.18 million.

The Group had short-term bank facilities with some local banks with a total amount of SR 170 million represented in credit substitutes limit, letters of guarantee and short-term Tawarruq limit against financial charges equal to SIBOR plus the agreed profit margin. Part of it was used for bank letters of guarantee as at 31 March 2023 for 1.1 million (2022: 21.3 million), and a short-term loan in Tawarruq form was withdrawn for SR 70 million due on March 13, 2023. These bank facilities are secured against promissory notes issued to the bank.

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17. LOANS AND FACILITIES (Continued)

On 23 July 2020, The Group signed credit facility agreement signed with a local bank to obtain long term loan amounting to SR 1.4 billion, as per Murabaha form for a period of fourteen Gregorian years, including a four-year grace period, with real estate collateral and a promissory note with the amount of financing, for the purpose of financing some real estate projects for the Group. During 2022, the first portion of the loan amounted to SR 100 million was withdrawn. On October 25, 2022, the Group signed an annex to the credit facilities agreement referred to above to obtain another long-term loan in an amount of SR 189.2 million for a period of ten years and to be paid in twenty installments, the first installment shall be due on June 26, 2023, with real estate guarantees by mortgaging the lands of Deem Plaza Mall in Riyadh, on which it is located, and note payable with the financing amount, and during 2022, a total loan amount was withdrawn in order to finance 80% of the purchase value of the aforementioned mall.

18. DERIVATIVES FINANCIAL INSTRUMENTS

The Group hedged against commission rate risk against some loans obtained from local banks. In order to mitigate commission rate risk to be allocated as "cash flow hedging instruments". The Group's share of changes in effective cash flow hedge reserves, subsequent to acquisition is recognised in its equity.

As at 31 March 2023, Taiba Investment Company concluded a Murabaha Price Swap Agreement (Swap Contract) with Bank Albilad for a total amount of SR 600 million to hedge against future fluctuations in interest rates for part of its loans signed with the the Bank which is financing projects under progress.

The fair value of the swap contract as at 31 March 2023 was 1.17 million based on the Bank's valuation, and is included in the non-current assets in the statement of financial position with a corresponding credit balance in the interim condensed consolidated statement of other comprehensive income.

The tables below show a summary of the hedged items, the hedging instruments, trading derivatives and their notional amounts and fair values. The notional amounts indicate the volume of transactions outstanding at the reporting date and are neither indicative of market risk nor credit risk.

Maturity date for swap contracts, and average rate fo interest are as follow:

	Maturity date				
	Less than 3	3 to 12 month	1 to 5 years	More than 5 years	Total
	month				
Interest rate swap contracts	-	-	-	600,000,000	600,000,000
Average rate of interest	-	-	-	4,37%	4,37%

The impact of Hedging instrument on the statement of financial position is as below:

	Maturity date			
	Nominal value	Carrying value	Item in the statement of	Change in fair
			financial position	value
Interest rate swap contracts	600,000,000	1,169,345	Derived Financial instruments	(14,177,330)

The impact of Cash flow hedges recorded in statement of income and other comprehensive income consist of:

	Maturity date				
	Profits and	Non-	Item in the	Reclassified	Item in the
	losses through	effectiveness	statement of	amounts	statement of
	other	recognised in	income	through the	income
	comprehensive	statement of		statement of	
	income	income		income	
Interest rate swap contracts	14,433,795	-	-	(46,846)	finance cost

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19. COMPARATIVE FIGURES

Certain of the prior year numbers have been reclassified for the period to conform with the presentation in the current period.