JABAL OMAR DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021

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(A SAUDI JOINT STOCK COMPANY)

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FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021

Building a better working world

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INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF JABAL OMAR DEVELOPMENT COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Jabal Omar Development Company (A Saudi Joint Stock Company) (the "Company" or "the Parent Company") and its subsidiaries (collectively referred to as the "Group") as at 30 September 2021, and the related interim condensed consolidated statement of profit or loss and other comprehensive income, for the three-month and nine-month periods ended 30 September 2021, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and other explanatory notes. Management is responsible for the preparation and fair 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

Except as explained in the following paragraph, 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 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.

Basis for Qualified Conclusion

The net carrying value of property, plant and equipment, investment properties and properties for development and sale ("the Assets") as reported in these financial statements (refer notes 6, 5 and 10) amounts to SR 17,857 million, SR 5,025 million and SR 1,478 million, respectively as of 30 September 2021. In view of substantial reduction in cash generated from the Group's hotels and commercial area operations and interruption in development of the Group's projects due to outbreak of COVID-19, the Group's management performed an impairment assessment (including using an external valuer) of the Assets as at 30 September 2021 to determine the recoverable amount, being the higher of fair value less costs to sell and value in use. It was management's assessment that no additional impairment provision is required. While performing the review procedures, we sought to review the judgment, assumptions and estimates by the Group's management such as determination of appropriate valuation methodologies and key estimates and assumptions used. However, for these Assets comprising property, plant and equipment and investment properties with net carrying values of SR 7,612 million and SR 1,534 million respectively as at 30 September 2021, we have requested but not been provided with the appropriate rationale and/or basis used in the determination of valuation methodologies, future margins and terminal values. Consequently, we were unable to determine whether any impairment provision would be required against these Assets as at 30 September 2021.

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INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF JABAL OMAR DEVELOPMENT COMPANY (A SAUDI JOINT STOCK COMPANY) (continued)

Qualified Conclusion

Except for the adjustments to the interim condensed consolidated financial statements that we might have become aware of had it not been for the situation described above, 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.

Emphasis of matter

We draw attention to note 1 to the interim condensed consolidated financial statements, which indicates that the Group incurred a loss of SR 345 million and negative operating cash flows amounting to SR 596 million during the nine-month period ended 30 September 2021. In addition, the Group's current liabilities exceeded its current assets by SR 5,793 million and the Group had accumulated losses amounting to SR 2,473 million as at 30 September 2021. These conditions, along with other matters set forth in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 7 April 2021 (corresponding to 25 Sha'ban 1442H). Further, the interim condensed consolidated financial statements of the Group for the three-month and nine-month periods ended 30 September 2020 were reviewed by another auditor who expressed their unmodified conclusion on those interim condensed consolidated financial statements on 17 December 2020 (corresponding to 2 Jumada I 1442H).

for Ernst & Young

Ahmed I. Reda
Certified Public Accountant
License No. 356

16 November 2021G
11 Rabi' II 1443H

Jeddah

J14
CR . 4030276644
Ernst and Young & Co Public Accountants
(Professional LLC)

Jabal Omar Development Company (A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Note	***30 September 2021 SR'000 (Unaudited)***	*31 December 2020 SR'000 (Audited)*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**17,857,270**	17,875,110
Intangible assets		**4,250**	2,112
Investment properties	5	**5,025,305**	5,041,831
Investment in a joint venture	9	**120,095**	114,590
Investment held at fair value through profit or loss	8	**294,662**	304,710
Restricted cash	7	**242,590**	242,590
Other non-current assets		**17,382**	19,944
TOTAL NON-CURRENT ASSETS		**23,561,554**	23,600,887
CURRENT ASSETS			
Properties for development and sale	10	**1,478,270**	1,419,044
Other current assets		**84,744**	32,222
Trade and other receivables	11	**172,380**	101,528
Investment held at fair value through profit or loss	8	**64,676**	67,836
Restricted cash – current portion	7	**306,566**	348,319
Cash and cash equivalents	7	**471,066**	51,225
		2,577,702	2,020,174
Non-current asset classified as held for sale		**-**	115,821
TOTAL CURRENT ASSETS		**2,577,702**	2,135,995
TOTAL ASSETS		**26,139,256**	25,736,882
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**9,294,000**	9,294,000
Statutory reserve		**108,506**	108,506
Accumulated losses		**(2,472,958)**	(2,128,187)
Reserve for advances to certain founding shareholders		**(285,970)**	(287,296)
Net Equity attributable to the equity holders of the Parent		**6,643,578**	6,987,023
Non-controlling interest		**1,570**	1,719
TOTAL EQUITY		**6,645,148**	6,988,742

Wael Emad El-Turk
Chief Financial Officer

Khaled Mohmmed Al Amoudi
Chief Executive Officer

Saeed Mohammed AlGhamdi
Chairman of the Board of Director

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements

	Note	***30 September 2021 SR'000 (Unaudited)***	*31 December 2020 SR'000 (Audited)*
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	12	**5,053,030**	8,347,880
Liabilities against lease	13	**11,580**	14,181
Payable to other unitholders of investment fund	1	**4,895,002**	4,644,263
Provision for employees' terminal benefits		**21,160**	33,400
Other non-current liabilities		**1,143,123**	1,146,791
TOTAL NON-CURRENT LIABILITIES		**11,123,895**	14,186,515
CURRENT LIABILITIES			
Loans and borrowings – current portion	12	**6,509,174**	2,592,201
Accounts payable and other current liabilities		**1,343,646**	1,483,627
Payable to other unitholders of investment funds - current portion	1	**406,199**	406,199
Liabilities against lease – current portion	13	**3,247**	10,857
Zakat payable	18	**107,947**	68,741
TOTAL CURRENT LIABILITIES		**8,370,213**	4,561,625
TOTAL LIABILITIES		**19,494,108**	18,748,140
TOTAL EQUITY AND LIABILITIES		**26,139,256**	25,736,882

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Jabal Omar Development Company (A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the nine-month period ended 30 September 2021

	Note	*Three-month period ended 30 September*		*Nine-month period ended 30 September*	
		2021 SR'000	*2020 SR'000*	***2021 SR'000***	*2020 SR'000*
Revenue	14	**43,121**	1,932	**141,979**	144,962
Cost of revenue		**(107,983)**	(69,087)	**(342,039)**	(393,073)
GROSS LOSS		**(64,862)**	(67,155)	**(200,060)**	(248,111)
Selling and marketing expenses		**(768)**	(1,359)	**(2,627)**	(6,055)
General and administration expenses		**(13,727)**	(61,958)	**(137,036)**	(120,231)
Net impairment loss/(reversal) on financial assets		**21,531**	(12,587)	**35,444**	(66,811)
Other expenses, net	15	**(163)**	(65,445)	**(118,685)**	(18,918)
OPERATING LOSS		**(57,989)**	(208,504)	**(422,964)**	(460,126)
Gain on disposal of non-current assets classified as held for sale	17	-	-	**662,179**	-
Financial costs	16	**(176,877)**	(28,423)	**(550,434)**	(462,475)
Share of results from investment in a joint venture		**4,035**	(406)	**5,505**	4,239
LOSS FOR THE PERIOD BEFORE ZAKAT		**(230,831)**	(237,333)	**(305,714)**	(918,362)
Zakat	18	**(39,206)**	-	**(39,206)**	-
LOSS FOR THE PERIOD		**(270,037)**	(237,333)	**(344,920)**	(918,362)
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(270,037)**	(237,333)	**(344,920)**	(918,362)
Attributable to:					
Shareholders of the Parent Company		**(270,037)**	(236,945)	**(344,771)**	(917,778)
Non-controlling interests		-	(388)	**(149)**	(584)
		(270,037)	(237,333)	**(344,920)**	(918,362)
LOSS PER SHARE:					
Weighted average number of ordinary shares (number in thousand)		**929,400**	929,400	**929,400**	929,400
Loss per share attributable to ordinary equity holders of the Parent Company (basic and diluted)		**(0.29)**	(0.25)	**(0.37)**	(0.99)

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	Equity attributable to Owners of the Company						
	Share capital SR' 000	*Statutory reserve SR' 000*	*(Accumulated losses) SR' 000*	*Reserve for Advances to certain founding shareholders SR' 000*	*Total SR' 000*	*Non-controlling interests SR' 000*	*Total equity SR' 000*
Balance at 1 January 2020, as restated (Audited)	9,294,000	108,506	(787,360)	(302,458)	8,312,688	2,316	8,315,004
Loss for the period	-	-	(917,778)	-	(917,778)	(584)	(918,362)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(917,778)	-	(917,778)	(584)	(918,362)
Payments received against advance to certain founding shareholders	-	-	-	15,102	15,102	-	15,102
Balance at 30 September 2020, as restated (Unaudited)	9,294,000	108,506	(1,705,138)	(287,356)	7,410,012	1,732	7,411,744
Balance at 1 January 2021 (audited)	9,294,000	108,506	(2,128,187)	(287,296)	6,987,023	1,719	6,988,742
Loss for the period	-	-	(344,771)	-	(344,771)	(149)	(344,920)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(344,771)	-	(344,771)	(149)	(344,920)
Payments received against advance to certain founding shareholders	-	-	-	1,326	1,326	-	1,326
Balance at 30 September 2021 (Unaudited)	**9,294,000**	**108,506**	**(2,472,958)**	**(285,970)**	**6,643,578**	**1,570**	**6,645,148**

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Jabal Omar Development Company (A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the nine-month period ended 30 September 2021

	Note	*For the nine-month period ended 30 September* 2021 SR' 000 (Unaudited)	2020 SR' 000 (Unaudited)
Cash flows from operating activities			
Loss before Zakat		**(305,714)**	(918,362)
Adjustments for:			
Depreciation on property, plant and equipment	6	**182,999**	194,746
Depreciation on investment properties	5	**21,822**	31,368
Amortization of intangible assets		**783**	903
Reversal for employees' terminal benefits		**(1,420)**	(1,341)
Net impairment (reversal)/loss on financial assets		**(35,444)**	66,811
Loss from disposal/write-off of property, plant and equipment	6	**1,906**	4,738
Share of results of investment in a joint venture	9	**(5,505)**	(4,239)
Financial costs	16	**550,434**	462,475
Gain on disposal of non-current assets classified as held for sale		**(662,179)**	-
Change in fair value of investments held at fair value through profit or loss	15	**13,208**	32,034
		(239,110)	(130,867)
Changes in operating assets and liabilities:			
Other non-current assets		**2,562**	3,600
Properties for development and sale		**(59,226)**	6,912
Other current assets		**(52,522)**	6,670
Trade and other receivables		**12,592**	(105,766)
Other non-current liabilities		**(3,668)**	15,315
Accounts payable and other current liabilities		**(92,712)**	109,601
Cash used in operations		**(432,084)**	(94,535)
Financial costs paid		**(153,068)**	(232,419)
Employees' termination benefits paid		**(10,820)**	(3,800)
Net cash used in operating activities		**(595,972)**	(330,754)
Cash flows from investing activities			
Additions to property, plant and equipment	6	**(110,017)**	(346,409)
Proceeds from disposal of property held for sale		**630,000**	-
Additional investment in a joint venture	5	**-**	(23,460)
Additions to investment properties		**(5,296)**	(749)
Purchase of intangible assets		**(2,921)**	-
Proceed from disposal of investment held at fair value through profit or loss		**-**	138,128
Proceed from disposal of investment held at amortized cost		**-**	150,441
Net change in restricted cash balances		**41,753**	80,844
Net cash from / (used in) investing activities		**553,519**	(1,205)

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	Note	*For the nine-month period ended 30 September* 2021 SR' 000 (Unaudited)	2020 SR' 000 (Unaudited)
Cash flow from financing activities			
Payments received against advance to certain founding shareholders		**1,326**	15,102
Loans and borrowings drawdown		**577,499**	402,146
Loans and borrowings repayment		**(106,320)**	(202,177)
Repayments of lease		**(10,211)**	-
Net cash from financing activities		**462,294**	215,071
Net increase/(decrease) in cash and cash equivalents		**419,841**	(116,888)
Cash and cash equivalents at beginning of the period		**51,225**	239,142
Cash and cash equivalents at end of the period		**471,066**	122,254

MAJOR NON-CASH SUPPLEMENTAL INFORMATION

	Note	2021	2020
Capitalization of borrowing cost on investment property		-	53,079
Capitalization of borrowing cost on property, plant and equipment		**57,048**	102,780
Transfer from property, plant and equipment to properties for development and sale	10	-	425,907
Transfer from investment property to properties for development and sale	5	-	375,595
Financial costs paid by a Government entity on behalf of the Group		-	175,928
Account Receivable write-offs		**7,246**	2,625

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1. CORPORATE INFORMATION

Jabal Omar Development Company ("the Company" or “the Parent Company”), a Saudi Joint Stock Company, was established under the Regulations for Companies in the Kingdom of Saudi Arabia (“KSA”) as per Royal Decree No. M/63, dated 18 October 2006 (corresponding to 25 Ramadan 1427H). The Ministerial Resolution No. 253/S dated 28 October 2007 (corresponding to 16 Shawal 1428H) declared the incorporation of the Company. The Company is registered in Makkah Al Mukkaramah City under Commercial Registration number 4031051838 dated 25 November 2007 (corresponding to 15 Dhul Qida 1428H).

The Company’s and its subsidiaries (the “Group”) main activity is to own Jabal Omar area adjacent to the western side of the Holy Mosque in Makkah and develop it into plots of land to manage, invest, sell and lease them for the Company’s interest; in addition to carrying out operations necessary for construction, maintenance, management, demolishing, surveying, and furnishing hotels, commercial facilities and staff residences, as well as importing and exporting hotels’ equipment and furniture and operating the hotels.

Going concern

The Group utilizes debt financing to fund the development of each of the Project’s phases. However, the revenues from the Group’s operational assets are insufficient to meet the servicing requirements of the Group’s debt structure.

Moreover, this shortfall was exacerbated by the outbreak of novel coronavirus (COVID-19), classified as a pandemic, in March 2020. The outbreak of COVID-19 led to a substantial reduction in cash generated from the Group’s hotel and commercial area operations. The Group incurred a total comprehensive loss amounting to SR 345 million and negative cash flows from operations amounting to SR 596 million during the nine-month period ended 30 September 2021. In addition, the Group’s current liabilities exceeded its current assets by SR 5,793 million and the Group had accumulated losses amounting to SR 2,473 million as of 30 September 2021.

Consequently, the Group is critically dependent on the cash that will be generated from debt financing, restructuring and the sale of certain plots of land to meet its obligations when they become due and to continue its operations without a significant curtailment. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern.

The table below summarizes the maturity profile of the Group’s financial liabilities based on contractual undiscounted cash flows:

At 30 September 2021	Within 1 year *SR’ 000*	1-2 years *SR’ 000*	2-5 years *SR’ 000*	Over 5 years *SR’ 000*	**Total** *SR’ 000*
Loans and borrowings	6,860,471	2,244,637	3,428,280	449,070	**12,982,458**
Payable to other unit holders of investment fund**	915,452	812,398	1,218,596	5,358,815	**8,305,261**
Accounts payable and other current liabilities	1,120,867	-	-	-	**1,120,867**
Other non-current liabilities	64,191	480,827	143,125	773,767	**1,461,910**
Liabilities against leases (note 13)	3,247	7,106	4,737	-	**15,090**
Total	**8,964,228**	**3,544,968**	**4,794,738**	**6,581,652**	**23,885,586**

**Since Alinma Makkah Real Estate Fund ("the Fund") was consolidated, and as a result of consolidating the Fund, a liability is payable to the remaining unitholders of the Fund. The liability consists of accrued interest payable on a semi-annual basis of 9.6 % and the redemption amount payable on liquidation of the Fund. The Group has pledged Phase 1 to the lender as mortgage against this transaction Please refer Note 6 for further details. As the unitholders receive a fixed return and redemption amount is fixed, the liability was accounted for at amortised cost.

1. CORPORATE INFORMATION (continued)

Going Concern (continued)
The Group's obligations against lenders and banks do not carry financial covenants except for covenants in respect of a loan amounting to SR 70 million included in the current liabilities.

In assessing the appropriateness of applying the going concern basis in the preparation of these interim condensed consolidated financial statements, the Group's management has developed a plan to enable the Group to meet both its obligations as they become due and to continue its operations, without significant curtailment, as a going concern. The plan comprises the Group's liquidity and forecasted cash flows taking into account reasonably possible outcomes over a 12-month period from the approval of these interim condensed consolidated financial statements. This plan principally includes:

- The Group is at an advanced stage of discussions with a lender to restructure a loan facility amounting to SR 4.7 billion as of 30 September 2021 where the current portion of loan amounting to SR 1.1 billion. The restructured loan agreement would require the Group to sell phase 5. The Group has appointed a real estate broker for the sale of plots of land belonging to phase 5. The cash expected to be generated from this sale would be utilized to partially repay the loan, amounting to SR 1.1 billion, and remaining funds will be restricted for the development of phases 2 and 4. The restructured loan agreement would also enable the Group to obtain a fresh drawdown amounting to SR 1.2 billion for the development of phases 2 and 4.

  Subsequent to period end, on 5 October 2021 (corresponding to 28 Safar 1443H) the Group announced the restructuring a loan facility amounting to SR 4.7 billion with an additional SR 1.2 billion credit limit to be drawn down, taking the total financing to SR 5.9 billion. The total available undrawn facility at the reporting period amounts to SR 1.2 billion, out of which drawdowns from this facility, an amount of SR 746 million, will be made within twelve months from the date of the interim condensed consolidated statement of financial position. The funds from additional facility will go towards the completion of phase 2 and 4 of the Group's master plan.

- The Group also intends to sell certain plots of land in phase 7 along with the plots of land belonging to phase 5 (as mentioned above) and expects to generate aggregate cash amounting to SR 4 billion within twelve months from the date of the interim condensed consolidated statement of financial position. Subsequent to period ended 30 September 2021, Group entered in an agreement with buyer to sell plot of land in phase 5 for an amount of SR 517 million having cost of SR 111 million.

- During the nine-month period ended 30 September 2021, the Group entered into a financing arrangement amounting to SR 1.6 billion with a lender for the completion of phase 3 and made a drawdown of SR 426 million. Remaining drawdowns from this facility is SR 1,174 million out of which SR 849 million, is planned to be made within twelve months from the date of the interim condensed consolidated statement of financial position.

- The Group is in discussion with a lender to defer the repayment of an obligation, amounting to SR 3 billion, that is due to mature on 31 March 2022. The lender has supported the Group by acting as guarantor for the new financing arrangement amounting to SR 1.6 billion referred to above. On this basis, the Group's management is confident that a deferral is expected to be granted.

- The Group is planning to obtain approval from another lender to roll-over a loan facility amounting to SR 1 billion due to mature on 30 November 2021. The loan facility has a history of roll-over in the past and, on this basis, the Group's management is confident that the roll-over will be granted.

- On 26 September 2021, the Group signed a revised facility with another lender, as per the terms of the agreement the facility will increase from SR 0.6 billion to SR 1 billion. Remaining drawdowns of 0.4 billion, is planned to be made within twelve months from the date of the interim condensed consolidated statement of financial position. The repayment for the facility will be due in 18 months from the day of the first withdrawal.

1. CORPORATE INFORMATION (continued)

Going Concern (continued)

- On 13 September 2021, JODC announced the submission of a non-binding offer to the manager of the Alinma Makkah Real Estate fund relating to full settlement of the rights and obligation in respect of the funds' assets. JODC offered the unitholders of the fund a total of 193,068,966 Company's own newly issued shares in exchange of:

    - All payment obligation of the Company to the fund/unitholders deemed to be completely and finally settled
    - Fund surrendering to the Company all the rights over JODC's assets
    - All collaterals granted by JODC to the fund should be released and terminated

  This submission is subject to certain approval from Fund manager and unitholders General Assembly approval expected to convene before 31 December 2021. As a result, liability payable to unitholders would be settled by issuing Company's own shares; hence this transaction would not result in any cash outflow.

Based on the above plan, the Group's cash flow forecast for the twelve-month period from the reporting date indicates a net positive cash flow position. Although there is a material uncertainty created by COVID-19 and its impact on travel restrictions besides the successful execution and conclusion of the above plan, management continues to believe that it remains appropriate to prepare the interim condensed consolidated financial statements on a going concern basis as the above plan mitigates any shortfall that may arise during the next 12 months.

The Company has branch commercial registrations to engage in hospitality activities as per the Saudi Commission for Tourism and National Heritage's ("SCTA") letters. These condensed consolidated interim financial statements include the results of the operating activities relating to the following hotels in addition to its two branches in Jeddah and Riyadh bearing commercial registration numbers 4030291056 and 1010465230, respectively.

Name	*Commencement of operation*	*Registration number*	*Registration date*	*SCTA's-letter No.*	*SCTA's-letter date*
Hilton suites Makkah	01 July 2014 (corresponding to 4 Ramadan 1435H)	4031077081	25 May 2013 (corresponding to 15 Rajab 1434H)	AVM/5887/34	04 March 2013 (corresponding to 22 Rabi II 1434H)
Hyatt Regency	22 June 2015 (corresponding to 5 Ramadan 1436H)	4031087547	09 September 2014 (corresponding to 14 Dhul Qida 1435H)	8957	25 May 2014 (corresponding to 26 Rajab 1435H)
Conrad	30 July 2016 (corresponding to 25 Shabaan 1437H)	4031091636	29 April 2015 (corresponding to 10 Rajab 1436H)	9347	16 March 2015 (corresponding to 25 Jumada I 1436H)
Hilton Convention	31 March 2017 (corresponding to 3 Rajab 1438H)	4031097174	10 August 2016 (corresponding to 07 Dhul Qida 1437H)	16474	19 July 2016 (corresponding to 14 Shawwal 1437H)
Double Tree by Hilton	01 August 2019 (corresponding to 29 Dhul Qida 1440H)	4031214815	15 May 2018 (corresponding to 29 Shaban 1439H)	1651	14 May 2018 (corresponding to 28 Shaban 1439H)
Marriott Makkah	22 June 2015 (corresponding to 5 Ramadan 1436H)	4031085088	07 May 2014 (corresponding to 8 Rajab 1435H)	AVM/8332/35	17 March 2014 (corresponding to 16 Jumada I 1435H)

1. CORPORATE INFORMATION (continued)

These condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as the ‘Group’). The Company has the following subsidiaries as at 30 September 2021. The Group is incorporated in the Kingdom of Saudi Arabia except for Jabal Omar Sukuk Company Limited which is incorporated in the Cayman Island. Except for Alinma Makkah Real Estate Fund, remaining subsidiaries have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Name of the Subsidiary	*Registration No.*	*Registration date*	*Ownership interest*	*Financial year end*	*Principal activities*
Shamikhat Company for Investment and Development	4030594602	09 October 2017 corresponding to 19 Muharram 1439H	100%	31 December	Investment & Development services in the real estate sector
Sahat For Facility Management Company	4031210499	22 October 2017 corresponding to 02 Safar 1439H	100%	31 December	Real estate services
Warifat Hospitality Company	4030298569	1 January 2018 corresponding to 14 Rabi II 1439H	90%	31 December	Hospitality services
Ishrakat for logistic services Company	4030303509	06 May 2018 corresponding to 21 Shaban 1439H	100%	31 December	Logistic services
Alyaat for marketing Company	4030326220	05 March 2019 corresponding to 27 Jumada Al-Thani 1440H	100%	31 December	Marketing services
Rasyat Company	4031051838	8 August 2017 corresponding to 15 Dhul Qadah 1438H	100%	31 December	Investment in infrastructure facilities
Alinma Makkah Real Estate Fund	CMA letter no. 7/4432/5/3	22 August 2017 corresponding to 30 Dhul Qadah 1438H	16.42%	31 December	Acquire a number of income generating real estate assets located within the first phase of Jabal Omar project next to the Grand Mosque in Makkah
Jabal Omar Sukuk Company Limited	334209	12 March 2018 corresponding to 24 Jumada Al Thani 1439H	100%	31 December	Issuance of sukuks

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

The accompanying condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia.

These interim condensed consolidated financial statements do not include all the information and disclosures required in a full set of annual consolidated financial statements and should therefore be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2020. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the material changes in the Group’s financial position and performance since the date of last audited financial statements. In addition, results for the interim period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

2.2 Basis of Measurement

These condensed consolidated interim financial statements have been prepared under the historical cost basis using the accrual basis of accounting except for the following items which are measured as follows:

Items	**Measurement basis**
Provisions for employee terminal benefits	Present value of the defined benefit obligation using projected credit unit method
Investment held at fair value through profit or loss	Fair value

2.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyals (SR), which is also the functional currency of the Group. All figures are rounded off to the nearest thousands (SR ‘000) unless when otherwise stated.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Group’s interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The significant judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2020. However, in the view of the current uncertainty due to COVID-19, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods. As the situation is still evolving with future uncertainties, management will continue to assess the impact based on prospective developments

3. CHANGES TO THE GROUP’S ACCOUNTING POLICIES

The accounting policies and methods of calculation adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2020 except for the adoption of amendments in standards effective as of 1 January 2021 as described below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3. CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

Amendments to IAS 16 'Property, Plant and Equipment: Proceeds before Intended Use'

It prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items in statement of profit or loss. The amendment is required to be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. This amendment had no impact on the interim condensed consolidated financial statements of the Group.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

4. BASIS OF CONSOLIDATION

These interim condensed consolidated financial statements comprising the interim condensed consolidated statement of financial position, interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows and notes to the interim condensed consolidated financial statements of the Group include assets, liabilities and the results of the operations of the Company and its subsidiaries, as set out in note 1. The Company and its subsidiaries are collectively referred to as the "Group". Subsidiaries are entities controlled by the Group.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identified net assets acquired and fair value of pre-existing equity interest in the subsidiary. The excess of the cost of acquisition and amount of Non – Controlling Interest ("NCI") over the fair value of the identifiable net assets acquired is recorded as goodwill in the consolidated statement of financial position. NCI is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in the Consolidated Statement of Profit or Loss. Intra-group balances and transactions, and any recognized income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Company and its subsidiaries have the same reporting periods.

4. BASIS OF CONSOLIDATION (continued)

Consolidation of structured entities

Structured entities are entities designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements". Such entities generally have restricted activities, have a narrow and well-defined objective, such as:

- to affect a specific structure (for example, a tax-efficient lease);
- to perform research and development activities; or
- to provide a source of capital or funding to an entity or to provide investment opportunities for investors by passing risks and rewards associated with the assets of the structured entity to investors.
- Thin recognized on (that is, the proportion of 'real' equity is too small to support the structured entity's overall activities without subordinated financial support).
- Financing in the form of multiple contractually linked instruments to investors that create concentrations of credit risk or other risks (tranches).

As such, understanding the purpose and design of the entity and consideration of the following matters need to be considered when assessing who has the power to direct a structured entity's relevant activities:

- Involvement in, and decisions made at, the structured entity's inception as part of its design.
- Contractual arrangements established at the structured entity's inception.
- Rights to direct the structured entity's relevant activities that are only activated when certain events occur.
- Commitment to ensure that the structured entity operates as designed.

The key criterion in determining whether an entity is a structured entity is whether voting or similar rights are dominant, such that they convey substantive decision-making powers, or whether substantive powers have been prescribed through contractual terms (for example, an 'autopilot' arrangement). Where voting rights are the dominant factor in decision-making powers over an entity, that entity is not a structured entity.

Consolidation of structured entity is not decided solely by legal ownership. The key to determining whether an investor should consolidate a structured entity is whether the investor controls that structured entity. IFRS states that "an investor controls an investee when the investor 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". This definition applies to all entities, including structured entities. The difference with structured entities is that, often, the normal substantive powers (such as voting rights) are not the means by which the investee is controlled. Rather, relevant activities are directed by means of contracts. If those contracts are tightly drawn, it might initially appear that none of the parties has power over the structured entity. As a result, additional analysis is required to ascertain which party controls the structured entity.

5. INVESTMENT PROPERTIES

	Land	*Buildings*	*Equipment*	*Infrastructure Assets*	*Capital work in progress*	*Total*
	SR' 000	*SR' 000*	*SR' 000*	*SR' 000*	*SR' 000*	*SR' 000*
Cost:						
Balance at 1 January 2020 (Audited)	1,393,948	879,983	365,102	92,335	2,423,599	5,154,967
Additions during the year	-	-	2,113	-	69,694	71,807
Transfer to non-current asset classified as held for sale (note 5(c))	(54,275)	-	-	-	-	(54,275)
Balance at 31 December 2020 (Audited)	1,339,673	879,983	367,215	92,335	2,493,293	5,172,499
Additions during the period	-	-	-	-	5,296	5,296
Balance at 30 September 2021 (Unaudited)	**1,339,673**	**879,983**	**367,215**	**92,335**	**2,498,589**	**5,177,795**
Accumulated depreciation:						
Balance at 1 January 2020 (Audited)	-	28,294	56,179	16,175	-	100,648
Depreciation for the year	-	11,058	17,038	1,924	-	30,020
Balance at 31 December 2020 (Audited)	-	39,352	73,217	18,099	-	130,668
Depreciation for the period	-	7,960	12,418	1,444	-	21,822
Balance at 30 September 2021 (Unaudited)	-	**47,312**	**85,635**	**19,543**	**-**	**152,490**
Net book value:						
At 30 September 2021 (Unaudited)	**1,339,673**	**832,671**	**281,580**	**72,792**	**2,498,589**	**5,025,305**
At 31 December 2020 (Audited)	1,339,673	840,631	293,998	74,236	2,493,293	5,041,831

5. INVESTMENT PROPERTIES (continued)

a) Investment properties comprise commercial centers, parking areas and properties under development. Developed commercial centers and parking areas generate income through lease agreements. During the period ended 30 September 2021, there was SR Nil capitalized as borrowing costs for the construction of investment properties included in capital work in progress (31 December 2020: SR 57.9 million). Further, the capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the Group's general borrowings during the period, in this case 3.57% per annum (31 December 2020: 4.26 % per annum).

b) Capital work in progress represents assets under construction relating to commercial centers and infrastructure development work on the land.

c) These represent amounts transferred to non-current asset classified as held for sale pertaining to assets determined by management to be recovered principally through a sale transaction rather than continuing use.

d) Deprecation charged for the period ended 30 September 2021 has been allocated to cost of sale.

e) At 30 September 2021, the Group's land in the investment properties with a carrying amount of SR 1,018 million (31 Dec 2020: SR 1,018 million) were mortgaged as collateral against loans and borrowings and unitholders of investment fund. Also, see note 1.

f) Also refer Note 6 for key assumptions and information about fair value measurements using significant unobservable input.

6. PROPERTY, PLANT AND EQUIPMENT

	Lands SR' 000	*Buildings SR' 000*	*Central District Cooling System SR' 000*	*Equipment SR' 000*	*Furniture and fixtures and other Assets SR' 000*	*Infra-structure Assets SR' 000*	*Capital work in progress SR' 000*	*Total SR' 000*
Cost:								
Balance at 1 January 2020	2,957,546	4,207,847	505,025	1,968,513	767,263	429,057	7,564,558	18,399,809
Additions during the year	-	-	-	711	6,502	-	452,057	459,270
Disposals during the year	-	-	-	-	(5,164)	-	-	(5,164)
Remeasurement	-	-	-	-	16,996	-	-	16,996
Write-off	-	-	-	-	(26,600)	-	-	(26,600)
Transfers from CWIP	-	-	502,129	-	-	-	(502,129)	-
Transfer to non-current asset classified as held for sale (Note 6 (b))	(61,546)	-	-	-	-	-	-	(61,546)
Balance at 31 December 2020	2,896,000	4,207,847	1,007,154	1,969,224	758,997	429,057	7,514,486	18,782,765
Transfers from CWIP	-	-	11,868	-	-	-	(11,868)	-
Additions during the period	-	-	-	1,031	4,150	-	161,884	167,065
Disposals/write-off during the period	-	-	-	-	(18,983)	-	-	(18,983)
Reclassification	41,103	-	-	-	-	-	(41,103)	-
Balance at 30 September 2021 (Unaudited)	**2,937,103**	**4,207,847**	**1,019,022**	**1,970,255**	**744,164**	**429,057**	**7,623,399**	**18,930,847**
Accumulated depreciation:								
Balance at 1 January 2020	-	131,250	75,838	169,072	239,514	29,853	-	645,527
Depreciation for the year	-	53,538	43,616	81,911	92,473	7,985	-	279,523
Relating to disposals during the period	-	-	-	-	(1,435)	-	-	(1,435)
Write-off	-	-	-	-	(15,960)	-	-	(15,960)
Balance at 31 December 2020	-	184,788	119,454	250,983	314,592	37,838	-	907,655
Depreciation for the period	-	37,407	25,670	61,161	52,773	5,988	-	182,999
Relating to disposals/write-off during the period	-	-	-	-	(17,077)	-	-	(17,077)
Balance at 30 September 2021 (Unaudited)	-	**222,195**	**145,124**	**312,144**	**350,288**	**43,826**	-	**1,073,577**
Net book value								
At 30 September 2021 (Unaudited)	**2,937,103**	**3,985,652**	**873,898**	**1,658,111**	**393,876**	**385,231**	**7,623,399**	**17,857,270**
At 31 December 2020 (Audited)	2,896,000	4,023,059	887,700	1,718,241	444,405	391,219	7,514,486	17,875,110

6. PROPERTY, PLANT AND EQUIPMENT (continued)

a. The Group signed an agreement ("the Agreement") with the Central District Cooling Company ("CDCC") a joint venture for the construction, operation and maintenance of the District Cooling System ("DCS") for 26.5 years from the date of final commissioning of DCS which became effective 31 December 2014. The DCS is pledged against a loan obtained by CDCC. The Group is entitled to obtain all economic benefits from the DCS during its entire life and therefore recognises the DCS from the commencement of construction by CDCC.

b. These represent amounts transferred to non-current assets classified as held for sale pertaining to asset s determined by management to be recovered principally through a sale transaction rather than continuing use. Refer to note 17.

c. Land (the ‘Land’) represents plots situated in the Jabal Omar area, which were received by the Company from the founding shareholders (the ‘Owners’) against issuance of its shares at nominal value of SR 10 per share by virtue of a Royal Decree (the ‘Decree’) (note 1). Valuation of land was prepared and approved by Development Commission of Makkah Al Mukkaramah. Legal formalities for the transfer of title deeds from the Owners were completed. The Company had intended to complete the procedures for transferring any remaining title deeds in the name of the Company and issue corresponding shares, as and when their Owners would complete the related statutory and legal documentation (the ‘documentation’).

However, due to the physical location of the Project and peculiarities attached to the land ownership around Haram area, there were certain plots without identified title deeds. Accordingly, owners of plots amounting to SR 359 million remained unable to complete the documentation even after several years post incorporation of the Company. Accordingly, during 2016, the management of the Company recognised this remaining unrecorded land in its financial statements, considering the following:

- No title deeds had been submitted for the past 2 years;
- In respect of the Owners who could not submit their legal tittle deeds, pursuant to the transfer arrangement, Makkah Construction and Development Company ("MCDC") subscribed for shares in the Company on behalf of those owners. This mechanism was ratified by Royal Decree No. M/63, dated 25/9/1427H (corresponding to 18 October 2006) and therefore legal ownership of the land is with the Group.
- The Company possesses substantive rights to the use of complete Land by virtue of the Decree
- The Group has been in the possession of the Land for the past several years and has started construction thereon: and
- During 2020, the competent authorities issued a unified title deed in the name of the Company for the entire area of the Group's Project which amounts to 235,869.11 square meters.

Moreover, in lieu of the fact that MCDC subscribed for the shares on behalf of owners who could not submit their legal title deeds, a corresponding payable to MCDC was recognised. The amount payable to MCDC would be settled as and when owners who could not submit their title deeds earlier, would do so, with a corresponding re-allocation in shareholding between MCDC and such owner. Management expects the liability to be settled on demand and hence recorded as current liability.

d. During the period ended 30 September 2021, an amount of SR 74.6 million (31 December 2020; SR 117 million) was capitalized as borrowing cost for the construction of property plant and equipment included in capital work in progress. Further, the capitalization rate used to determine the amount of borrowing cost to be capitalized is the weighted average interest rate applicable to the Group general borrowing during the period, in this case 3.57% per annum (2020: 4.26% per annum).

e. At 30 September 2021, the Group’s land in the property and equipment with a carrying amount of SR 2,532 million (31 December 2020: SR 2,532 million) were mortgaged as collateral against loans and borrowings and unitholders of investment fund.

6. PROPERTY, PLANT AND EQUIPMENT (continued)

f. The outbreak of COVID-19 led to a substantial reduction in cash generated from the Group's hotel and commercial area operations. It has also interrupted the development of the Group's projects. As a result, management had considered there to be indicators of impairment. There is a risk that the carrying value of non-financial assets, hotels, commercial properties and land parcels ("properties") associated with the Group's operations will be higher than the recoverable amounts.

For the purpose of impairment testing of the non-financial assets, the underlying assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The Group has determined the recoverable amounts of each CGU by assessing the fair value less cost of disposal (FVLCOD) of the underlying assets. The valuation is considered to be Level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. Based on the valuation, no impairment was identified.

The valuation methodology and related significant inputs and assumptions used by valuers in estimation of net recoverable amount are as follows:

Valuation methodology:
The Group engaged independent professionally qualified valuation experts i.e. 'Esnad Real Estate Valuation' accredited by the Saudi Authority for Accredited Valuers and performed their work in accordance with the International Valuation Standards Council (IVSC) as well as the regulations issued by the Saudi Authority for Accredited Valuers (TAQEEM). Esnad has recent experience under IFRS 13, in determining the fair value for properties in the locations and segments where the Group's properties are situated.

The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the Chief Financial Officer (CFO) and Chief Risk Officer (CRO) of the Group. Discussions of valuation processes and results are held between the CFO, CRO, the valuation team and the independent valuer at least once in every quarter, in line with the Group's quarterly reporting dates.

There were no changes in the valuation techniques during the period.

At each financial year-end the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the quarterly valuation discussions between the CFO, CRO and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

The Group has a number of operating hotels and hotels under construction. Each hotel is considered a separate CGU for purposes of impairment testing. In determining the fair value, the valuer has used an income approach, residual value approach, cost approach and in certain cases a weighted average of approaches. In case of non-operated assets comprising land parcels only the valuer has used comparable values approach. The Group also has a number of commercial centers and each commercial center is considered a separate CGU. The valuer has used an income approach for developed commercial centers and commercial centers under development.

Income approach: Under this approach, the valuers obtained rental of the relevant property and estimated future rental cash inflows. These future cash inflows are then discounted back to valuation date, resulting in present value of the related investment property. Since these valuations are based on significant unobservable inputs, the fair value measurement was classified as Level 3.

Cost approach: In cost approach appraisal, the market price for the property is equal to the fair value of the land plus cost of construction, less depreciation. Since these valuations are based on significant unobservable inputs, the fair value measurement was classified as Level 3.

Comparable values approach and residual value approach: Under these approaches, the valuer obtains land prices in the neighbouring districts and adjusts them for difference in specification of the Group's properties. Such values are based on significant unobservable inputs and hence the fair value measurement was classified as Level 3.

6. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Assumption	**Approach used to determine values**
Average daily rate	Based on the actual location, type and quality of the properties and supported by historic trends and approved room rents including impacts of expected inflations.
Estimated occupancy rate	Based on current, historic and expected future market conditions.
Retail developed land value	Prices of residential and commercial land parcels per square meter in the neighbouring districts.
Discount rates	Reflects current market assessments of the uncertainty in the amount and timing of cash flows.
Capitalization rate	It is based on actual location, size and quality of the properties and taking into account market data at the valuation date.
Costs to complete	These are largely consistent with internal budgets developed by the Group's management, based on it's experience and knowledge of market conditions.

The valuation of the Group's properties didn't significantly change from the valuation done at Group's last audited consolidated financial statements for the year ended 31 December 2020. For the sensitivity analysis refer to the last audited consolidated financial statements for the year ended 31 December 2020.

7. CASH AND CASH EQUIVALENTS

	30 September 2021 (Unaudited) SR'000	*31 December 2020 (Audited) SR'000*
Cash on hand	**85**	462
Cash at banks (see notes (a) and (b) below)	**1,020,137**	641,672
	1,020,222	642,134
Less: Restricted cash– non-current (see note (a) below)	**(242,590)**	(242,590)
Less: Restricted cash – current (see note (a) below)	**(306,566)**	(348,319)
	471,066	51,225

a) Restricted cash includes an amount of SR 317 million placed in Murabaha deposits with commercial banks having original maturity of three months (31 December 2020: SR 352.5 million) and yielding profit at prevailing market rate. However, these Murabaha deposits are restricted under reserve accounts as per the agreements under corresponding arrangements with commercial banks.

b) Balance in bank accounts with entities having common directorship with the Group amount to SR 1.3 million as at reporting date (31 December 2020: SR 0.1 million).

c) The cash is held in accounts with banks having sound credit ratings. The fair value of cash and cash equivalent and restricted cash approximates the carrying value at 30 September 2021 and 31 December 2020.

8. INVESTMENT HELD AT FAIRVALUE THROUGH PROFIT OR LOSS

8.1 Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

- debt investments that do not qualify for measurement at either amortised cost or FVOCI;
- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognize fair value gains and losses through OCI.

8.2 Equity investments at fair value through profit or loss

		Carrying value as at		*Unrealized (loss) / gain as at*	
	Note	***30 September 2021 (Unaudited) SR'000***	*31 December 2020 (Audited) SR'000*	***30 September 2021 (Unaudited) SR'000***	*31 December 2020 (Audited) SR'000*
Non-current assets					
Al Bilad Makkah Hospitality Fund	A	**294,662**	304,710	**74,662**	84,710
Current assets					
Alinma Saudi Riyal Liquidity Fund	B	**64,676**	67,836	**(852)**	2,308

a) This represents investment in 20 million units (31 December 2020: 20 million units) of the investee which is a private placement closed ended real estate investment fund domiciled in KSA and managed by Al Bilad Investment Company. The objective of the investee is to acquire interest in properties situated in Makkah in order to generate income and capital growth. The main assets of the investee are represented by investment properties. The investee prepares and publishes financial statements on semi-annual basis under which it reports net asset value of the fund based on the fair value of these investment properties, as determined by two independent valuers (referred to as 'Indicative NAV'). Since the units of the fund are traded with reference to such Indicative NAV, management believes that it is a reasonable approximation of the fair value of the investee. As per the latest reviewed financial statements of the investee for the period ended 30 June 2021, the Indicative NAV per unit amounts to SR 14.73, which has accordingly been used as a valuation basis of the Group's investment as at 30 September 2021.

b) This represents investment in Alinma Saudi Riyal Liquidity Fund which is a public investment fund domiciled in KSA and managed by Al Inma Investment Company. The objective of the investee is to invest in Murabaha Contracts which complies with Islamic Shari'a.

c) Financial assets at FVTPL comprise investments in funds. The following tables show the valuation techniques used in measuring fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

			Fair value measurement using		
	Date of valuation	*Total SR'000*	*Quoted prices in active markets (Level 1) SR'000*	*Significant observable inputs (Level 2) SR'000*	*Significant unobservable inputs (Level 3) SR'000*
Equity investments at fair value through profit or loss	*30 September 2021 (Unaudited)*	359,338	64,676	294,662	-
Equity investments at fair value through profit or loss	*31 December 2020 (Audited)*	372,546	67,836	304,710	-

8. INVESTMENT HELD AT FAIRVALUE THROUGH PROFIT OR LOSS (continued)

8.2 Equity investments at fair value through profit or loss (continued)

Type	**Valuation technique**
Investment in public funds	Quoted market prices
Investment in non-public funds	Indicative NAV of the Fund based on the fair value of the underlying assets of the Fund

There are no transfers in the fair value levels during the period ended 30 September 2021.

9. INVESTMENT IN A JOINT VENTURE

This represents Group's 40% investment in a joint venture arrangement in Central District Cooling Company ("CDCC"), which is principally engaged in the business of providing central district cooling system services. CDCC has share capital consisting solely of ordinary shares, which are held directly by the group and the proportion of ownership interest is the same as the proportion of voting rights held. CDCC is not publicly listed, and the Group has entered into an agreement with CDCC, for the construction, operation and maintenance of District Cooling System ('DCS'). The principal place of business of the joint venture is Makkah, KSA. The Group's interest in CDCC is accounted for using the equity method in the interim condensed consolidated financial statements. The information disclosed reflects the amounts presented in the interim condensed consolidated financial statements of the joint venture. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

During the period, the Group has recorded share of result amounting to SR 5.5 million (30 September 2020: SR 4.2 million).

10. PROPERTIES FOR DEVELOPMENT AND SALE

These represent properties being developed for sale as residential units and plot of lands which determined by management to be used for future sale in the ordinary course of Group's operations.

Movement during the period ended 30 September 2021 is as follows:

	30 September 2021 (Unaudited) *SR'000*	*31 December 2020 (Audited)* *SR'000*
Opening balance	**1,419,044**	1,423,302
Additions	**59,226**	11,771
	1,478,270	1,435,073
Less: Charged to cost of revenue	**-**	(16,029)
	1,478,270	1,419,044

10.1 At 30 September 2021 the Group's properties from development and sale amounting to SR 146 million (31 December 2020: 146 million) were mortgaged as collateral to the local commercial banks and unitholders of investment fund.

10.2 Properties for development and sale recognized as an expense during the period ended 30 September 2021 amounts to SR Nil (30 September 2020: SR 16 million) are included in cost of development properties sold.

10.3 Determination of net realizable value:

At 30 September 2021 and 31 December 2020, the net realizable value of the properties is assessed to be higher than their carrying value.

Residential units

The management of the Group has carried out an exercise to determine the net realizable value of their residential units. This exercise involved determination of planned mode of disposal and the estimation of certain significant variables such as estimated selling price based on planned mode of disposal, estimated cost to sell and estimated cost to make the asset ready for sale. At 30 September 2021 and 31 December 2020, the net realizable value of the residential units is assessed to be higher than their carrying value.

11. TRADE AND OTHER RECEIVABLES

	30 September 2021 (Unaudited) SR'000	*31 December 2020 (Audited) SR'000*
Receivables from contract with customers	**15,952**	36,679
Receivables from rental income	**20,987**	53,382
Receivables in respect of properties for development and sale	**-**	17,532
Contract assets	**42,869**	69,996
Advances to suppliers	**117,146**	6,538
Margin and other deposits	**14,571**	14,571
Other receivables	**22,462**	7,127
Less: net impairment loss on financial assets	**(61,607)**	(104,297)
	172,380	101,528

Trade receivables are non-derivative financial assets carried at amortised cost and are generally on terms of 90 to 180 days. The carrying value may be affected by changes in the credit risk of the counterparties. It is not the practice of the Group to obtain collateral over third party trade receivables and these are, therefore, unsecured. The Group's trade receivables are concentrated in the Kingdom of Saudi Arabia. As at 30 September 2021, five largest customers accounted for 28% (31 December 2020: 36%) of the outstanding trade receivables. Due to short-term nature of the trade receivables, their carrying amounts are considered to approximate their fair values.

Advances to suppliers mainly include advances for undertaking repair and maintenance of infrastructure work.

12. LOANS AND BORROWINGS

Details of the Group's loans and borrowings are as follows:

	30 September 2021 (Unaudited) SR'000	*31 December 2020 (Audited) SR'000*
Loans and borrowings	**11,005,016**	10,529,748
Accrued commission on term loan	**579,798**	433,374
Less: Deferred financial costs	**(22,610)**	(23,041)
	11,562,204	10,940,081
Current portion	**(6,509,174)**	(2,592,201)
Non-current portion	**5,053,030**	8,347,880

12. LOANS AND BORROWINGS (continued)

Non-current portion

	30 September 2021 (Unaudited) SR'000	*31 December 2020 (Audited) SR'000*
Government loan (Note (a) below)	**-**	3,000,000
Accrued commission	**-**	318,300
Syndicate loan (2) (Note (b) below)	**3,308,707**	3,587,699
Accrued commission	**55,387**	-
Facility from a local bank (Note (c) below)	**141,770**	331,770
Accrued commission	**-**	2,873
Facility from local bank (Note (f) below)	**29,150**	-
Facility from a local bank (Note (g) below)	**600,000**	600,000
Accrued commission	**-**	15,856
Subordinated Sukuk (Note (h) below)	**506,250**	506,250
Facility from local bank (Note (j) below)	**426,315**	-
	5,067,579	8,362,748
Less: Deferred financial costs	**(14,549)**	(14,868)
	5,053,030	8,347,880

Current portion

	30 September 2021 (Unaudited) SR'000	*31 December 2020 (Audited) SR'000*
Government loan (Note (a) below	**3,000,000**	-
Accrued commission	**439,231**	42,421
Syndicate loan (2) (Note (b) below)	**1,385,293**	957,029
Accrued commission	**23,190**	840
Facility from a local bank (Note (c) below)	**490,930**	272,973
Accrued commission	**4,475**	11,851
Facility from a local bank (Note (d) below)	**1,000,000**	1,000,000
Accrued commission	**15,232**	28,553
Facility from a local bank (Note (e) below)	**70,000**	135,753
Accrued commission	**501**	1,757
Facility from a local bank (Note (f) below)	**46,600**	138,274
Accrued commission	**284**	969
Accrued commission (Note (g) below)	**19,384**	3,560
Accrued commission (note (h) below	**21,052**	6,394
Accrued commission (Note (i) below)	**1,063**	-
	6,517,235	2,600,374
Less: Deferred financial costs	**(8,061)**	(8,173)
Current portion	**6,509,174**	2,592,201

12. LOANS AND BORROWINGS (continued)

Term loans

a) On 13 December 2011 (corresponding to 18 Muharram 1433H), the Group signed an agreement with Ministry of Finance to obtain a loan amounting to SR 3 billion. The loan was designated for development of Phase 3 of the Group's Projects. At origination, the amount was due for settlement in six semi-annual installments commencing from 1 January 2014.

During 2016, the Group obtained an extension on the settlement's commencement date to 1 January 2019. During 2018, the Group obtained approval from the lender to further reschedule the loan for repayment in three equal installments annually, commencing from 31 December 2018, with interest rate of SIBOR plus 1.75%.

During 2020, the Group obtained approval from the lender to postpone repayment of all installments that were due on, or before, 31 December 2020 until 31 March 2022. As result, the Group has recognized modification losses amounting to SR 9.3 million, recorded under finance charges, as a result of facilities rescheduled during the year ended 31 December 2020. The Group has pledged Phase 3 to the lender as mortgage against the loan's amount. There are no financial debt covenants related to the facility.

b) On 18 May 2015 (corresponding to 29 Rajab 1436H), the Group signed a syndicated Islamic loan agreement under Ijara arrangement with a credit limit of SR 8 billion with two local banks. Such loan shall be used to repay all bank liabilities related to Phases 2, 4 and 5, including a loan from a local bank with a credit limit of SR 2 billion (already paid) and another short-term liability in addition to completing the construction of Phases 2 and 4 and executing Phase 5. The syndicated Islamic loan is payable over a period of 12 years from the date of signing the agreement in quarterly payments ending at September 2027. The Group has an option to extend the repayment schedule for additional 4 years. The Group has withdrawn SR 4.7 billion under the facility and carries borrowing costs of SIBOR plus 2.5% rate. During 2020, the Group received letter for the deferral of payment due till March 31, 2021. During 2021, the Group received letter for the deferral of payment due till 30 September 2021. There are no financial debt covenants related to the facility. Subsequent to period end, this loan has been further restructured as disclosed in note 22.

The Group has provided the following securities against the facility:

- Mortgage of the above-mentioned phases' lands deeds.
- Promissory note by the Group for the syndicate of SR 6.1 billion

c) On 20 March 2017 (corresponding to 21 Jumada II 1438H), the Group signed an unsecured long term loan facility agreement with a local bank having common directorship with the Company (Note 19),the facility limit of SR 842 million for the purpose of settlement of certain Group's outstanding liabilities, whereby the loan will be repaid over a period of four years. Accordingly, as per the repayment terms, the loan was repayable in seven semi-annual equal instalments; the first instalment was due on 20 March 2018 (corresponding to 03 Rajab 1439H) and last instalment would have been due on 20 March 2021 (corresponding to 7 Shabaan 1442H). The loan carries borrowing costs at SIBOR plus 5%. On 21 March 2019 (corresponding to 14 Rajab 1441), the Group entered into a revised/ restructured agreement relating to the facility for the outstanding amount of the loan as at the restructuring date. Accordingly, as per the revised terms, the loan is repayable in nine installments: the first installment falling due on 18 August 2019 (Corresponding to 17 Dhual Hijjah 1440) and last installment due on 19 September 2023 (Corresponding to 4 Rabiul awal 1445). During the year ended 31 December 2020, the Group has received short-term deferral on the instalment due in March 2020 and September 2020 until the following instalment due date in March 2021 and remaining amount to be settled till September 2023 based on semi-annual installment schedule. Due to restructuring in current payments, the Group has recognized modification losses amounting to SR 4.9 million during the year ended 31 December 2020. During 2021, the Group received short-term deferral on the instalment due in March 2021 until July 2021. There are no financial debt covenants related to the facility.

12. LOANS AND BORROWINGS (continued)

Term loans (continued)

d) On 17 July 2017 (corresponding to 22 Shawal 1438H), the Group signed an unsecured facility with a local bank, with an amount of SR 500 million for the purpose of settlement of certain Group's outstanding liabilities. The loan carries borrowing costs at commercial rates and was repayable after six months (with an option to extend for a further period of six month). Original maturity date of the loan was 31 August 2018 (corresponding to 20 Dul-Hajjah 1439H). On 16 October 2017 (corresponding to 26 Muharram 1439H), the Group has re-negotiated and signed an agreement to convert the existing unsecured facility with secured facility for an additional amount of SR 500 million which increased the facility to SR 1 billion for the purpose of Group's outstanding liabilities. This new facility is secured with SR 1 billion subscribed units of JODC in the Group's subsidiary interest, Alinma Makkah Real Estate Fund and was due for payment on 31 March 2018. The loan carries borrowing costs at commercial rates. During the year ended 31 December 2020, the Group has finalized the terms and condition of restructuring the facilities and accordingly maturity has been extended to November 2021 with borrowing cost of SIBOR plus 3%. The Group has recognized modification losses amounting to SR 36.2 million, as a result of facilities rescheduled during the year ended 31 December 2020. There are no financial debt covenants related to the facilities.

e) On 17 January 2018 (corresponding to 30 Rabi Al-Akhar 1439H), the Group signed an unsecured nonfunded facilities with a local bank, with a limit of SR 300 million for the purpose of opening letters of credit (L/C) and letters of guarantees (L/G) by the Group. The facility was renewed with an amount of SR 209.8 million with an expiry date of 30 January 2020. At 30 June 2021, the Group has utilized SR 70 million to settle some of the outstanding liabilities SIBOR plus 2.5%. During the year ended 31 December 2020, the facility has been extended. Also refer Note 12 (i) for information on financial debt covenant.

f) On 16 August 2017 (corresponding to 24 Dhul Qadah 1438H), the Group signed an unsecured non funded facilities with a local bank, with an amount of SR 200 million for the purpose of opening letters of credit (L/C) and letters of guarantees (L/G) by the Group. The facility carries borrowing costs at commercial rates and facility was rolled over till 17 September 2022 (corresponding to 21 Safar 1444). The facility carries borrowing costs at SIBOR plus spread. At 30 September 2021, the Group has utilized SR 76 million to settle some of the outstanding liabilities. There are no financial debt covenants related to the facility.

g) On 30 January 2019 (corresponding to 24 Jamada I 1440H), the Group has signed a facility with a local bank, with an amount of SR 600 million for the purpose of financing existing phase 3 project overhead requirements and other financial commitments. The loan was repayable on 27 February 2020. The Group has provided a hotel as mortgage against the loan amount. The facility carries borrowing costs at commercial rates at SIBOR plus 2%. During the year ended 31 December 2020, the Group finalized the terms and condition of restructuring the facility and accordingly its maturity has been extended to December 2025. During the year ended 31 December 2021, the Group has recognized modification losses amounting to SR 18.5 million due to rescheduling during the year 2020. The deferred repayments will be linked with the assigned operating cashflows of the hotel. There are no financial debt covenants related to the facility.

h) On 12 November 2018, the Group issued sharia compliant unsecured and subordinated private Sukuk amounting to SR 506 million, with a maturity date of 15 November 2023. The sukuks were issued under wholly owned subsidiary 'Jabal Omar Sukuk Company Limited' in United States Dollars. The outstanding principal is repayable in a single instalment due on the maturity date. The Sukuk carries a fixed commission rate of 9.85% per annum. There are no financial debt covenants related to the Sukuk.

i) The Group has a financial covenant related to a borrowing facility with an outstanding principal amount of SR 138 million. The Group has complied with the requirements of the financial covenant during the period ended 30 June 2021 and the year ended 31 December 2020. Under the terms of the borrowing facility, the group is required to comply with the financial covenant of debt-to-equity ratio of not exceeding 2.5:1.

j) During the three-month period ended 30 June 2021, the Group entered into a secured financing arrangement amounting to SR 1.6 billion with a lender for the completion of the third Phase of the Group's Project. SR 426 million were drawn during the quarter which were used to settle some of Phase 3 related liabilities. Remaining drawdowns from this facility will be made within twelve months from the date of the condensed consolidated statement of financial position. Cost of borrowing is SIBOR plus 0.9%.per annum.

13. LIABILITIES AGAINST LEASE

The liabilities against lease are as follows:

	30 September 2021 (Unaudited) SR'000	*31 December 2020 (Audited) SR'000*
Total leases payments under leases	**15,090**	27,061
Finance charges	**(263)**	(2,023)
	14,827	25,038
Less: Current portion	**(3,247)**	(10,857)
Non-current portion	**11,580**	14,181

	Future lease rentals SR'000	***Unamortized finance charges SR'000***	***Lease Liability SR'000***
30 September 2021 *(Unaudited)*			
Less than one year	3,978	(731)	**3,247**
Between one to five years	13,289	(1,709)	**11,580**
	17,267	**(2,440)**	**14,827**
31 December 2020 (Audited)			
Less than one year	11,588	(731)	10,857
Between one to five years	15,473	(1,292)	14,181
	27,061	(2,023)	25,038

14. REVENUE

	For the nine-month period ended	
	30 September 2021 (Unaudited) SR'000	*30 September 2020 (Unaudited) SR'000*
Revenue from contract with customers	**122,338**	114,310
Revenue from rental income	**19,641**	30,652
	141,979	144,962

a. *Disaggregation of revenue from contract with customers*

Set out below is the revenue disaggregated by type of revenue and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments. Further, the Group's revenue is earned in Kingdom of Saudi Arabia.

	For the nine-month period ended 30 September							
	2021	*2020*	***2021***	*2020*	***2021***	*2020*	***2021***	*2020*
	Operating Hotels		*Commercial centers*		*Properties for development and sale*		*Total*	
	SR'000	*SR'000*	***SR'000***	*SR'000*	***SR'000***	*SR'000*	***SR'000***	*SR'000*
Type of revenue:								
Sale of Properties for development and sale	-	-	-	-	**5,719**	483	**5,719**	483
Hotel's operations	**116,619**	108,948	-	-	-	-	**116,619**	108,948
Lease of Parking	-	4,879	-		-	-	**-**	4,879
Lease of Commercial center	-	-	**19,641**	30,652	-	-	**19,641**	30,652
	116,619	113,827	**19,641**	30,652	**5,719**	483	**141,979**	144,962
Timing of revenue recognition:								
Point-in-time	**23,364**	108,948	-	-	-	-	**23,364**	108,948
Over time	**93,255**	4,879	**19,641**	30,652	**5,719**	483	**118,615**	36,014
Total Revenue from contract with customers	**116,619**	113,827	**19,641**	30,652	**5,719**	483	**141,979**	144,962

15. OTHER EXPENSES, NET

	For the nine-month period ended	
	30 September 2021 (Unaudited) SR'000	30 September 2020 (Unaudited) SR'000
Fair value loss on FVTPL investments (refer note 8)	**13,208**	32,034
Others	**105,477**	(13,116)
	118,685	18,918

16. FINANCIAL COSTS

	For the nine-month period ended	
	30 September 2021 (Unaudited) SR'000	30 September 2020 (Unaudited) SR'000
Interest and finance charges paid / payable for financial liabilities not at fair value through profit or loss	**323,279**	204,817
Conventional borrowing cost	**227,155**	257,658
	550,434	462,475

17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

During the period ended 30 September 2021, the Group consummated the sale of a plot of land, measuring 2,572 square meters, located in Phase 7 of the Group's project by transferring the plot's legal title to the buyer. The sale value amounted to SR 830 million whereas the carrying amount of the land disposed amounted to SR 115.8 million. In accordance with the terms of the sale agreement, the Group has collected payments from the buyer amounting SR 782 million whereas the remaining proceeds are expected to be received before 31 December 2021 upon fulfillment of certain conditions specified in the agreement. Out of SR 830 million, an amount of SR 52 million is deferred and to be recognized on fulfillment of related performance obligation.

18. ZAKAT

During 1433H, the Zakat, Tax and Customs Authority ("ZTCA"), issued an assessment for the intervening period from 23 Ramadan 1427H to 30 Dhul Hijjah 1430H resulting in additional zakat liability of SR 30.4 million. JODC has filed an appeal against ZTCA 's assessment and submitted a bank guarantee of SR 29.1 million. During 2016, the ZTCA 's Higher Appeal Committee (HAC) rendered its decision reducing the zakat liability to SR 21.8 million. JODC has filed another appeal to the ZTCA's Board of Grievance against HAC's unfavorable decision. This appeal is under assessment and awaiting a decision. Management expects a favorable outcome.

During 1435H, ZTCA issued an assessment for zakat and withholding tax ("WHT'') with a claim for additional zakat and WHT amounting to SR 26.8 million for the years ended 30 Dhul Hijjah 1431H through 1433H. JODC has filed an appeal against ZTCA's assessment along with the submission of a bank guarantee of SR 14.6 million. Management expects a favorable outcome.

The Group has filed its zakat return for the years ended 30 Dhul Hijjah 1434H to 1437H along with the periods ended 15 Rajab 1438H and 31 December 2018 and obtained a restricted zakat certificate for the said years. The ZTCA has not completed the review of the zakat returns and has not issued any assessment for the said years. Furthermore, during 2017, the Group has submitted a revised zakat return for the years 1434H through 1436H which has been acknowledged by ZTCA and awaiting assessment. The Group has received zakat assessment from ZTCA till 2018 of approximately SR 421 million and recorded zakat payable based on the received assessment of SR 68 million and filed appeal against the open assessments.

During the nine-month period ended 30 September 2021, the Group has recorded zakat charge of SR 39.2 million (30 September 2020: SR nil).

19. RELATED PARTIES AND OTHER AFFILIATES

Related parties represent the shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

In the ordinary course of its business the Group transacts with related parties which are based on prices and terms approved by the management.

The following are the details of major related party transactions during the year and the related balances at period end:

		For the nine-month period ended	
		30 September 2021 (Unaudited)	*30 September 2020 (Unaudited)*
		SR'000	*SR'000*
Related party	**Nature of transaction**		
Bank Al Bilad – affiliate	Finance cost on loan from a local bank	**9,031**	24,229
Senior management employees	- Short term employee benefits	**5,813**	2,814
	- Post-employment benefits	**112**	112
	BOD meeting attendance fee	**474**	471
Central District Cooling Company – Joint Venture	Cooling charges and lease payment (Note 6(a))	**20,496**	51,543
	Concession fee 7%	**1,782**	3,608
	Others	**2,631**	229

Balances arising from transactions with related parties are as follows:

Related party	**Included under**	***30 September 2021* (Unaudited) *SR'000***	*31 December 2020* (Audited) *SR'000*
Al-Bilad Makkah Hospitality Fund	Accounts payable and other current liabilities	**95,577**	112,519
Bank Al-Bilad	Loans and Borrowings	**637,175**	619,468
Central District Cooling Company	Accounts and other receivables	**-**	(5,280)
Central District Cooling Company	Accounts payable and other current liabilities	**157,412**	120,256
Central District Cooling Company	Other non-current liabilities	**746,107**	762,595
Makkah Construction and Development Company	Other current liabilities	**309,565**	309,565

20. SEGMENT REPORTING

Basis for segmentation

The Group has the following five strategic divisions which are its reportable operating segments. These divisions offer different products and/or services and are managed separately. The following summary describes the operations of each reportable segment.

Reportable segments	**Operations**
Operating Hotels	Includes leasing rooms and selling food and beverages ("the Hotels").
Commercial centers	Includes operating and leasing commercial shopping malls ("the Commercial Centers").
Properties for development and sale	Includes construction and development of property and sale of completed dwellings
Property under construction	Includes construction and development activities of Hotels under all phases.
Corporate (Head office)	Activities of corporate office including selling and marketing.

	For the nine-month period ended 30 September 2021(Unaudited)					
	Operating Hotels ***SR'000***	*Commercial Centres* ***SR'000***	*Properties for development and sale* ***SR'000***	*Property under construction* ***SR'000***	*Corporate* ***SR'000***	*Total* ***SR'000***
Interim condensed consolidated statement of financial position items as at 30 September 2021 (unaudited):						
Current assets	175,347	41,600	1,466,167	-	894,588	2,577,702
Property and equipment	17,840,238	-	-	-	17,032	17,857,270
Investment properties	-	3,412,264	1,613,041	-	-	5,025,305
Other non-current assets	517	-	-	-	678,462	678,979
Total Assets	**18,016,102**	**3,453,864**	**3,079,208**	-	**1,590,082**	**26,139,256**
Total liabilities	123,269	6,570	127,770	-	19,236,499	19,494,108
Interim condensed consolidated statement of profit or loss and other comprehensive income items for the nine-month period ended 30 September 2021 (unaudited):						
Revenues from operations	116,619	19,641	5,719	-	-	141,979
Total comprehensive (loss) / income	(448,246)	(165,393)	(8,344)	-	277,063	(344,920)

20. SEGMENT REPORTING (continued)

	For the year ended 31 December 2020 (Audited)				
	Operating Hotels SR'000	*Commercial Centres SR'000*	*Properties for development and sale SR'000*	*Corporate SR'000*	*Total SR'000*
Current assets	124,145	83,189	1,503,744	424,917	2,135,995
Property and equipment	17,786,458	-	-	88,652	17,875,110
Investment properties	558,934	4,482,897	-	-	5,041,831
Other non-current assets	-	-	-	683,946	683,946
Total assets	18,469,537	4,566,086	1,503,744	1,197,515	25,736,882
Total liabilities	941,157	272,736	208,837	17,325,410	18,748,140

Statement of profit or loss and other comprehensive income items for the nine-month period ended 30 September 2020 *(Unaudited)*:

Revenues from operations	113,827	30,652	483	-	144,962
Total comprehensive (loss) / income	(247,511)	1,178	7,127	(679,156)	(918,362)

21. COMMITMENTS AND CONTINGENCIES

a) As at 30 September 2021, the outstanding capital commitments in respect of development of the Project amounted to SR 3,928 million (31 December 2020: SR 2,778 million).
b) Operating lease commitments are not significant.
c) Refer note 18 for Zakat and tax related contingencies.
d) As at 30 September 2021, the Group has bank letter of credits amounting to SR 37.8 million (31 December 2020: SR 21.5 million) issued from local bank in the Kingdom of Saudi Arabia
e) As at 30 September 2021, the contingencies against banks' letter of guarantees issued on behalf of the Group amounted to SR 50 million (31 December 2020: SR 50 million).

22. SUBSEQUENT EVENTS

On 5 October 2021 corresponding to (28 Safar 1443H) the Group announced the restructuring of a loan facility amounting to SR 4.7 billion with an additional SR 1.2 billion credit limit to be drawn down, with the total financing of SR 5.9 billion. The funds from additional facility will go towards the completion of phase 2 and 4 of the Group's master plan.

In addition to above, subsequent to period ended 30 September 2021, Group entered in an agreement with buyer to sell plot of land in phase 5 for an amount of SR 517 million having cost of SR 111 million.

23. RESTATEMENT

The Group had restated certain amounts and balances in its annual consolidated financial statements for the year ended 31 December 2020, the details of which were disclosed in note 36 to the annual consolidated financial statements. The Group has assessed the impact of these restatement and concluded that these restatements do not have any material impact on total comprehensive income for the three-month and nine-month periods ended 30 September 2020 hence impact is not presented in these interim condensed consolidated financial statements.

24. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved and authorized to issue by the Board of Directors on 10 November 2021G corresponding to (5 Rabi'II 1443H).