



TAIBA INVESTMENT COMPANY

(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Financial Statements (Unaudited)
and Independent Auditor's Review Report**

For The Three-Month And Nine-Month Periods Ended 30 September 2023

TAIBA INVESTMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For The Nine-Month Period Ended 30 September 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 (Saudi Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2023, and the related interim condensed consolidated statement of income and comprehensive income for the three-month and nine-month periods ended 30 September 2023, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and 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.

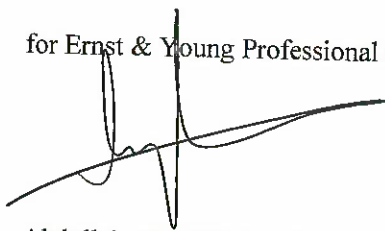
Scope of Review

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" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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 & Young Professional services



Abdullah Ali AlMakrami
Certified Public Accountant
Licence No. 476

Jeddah: 23 Rabi Al-Thani 1445H
07 November 2023



TAIBA INVESTMENT COMPANY
(A Saudi Joint Stock Company)

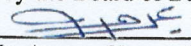
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)

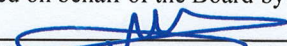
As at 30 September 2023


(Saudi Riyals)

		<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>Note</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	2,736,579,482	2,532,907,422
Intangible assets		1,938,463	2,020,348
Investment properties	6	473,444,608	464,241,768
Financial assets carried at FVOCI	7	613,728,139	452,241,840
Investment in associates	8	341,611,953	337,656,977
Financial derivatives	20	28,471,113	15,346,675
Amounts due from related parties - non current	10	9,237,128	-
Other non-current assets		-	5,706,810
TOTAL NON-CURRENT ASSETS		4,205,010,886	3,810,121,840
CURRENT ASSETS			
Inventory		721,920	713,653
Trade receivables	9	10,836,680	11,334,445
Prepayments and other current assets	11	147,154,991	100,773,278
Financial assets carried at FVOCI	7	161,755,797	177,809,755
Short term investments	12	110,000,000	
Cash and cash equivalents	13	234,860,457	187,631,365
TOTAL CURRENT ASSETS		665,329,845	478,262,496
Assets held for sale		-	58,382,144
TOTAL ASSETS		4,870,340,731	4,346,766,480
EQUITY AND LIABILITIES			
Equity			
Share capital		1,604,574,830	1,604,574,830
Statutory reserve		1,000,000,000	1,000,000,000
Other general reserve		208,791,276	208,791,276
Other reserves		185,012,300	27,558,030
Retained earnings		933,688,750	790,174,815
Equity Attributable to the equity holders of the parent		3,932,067,156	3,631,098,951
Non-controlling interest		228	25,529,293
Total equity		3,932,067,384	3,656,628,244
Non-current liabilities			
Long-term loans	19	536,880,281	275,258,947
Employees' defined benefit liabilities		14,288,998	12,932,698
TOTAL NON-CURRENT LIABILITIES		551,169,279	288,191,645
CURRENT LIABILITIES			
Current portion of long-term loans	19	27,865,884	15,827,573
Short-term loan		-	71,665,290
Trade and other payables		231,509,955	182,951,577
Dividends payable	17	112,354,197	114,722,804
Amounts due to related parties	10	2,065,930	3,853,912
Zakat payable	14	13,308,102	11,163,964
TOTAL CURRENT LIABILITIES		387,104,068	400,185,120
Liabilities associated with assets held for sale		-	1,761,471
TOTAL LIABILITIES		938,273,347	690,138,236
TOTAL EQUITY AND LIABILITIES		4,870,340,731	4,346,766,480

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


Mr. Ayman Hamza Saeed
Vice of Financial director


Eng. Saleh Bin Habdan Alhabdan
Chief Executive Officer


Mr. Ibrahim Bin Mohamed Al Eisa
Chairman of the Board of Directors

The attached notes 1 to 21 form part of these (unaudited) interim condensed consolidated financial statements.

TAIBA INVESTMENT COMPANY

(A Saudi Joint Stock Company)

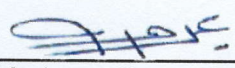
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

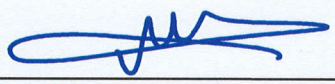
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

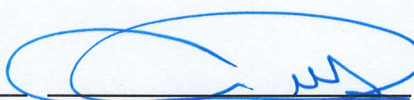
(Saudi Riyals)

	Note	For the three-month period ended At 30 September		Nine months ended 30 September	
		2023	2022	2023	2022
Revenue		118,436,497	90,872,316	360,510,892	226,347,848
Cost of revenue		(37,848,040)	(35,235,197)	(113,930,043)	(101,939,676)
Gross Profit		80,588,457	55,637,119	246,580,849	124,408,172
General and administrative expenses		(19,022,123)	(13,106,626)	(54,558,022)	(38,937,425)
Selling and marketing expenses		(105,800)	-	(308,904)	(191,000)
Reversal of (provision for) impairment of trade receivable	9	1,322,751	(16,778,210)	5,427,873	10,546,201
Other operating (expenses) profits		4,984	10,492,087	(4,719,532)	(3,848,131)
Operating Profit		62,788,269	36,244,370	192,422,264	91,977,817
Dividends from financial assets at FVOCI		3,648,627	5,318,668	16,243,698	10,482,948
Group's share of results of associates	8	2,039,802	921,831	(1,807,896)	(14,223)
loss on the sale of investment in subsidiary	1	-	-	(24,904,388)	-
Provision for Impairment of other assets	11	(10,706,810)	-	(10,706,810)	-
Finance costs	19	(1,325,909)	(157,277)	(6,147,589)	(157,277)
Other (losses) income		1,064,164	4,716,413	(12,199,322)	14,522,704
Profit before zakat from continued operations		57,508,143	47,044,005	152,899,957	116,811,969
Zakat	14	(3,620,092)	(2,564,795)	(8,900,861)	(8,540,707)
Net income for the period from continued operations		53,888,051	44,479,210	143,999,096	108,271,262
Discontinued operations					
Loss after zakat from discontinued operations		-	(3,087,112)	(885,173)	(19,415,201)
NET INCOME FOR THE PERIOD		53,888,051	41,392,098	143,113,923	88,856,061
Net income (loss) attributable to:					
Shareholders of the parent		53,887,959	42,786,311	143,513,935	97,630,738
Non-controlling interest		92	(1,394,213)	(400,012)	(8,774,677)
		53,888,051	41,392,098	143,113,923	88,856,061
Earnings per share (in Saudi Riyals):					
Basic	16	0.34	0.27	0.89	0.61
Diluted	16	0.34	0.27	0.89	0.61

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


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Vice of Financial director


Eng. Saleh Bin Habdan Alhabdan
Chief Executive Officer


Mr. Ibrahim Bin Mohamed Al Eisa
Chairman of the Board of Directors

The attached notes 1 to 21 form part of these (unaudited) interim condensed consolidated financial statements.


TAIBA INVESTMENT COMPANY
(A Saudi Joint Stock Company)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)


FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(Saudi Riyals)

	Note	For the three-month period ended At 30 September		Nine months ended At 30 September	
		2023	2022	2023	2022
Net income (loss) attributable to:					
Shareholders of the parent		<u>53,887,959</u>	42,786,311	<u>143,513,935</u>	97,630,738
Non-controlling interest		<u>92</u>	(1,394,213)	<u>(400,012)</u>	(8,774,677)
		<u>53,888,051</u>	41,392,098	<u>143,113,923</u>	88,856,061
Other comprehensive income:					
<i>Item that may be reclassified to consolidated statement of income in subsequent periods:</i>					
Net change in fair value of cash flow hedges	20	12,955,617	-	14,141,166	-
Reclassification of realized portion from cash flow hedge in the consolidated statement of income	20	(1,107,519)	-	(2,057,427)	-
<i>Items that will not be reclassified to consolidated statement of income in subsequent periods:</i>					
Net unrealized profits (losses) of revaluation of investments in equity investments designated as FVOCI	7	<u>10,932,463</u>	16,581,553	<u>145,432,341</u>	(53,195,113)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		<u>22,780,561</u>	16,581,553	<u>157,516,080</u>	(53,195,113)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		<u>76,668,612</u>	57,973,651	<u>300,630,003</u>	35,660,948
TOTAL COMPREHENSIVE INCOME (LOSS) attributable to:					
Shareholders of the Parent Company		<u>76,668,520</u>	59,367,864	<u>301,030,015</u>	44,435,625
Non-controlling interest		<u>92</u>	(1,394,213)	<u>(400,012)</u>	(8,774,677)
		<u>76,668,612</u>	57,973,651	<u>300,630,003</u>	35,660,948

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TAIBA INVESTMENT COMPANY
(A Saudi Joint Stock Company)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)


For the nine-month period ended 30 September 2023


(Saudi Riyals)

	Equity attributable to the equity holders of the parent						Non-controlling interest	Total Equity
	Capital	Statutory reserve	Other general reserve	Other Reserves	Retained Earnings	Total		
Balance as of 31 December 2021 (audited)	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	-	-	-	-	97,630,738	97,630,738	(8,774,677)	88,856,061
Other comprehensive (loss) income for the period	-	-	-	(53,195,113)	-	(53,195,113)	-	(53,195,113)
Total Comprehensive Income (Loss) For The Period	-	-	-	(53,195,113)	97,630,737	(14,932,239)	(8,774,677)	35,660,948
Disposals from selling investments in equity instruments at fair value through other comprehensive income losses (note 7)	-	-	-	(89,087,125)	89,087,125	-	-	-
Balance as at 30 September 2022 (unaudited)	1,604,574,830	1,000,000,000	208,791,276	92,386,295	744,518,778	3,650,271,179	26,596,532	3,676,867,711
Balance as at 31 December 2022 (audited)	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	-	-	-	-	143,513,935	143,513,935	(400,012)	143,113,923
Other comprehensive income for the period	-	-	-	157,516,080	-	157,516,080	-	157,516,080
Total Comprehensive Income (Loss) For The Period	-	-	-	157,516,080	143,513,935	301,030,015	(400,012)	300,630,003
Write off employee benefits provisions	-	-	-	(61,810)	-	(61,810)	-	(61,810)
Change in non-controlling interests	-	-	-	-	-	-	(25,129,053)	(25,129,053)
Balance as at 30 September 2023 (unaudited)	1,604,574,830	1,000,000,000	208,791,276	185,012,300	933,688,750	3,932,067,156	228	3,932,067,384

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


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The attached notes 1 to 21 form part of these (unaudited) interim condensed consolidated financial statements.

TAIBA INVESTMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED) (continued)

For the nine-month period ended 30 September 2023
(Saudi Riyals)

	Note	<i>Nine-month period ended</i> <i>30 September</i>	
		<i>2023</i>	<i>2022</i>
Income before zakat for continued operations		152,899,957	116,811,969
Loss before zakat for discontinued operations		(885,173)	(19,415,201)
		152,014,784	97,396,768
Adjustments to reconcile income before zakat to net cash flow:			
Depreciation of property and equipment	5	18,894,325	16,293,637
Depreciation on investment properties	6	7,467,728	4,344,735
Amortisation of intangible assets		577,445	557,313
Amortization of finance costs		6,147,589	157,277
Losses (profits) on disposal of property and equipment		13,964,526	(50,139)
Gains from compensation of discharging a plot of land		-	(3,198,331)
Provision for employees' benefits charged for the period		2,150,364	2,189,777
Reversal of impairment losses of trade receivable	9	(5,427,873)	(10,546,201)
Provision for Impairment of other assets	11	10,706,810	-
Reversal of impairment losses in the amount due from related parties		-	(3,259,267)
Provisions for contingent liability		-	(3,155,263)
Share of result of associates	8	1,807,896	14,223
Dividends from financial assets at FVOCI		(16,243,698)	(10,482,948)
Loss on the sale of investment in a subsidiary	1	24,904,388	-
Discontinued operations losses		885,173	16,328,089
Gains from revaluation of non-current financial assets		-	(665,033)
Provision (reversal) of losses of investment in associates		1,839,917	(3,287,785)
		219,689,374	105,723,964
<i>Working capital adjustments:</i>			
Trade receivables		5,925,638	10,118,826
Prepaid expenses and other debit balances		36,369,674	9,750,557
Inventory		(8,267)	(343,476)
Trade accounts and other payables		(18,356,630)	(11,609,717)
Due from related parties		-	21,080,995
Due to related parties		(1,787,982)	(5,019,471)
Cash from operations		241,831,807	130,388,629
Employees' benefits paid		(794,064)	(430,456)
Zakat Paid	14	(6,756,724)	(24,486,614)
Net cash flow from operating activities		234,281,019	105,471,559
Cash flow from investing activities			
Short term investments	12	(110,000,000)	(50,000,000)
Additions to property and equipment	5	(161,873,598)	(122,410,693)
Additions to investment properties	6	(16,451,671)	(236,518,801)
Additions to intangible assets		(495,559)	-
Payments to contractors of projects under construction		(87,751,387)	(103,634,890)
Proceeds from compensations of disposing a land		-	4,325,831
Proceed from sale of investments	1	5,500,000	-
Proceed from sale of property and equipment		156,642	52,174
Proceed from distributing surplus of capital of investees		-	4,500,000
Proceeds from selling investments in equity instruments		-	203,423,247
Dividends received from investments at FVOCI		16,243,698	10,482,948
Payment of a loan granted to an associate	10	(15,000,000)	-
Net cashflows used in investing activities		(369,671,875)	(289,780,184)
Cash flows from financing activities			
Proceed of bank borrowings		280,000,000	170,000,000
Dividends paid	17	(2,368,607)	(4,251,910)
Loan installment payments		(95,011,445)	(800,569)
Net cash flow generated from financing activities		182,619,948	164,947,521
Net change in cash and cash equivalents		47,229,092	(19,361,104)
Cash and cash equivalents at the beginning of the period		187,631,365	402,012,254
Cash and cash equivalents at end of the period		234,860,457	382,651,150

The attached notes 1 to 21 form part of these (unaudited) interim condensed consolidated financial statements.


TAIBA INVESTMENT COMPANY
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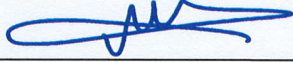
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED) (continued)


For the nine-month period ended 30 September 2023
(Saudi Riyals)

<u>Significant non-cash transactions</u>	Note	Nine-month period ended 30 September	
		2023	2022
Unrealized profits (losses) from revaluation of investments in equity instruments at FVOCI	7	145,432,341	(53,195,113)
Additions to property and equipment	5	75,032,853	28,581,366
Net movement in assets held for sale and associated liabilities		(25,129,053)	(17,712,464)
Net change in fair value of cash flow hedges	20	14,141,166	-

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


Mr. Ayman Hamza Saeed
Vice of Financial director


Eng. Saleh Bin Habdan Alhabdan
Chief Executive Officer


Mr. Ibrahim Bin Mohamed Al Eisa
Chairman of the Board of Directors

TAIBA INVESTMENT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

As at 30 September 2023

(Saudi Riyals)

1- COMPANY INFORMATION

Taiba Investment Company ("Taiba" or "the Company" or "the parent company") was established by Royal Decree No. M/41 issued on 16 Jumada II 1408H, and its incorporation was announced pursuant to the decision of His Excellency the Minister of Commerce and Investment No. 134 dated 13 Safar 1409H corresponding to 24 September 1988 and Commercial Registration No. 4650012403. The Extraordinary General Assembly held on 14 May 2019 agreed to amend Article (2) of the company's by-laws regarding changing the name of the Taiba Holding Company to the Taiba Investment Company, and the company's by-laws were amended on 21 May 2019.

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

The main activity of the Company is represented in owning real estate, hotels, hospitals, recreational and tourist facilities, investing them in buying or selling, renting, managing and operating them, operating management for cities, utilities and public facilities, architectural, civil, mechanical, electrical, agricultural, industrial and mining contracting, credit and mortgage service, and the Company carries out its activities according to the applicable regulations and after obtaining licenses necessary from the competent 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 of 30 September 2023, the Company's capital amounted to SR 1.604 million (31 December 2022: SR 1.604 million) consisting of 160.5 million shares (31 December 2022: 160.5 million shares) fully paid with a nominal value of SR 10 per share.

On 13 June 2021, Taiba Investment Company announced the start of preliminary discussions with Dur Hospitality Company (a Saudi joint stock company) to study the merger of the two companies, and on 13 March 2022, it was announced that these discussions had ended and that the study of the merger would not continue. On 17 December 2022, a memorandum of understanding was signed and it was announced that both companies decided to return to discuss and study a potential deal. Accordingly, the two companies concluded a non-binding memorandum of understanding in relation to a possible securities exchange deal, including a non-binding agreement on structuring and share swap coefficient, and in the event that the merger was agreed upon, this will be subject to the conditions 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 (as the offeror) to the shareholders of Dur Hospitality Company (as the offeree company) for the purpose of owning all the shares issued in Dur Hospitality Company, and this will be in return for issuing new shares in Taiba Investment Company to the shareholders of Dur Hospitality Company in accordance with the provisions of the Merger and Acquisition Regulations issued by the Board of the Capital Market Authority and other relevant laws and regulations, which will result in the delisting of Dur Hospitality Company so that it becomes a wholly owned company for Taiba Investment Company. On 20 June 2023, Taiba Investment Company announced the issuance of the General Authority for Competition's no-objection to the completion of the economic concentration process resulting from this transaction.

As at 30 September 2023 and 31 December 2022, the Company had investments in the following subsidiaries (collectively referred to as the "Group"):

a) Companies subject to the control of Tibah Investment Company, which were consolidated in these financial statements:

<i>Name of subsidiary</i>	<i>Country of Incorporation</i>	<i>Main activity</i>	<i>Effective ownership %</i>	
			<i>30 September 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 (TADEC)**	Kingdom of Saudi Arabia	Agriculture	0.00%	54.80%

TAIBA INVESTMENT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

As at 30 September 2023

(Saudi Riyals)

1 COMPANY INFORMATION (continued)

* On the date of 17 Dhu al-Qi' dah 1442H, corresponding to 27 June 2021, the fourteenth extraordinary general assembly of the shareholders of the Arab Company for Tourist Areas (Arac) decided to approve the recommendation of the Company's board of directors for voluntary liquidation, and accordingly, it was approved to appoint Messrs / Dr Muhammad Al-Omari and Partners Company (BDO). This is to liquidate the business of the Arab Company for Tourist Areas (Arac) in light of the provisions of the Companies Law as of 1 July 2021. Tourism activity will continue to be managed by Al-Aqeeq Real Estate Development Company, which is wholly owned by Taiba. As on the date of the interim condensed consolidated financial statements, the liquidation procedures were still in progress.

** During the period ended on 30 September 2023, Taiba Investment Company completed the sale of its total shares in TADEC, amounting to 274,000 shares, which represents 54.8% of the total shares of TADEC, for a total amount of SR 5.5 million, and it's paid fully by the buyer and resulted in a net loss of SR 24,9 million that was recorded as loss on the sale of investment in Subsidiary in the interim condensed consolidated income statement for the period.

b) Subsidiaries controlled by subsidiaries:

<i>Name of subsidiary</i>	<i>Country of Incorporation</i>	<i>Main activity</i>	<i>Effective ownership %</i>	
			<i>30 September 2023</i>	<i>31 December 2022</i>
Tawd for real estate management and marketing company (Tawd)*	Kingdom of Saudi Arabia	Real Estate Management and Marketing	100%	100%

* On the date of 13 Rajab 1443H, corresponding to 14 February 2022, the General Assembly of Tawd for real estate management and marketing company (Tawd) registered in Commercial Register No. (4650028278) decided to approve the recommendation of the Company's board of directors for voluntary liquidation, and accordingly, the appointment of Messrs. BDO, in order to liquidate the business of Tawd for real estate management and marketing company (Tawd) in light of the provisions of the Companies Law, as of 15 February 2022, and to authorize Al Aqeeq Company to complete all the procedures related to that, as on the date of the interim condensed consolidated financial statements, the liquidation procedures were still in progress.

The interim condensed consolidated financial statements were approved for issuance by the Board of Directors of the Company on 18 Rabi Al-Thani 1445H (corresponding to 02 November 2023).

2- BASIS OF PREPARATION

2-1 Statement of compliance

These interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia ("KSA").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and therefore they should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022 (see note 2-5).

CMA announced on 31 December 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. It also allowed companies to use fair value model or revaluation to measure properties and investment properties for the financial periods of the financial year as of 2022 or after this year. The CMA also obliges the listed companies to use cost model to measure equipment and intangible assets for five years starting from 1 January 2020. The Group still follows the cost model for measuring property and equipment. The Group complies with the requirements contained in the accompanying interim condensed consolidated financial statements.

2-2 Basis of Consolidation

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries as of 30 September 2023, which are mentioned in note (1).

Subsidiaries are the companies on which the Group has control. Control is achieved when the Group is exposed to risks, or has rights, to obtain variable returns from its relationship with the investee, and has the ability to affect the returns through its control over the investee.

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2- Basis of preparation (continued)

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

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

2-5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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 revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. The significant judgements made by management in applying the Company'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 2022.

3- CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

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 will replace IFRS 4 Insurance Contracts, which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few exceptions will apply to a limited extent. 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 generic model supported 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 interim condensed consolidated financial statements of the Group.

3-2 Definition of Accounting Estimates - Amendments to IAS (8)

The amendments to IFRS 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 interim condensed consolidated financial statements of the Group.

3-3 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement (2)

Amendments to IAS 1 and Practice statement 2 for IFRS 2: Making Materiality Judgments provide guidance and examples to assist entities in applying materiality judgments 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 did not have any impact on the interim condensed consolidated financial statements, but it is expected to affect the disclosure of accounting policies in the annual consolidated financial statements of the Group.

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3- CHANGES TO THE COMPANY'S ACCOUNTING POLICIES(continued)

3-4 Deferred Tax related to Assets and Liabilities arising from a Single – 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 to transactions that give rise to equal taxable and deductible temporary differences such as leases and disposals of liabilities.

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

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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.
- The agricultural sector - includes the activity of growing and selling dates and some other agricultural products - (the sector was sold during the period ending on 30 September 2023).
- 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 activities of the Group and its subsidiaries are carried out in the Kingdom of Saudi Arabia, and the following is an analysis of the segmental information:

	<i>Real Estate</i>	<i>Tourism</i>	<i>Agriculture*</i>	<i>Head Office</i>	<i>Elimination of inter segment revenue</i>	<i>Total</i>
For the period ended 30 September 2023 (Unaudited)						
Revenues	148,911,045	211,599,847	-	-	-	360,510,892
Cost of revenue (excluding depreciation)	(15,331,948)	(72,801,200)	-	-	-	(88,133,148)
Depreciation and amortization	(7,547,274)	(18,249,621)	-	-	-	(25,796,895)
Gross profit for the Segment	126,031,823	120,549,026	-	-	-	246,580,849
Segment assets	483,183,551	1,473,141,529	-	3,410,761,899	(496,746,248)	4,870,340,731
Segment liabilities	49,298,336	132,266,088	-	1,253,455,171	(496,746,248)	938,273,347
 For the period ended 30 Septemebr 2022 (Unaudited)						
Revenues	85,027,297	141,320,551	-	-	-	226,347,848
Cost of revenue (excluding depreciation)	(12,513,710)	(69,379,657)	-	-	-	(81,893,367)
Depreciation and amortization	(4,424,041)	(15,622,268)	-	-	-	(20,046,309)
Gross profit for the Segment	68,089,546	56,318,626	-	-	-	124,408,172
Segment assets	485,263,418	1,352,948,148	60,346,055	2,535,657,802	(299,509,014)	4,134,706,409
Segment liabilities	45,051,440	83,037,538	1,412,152	627,846,582	(299,509,014)	457,838,698
 As at 31 December 2022 (Audited)						
Segment assets	475,035,693	1,327,227,063	58,382,144	2,833,524,212	(347,402,632)	4,346,766,480
Segment liabilities	55,345,155	100,654,336	1,761,471	879,639,656	(347,402,632)	689,997,986

* Represents assets held for sale and associated liabilities that were sold during the period ended 30 September 2023.

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5- PROPERTY AND EQUIPMENT

For the purposes of the interim condensed consolidated statement of cash flows, the movement in property and equipment during the nine month period ended 30 September is as the following:

	2023 (Unaudited)	2022 (Unaudited)
Balance at the beginning of the period	2,532,907,422	2,386,709,709
Cash additions during the period	161,873,598	122,410,693
Non-cash additions during the period	75,032,853	28,581,366
Transferred to assets held for sale	-	(77,517,138)
Depreciation during the period	(18,894,325)	(16,293,637)
Disposals during the period	(14,340,066)	(1,129,535)
Balance at the end of the period	2,736,579,482	2,442,761,458

The properties include (4) plots of land located in Medina and Riyadh owned by the Group, with a total carrying amount of SR 522 million, mortgaged in favor of a local bank in return for obtaining a loan to implement commercial projects on them.

6- INVESTMENT PROPERTIES

For the purposes of the interim condensed consolidated statement of cash flows, the movement in investment properties during the nine month period ended 30 September is as the following:

	2023 (Unaudited)	2022 (Unaudited)
Balance at the beginning of the period	464,241,768	234,509,438
Additions during the period	16,451,671	236,518,801
depreciation during the period	(7,467,728)	(4,344,735)
Disposals/Adjustments during the period	218,897	(46,798)
Balance at the end of the period	473,444,608	466,636,706

The Group's real estate investments are represented in 5 commercial properties in Madinah and Riyadh (2022: 5 properties) consisting of offices, buildings and shops that are fully leased to third parties.

As of 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 valuer (Value Strat) accredited by the Saudi Authority for Accredited Valuers (Taqeem), to determine the fair value of investment properties. The fair value of investment properties has been determined using generally accepted valuation methods and approaches that involve significant judgments and estimates. Any significant change in the assumptions used in the fair valuation of investment properties, such as the discount rate, return, rental growth, etc., may result in a material change in the fair value of these assets, and the group's management believes that there are no significant effects on the above estimates during the nine-month period ended 30 Septmeber 2023.

On 12 March 2020, the Group, through the sale agreement of Taiba Contracting and Maintenance Co. Ltd. (TACOMA), transferred the land and buildings built on it, amounting to SR 4.3 million, in favor of the Group within the terms of the agreement. The legal procedures for transferring ownership of land and buildings are still in place as of the date of the interim condensed consolidated financial statements.

During the year ended 31 December 2022 the Group purchased Deem Plaza commercial center in the city of Riyadh, and the legal requirements related to the transfer of ownership were completed in favor of Taiba Investment Company, 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 of the abovmmentioned commercial center.

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7- FINANCIAL ASSETS CARRIED AT FVOCI

	<i>Note</i>	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Investments in shares of listed companies	7 – 1	746,007,369	600,575,028
Investments in shares of non-listed companies	7 – 2	29,476,567	29,476,567
Total		775,483,936	630,051,595
Less: Current portion		161,755,797	177,809,755
Non-current portion		613,728,139	452,241,840

The movement in financial assets at fair value through other comprehensive income is as follows:

	Period ended 30 September 2023 (Unaudited)	Year ended 31 December 2022 (Audited)
Balance at the beginning of the period / year	630,051,595	764,211,191
Unrealised profits (losses) from re-evaluation	145,432,341	(131,395,620)
Disposals	-	(199,423,247)
Additions in investments	-	256,431,837
Reclassification of investments	-	(59,772,566)
Balance at the end of period/ year	775,483,936	630,051,595

7-1 INVESTMENT IN SHARES OF LISTED COMPANIES

Name	<i>Shareholder Direct (%)</i>		30 September 2023 (Unaudited)	31 December 2022 (Audited)
	2023	2022		
SABIC Agro-Nutrients Company	0.25%	0.25%	161,755,797	177,809,755
Knowledge Economic City Company	9.60%	9.60%	506,293,200	349,909,200
Makkah Construction and Development Company	0.72%	0.72%	77,958,372	72,856,073
Total			746,007,369	600,575,028

7-2 INVESTMENT IN SHARES OF NON-LISTED COMPANIES

Name	<i>Shareholder Direct (%)</i>		30 September 2023 (Unaudited)	31 December 2022 (Audited)
	30 September 2023	31 December 2022		
Kinan International Real Estate Development Company	2.33%	2.33%	29,476,567	29,476,567
Total			29,476,567	29,476,567

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8- INVESTMENT IN ASSOCIATES

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

<i>Name</i>	<i>Country of incorporation</i>	<i>Principle field of activity</i>	<i>Effective ownership %</i>		<i>30 September 2023</i>	<i>31 December 2022</i>
			<i>30 September 2023</i>	<i>31 December 2022</i>	<i>(Unaudited)</i>	<i>Audited</i>
Al-Seera City Company for Real Estate Development	Investment properties		20%	20%	147,947	147,947
Saudi Heritage Hospitality Company	Provision of touristic services	Kingdom of Saudi Arabia	30%	30%	3,755,650	3,755,650
Knowledge Economic City Developers	Rendering real estate services		35.06%	35.06%	331,945,484	333,753,380
Madinah Airport Hotel Company*	Rendering of hotel services		33.33%	33.33%	5,762,872	-
					341,611,953	337,656,977

The movement in investments in associates was as follows:

	<i>Period ended 30 September 2023</i>	<i>Year ended 31 December 2022</i>
	<i>(Unaudited)</i>	<i>Audited</i>
Balance at the beginning of the period / year	337,656,977	80,002,423
Net share in investment results for the period/year	(1,807,896)	(578,012)
Capital distribution	-	(4,500,000)
Additions (note 10)	5,762,872	202,960,000
Reclassification of investments	-	59,772,566
Balance at the end of the period /year	341,611,953	337,656,977

* During the period ended 30 September 2023 Madinah Airport Hotel Company achieved accumulated losses during the period that exceeded the carrying amount of the investment, and accordingly, the Group recorded additional losses during the period in the amount of SR 1.8 million (30 September 2022: refund of the expense in the amount of SR 3.3 million), so that the total balance of the provision for losses made as of 30 September 2023 is the amount of SR 8.7 million (31 December 2022: SR 6.9 million) is due to the existence of legal and contractual obligations for financial support for that Company to fulfil its financial obligations when they fall due, and the Group has a potential obligation of SR 37.3 million representing the value of the guarantee granted by the Group to Banque Saudi Fransi to guarantee the loan of the Madinah Airport Hotel Company, and the Group has not recorded any provision for this potential obligation, and the Group's management does not see the need to make any provisions for the potential obligation.

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9- TRADE RECEIVABLES

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Trade Receivables	105,163,563	114,073,524
Less: Provision for impairment of trade receivables	(94,326,883)	(102,739,079)
	10,836,680	11,334,445

The movement in provision of impairment in trade receivables:

	Period ended 30 September 2023 (Unaudited)	Year ended 31 December 2022 (Audited)
Balance at the beginning of the period / year	102,739,079	138,285,929
(Reversal) provision during the period/ year	(5,427,873)	(8,827,067)
Provision write-off	(2,984,323)	(26,719,783)
Balance at the end of the period/year	94,326,883	102,739,079

10- RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. Pricing policies and terms of payment for these transactions are approved by the Company's management. The following are the related parties' transactions and the balances:

Amounts due from related parties

Description	Relationship type	Nature of transactions	Amount of transactions		Closing balance	
			Period ended 30 September 2023 (Unaudited)	Year ended 31 December 2022 (Audited)	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Madinah Airport Hotel Company*	Associate	Finance	15,000,000	22,496,498	9,237,128	-
					9,237,128	-

*During the period ended 30 September 2023, the partners of Madinah Airport Hotel Company (including Taiba Investment Company) decided to support the cash liquidity position of Madinah Airport Hotel Company by providing a long-term loan by signing an "investment agency" contract with Madinah Airport Hotel Company, and Taiba Investment Company paid its share amounting to SR 15 million matured on 31 May 2041. This loan offered is subject to commission rates of 2%, and is unsecured by any mortgages. The loan is recorded at fair value (the present value of discounted future cash flows using the average market interest rate), and accordingly the difference resulted from the principal amount and fair value was classified as addition to the investment in Madinah Airport Hotel Company (note 8).

Amounts due to related parties

Description	Relationship type	Nature of transactions	Amount of transactions		Closing balance	
			Period ended 30 September 2023 (Unaudited)	Year ended 31 December 2022 (Audited)	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Owners of Taiba Residential and Commercial Center	Associated foundation	Maintenance and services	2,680,227	4,865,750	2,065,930	3,853,912
					2,065,930	3,853,912

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10- RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Key management compensations

	<i>30 September 2023 (Unaudited)</i>	<i>30 September 2022 (Unaudited)</i>
Allowances, tickets and bonuses for members of the Board of Directors	3,264,597	3,390,373
Salaries, allowances and bonuses of senior executives	9,200,255	9,829,867
	12,464,852	13,220,240

11- PREPAYMENTS AND OTHER CURRENT ASSETS

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Advances to suppliers and contractors	139,043,558	85,484,681
Prepaid expenses	3,194,501	3,063,639
Accrued revenue	1,696,151	20,833
Other current assets	11,381,023	13,066,998
	155,315,233	101,636,151
Less: Provision	(8,160,242)	(862,873)
	147,154,991	100,773,278

The movement in provision of impairment in prepayments and other current assets:

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Balance at beginning of the period / year	862,873	862,873
Additions during the period / year*	7,297,369	-
Balance at end of the period / year	8,160,242	862,873

* As of 30 September 2023 the group had a total other financial assets amounting to SAR 10.7 million, out of which SAR 7.3 million was classified as current assets under prepayment and other current assets in the statement of financial position and SAR 3.4 million was classified as non-current assets under other non-current assets in the statement of financial position. During the period, the group decided to create a provision for an amount of SAR 10.7 million to offset the possibility of not collecting these amounts.

12- SHORT-TERM INVESTMENTS

As at 30 September 2023, the short-term investments amounted to SAR 110 million, represented by a Murabaha deposit with a local bank with a return of 6.1% for a period of 91 days, which is due on 6 December 2023 (31 December 2022: Nil)

13- CASH AND CASH EQUIVALENTS

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Cash at banks (a)	144,860,457	137,631,365
Murabaha deposits (b)	90,000,000	50,000,000
	234,860,457	187,631,365

- a) Balances with banks include restricted cash maintained by the Group amounting to SR 102.1 million (31 December 2022: SR 100.5 million), which relates to dividends payable to the Group's shareholders, and this balance is not available for the general use of the Company.
- b) During 30 September 2023, it invested in Murabaha deposits at a rate of 6% for a period of 90 days, due on 31 October 2023 and 28 November 2023 respectively (31 December 2022: represents investment in Islamic Murabaha at a rate of 5%, due within 73 days).

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14- 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, Tax and Customs Authority ("ZATCA") system consist of shareholders' equity, provisions at the beginning of the year and adjusted income less discounts for the adjusted net carrying value of property, equipment, investment properties and properties under development and investments.

Zakat charge for the period ended 30 September comprise the following:

	2023 (Unaudited)	2022 (Unaudited)
For the current period	9,409,826	8,534,150
For the prior periods	(508,965)	6,557
	8,900,861	8,540,707
Movement in zakat provision		
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Balance at the beginning of the period	11,163,965	29,468,704
Charged to the period	8,900,861	8,540,707
Repaid during the period	(6,756,724)	(24,486,614)
Adjustments	-	(69,819)
Balance at the end of the period	13,308,102	13,452,978

Zakat status

Company and its fully owned subsidiaries

The consolidated zakat declaration for Taiba and Al-Aqeeq companies was submitted and paid for the year ended on 31 December 2022, and the Company obtained a valid zakat certificate until 30 April 2024.

Arab Resorts Areas Company (ARAC)

During the period ended 30 September 2023, ARAC unique number was canceled and its Zakat file and tax file was closed in preparation for the cancellation of its commercial registration.

Tawd Real Estate Management and Marketing Company (Tawd)

During the period ended 30 September 2023, Tawd unique number was canceled and its Zakat file and tax file was closed in preparation for the cancellation of its commercial registration.

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15- FINANCIAL INSTRUMENTS

The Group measures the interim condensed consolidated financial instruments at fair value as at the date of the financial statements. The fair value is the selling price of an asset or the transfer of a liability in a regular transaction between two parties to the market at the measurement date. The 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:

- | | |
|-----------|--|
| Level (1) | Quoted prices (unadjusted) in active markets for identical assets or liabilities. |
| Level (2) | Valuation techniques so that the minimum limit that can be determined for significant inputs to measure fair value can be observed directly or indirectly. |
| Level (3) | 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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15- FINANCIAL INSTRUMENTS (continued)

The following table shows the carrying amount and fair value of financial assets and financial liabilities, including their levels and hierarchy in fair value. It does not include fair value information for financial assets and financial liabilities that are not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	30 September 2023				31 December 2022			
	<i>Total</i>	<i>Amortized Cost</i>	<i>FVSI</i>	<i>FVOCI</i>	<i>Total</i>	<i>Amortized Cost</i>	<i>FVSI</i>	<i>FVOCI</i>
<i>Financial assets</i>								
Financial assets at fair value	746,007,369	-	-	746,007,369	630,051,595	-	-	630,051,595
Trade receivables	10,836,680	10,836,680	-	-	11,334,445	11,334,445	-	-
Cash and cash equivalents	234,860,457	234,860,457	-	-	187,631,365	187,631,365	-	-
Financial derivatives	28,471,113	-	-	28,471,113	15,346,675	-	-	15,346,675
Total	1,020,175,619	245,697,137	-	774,478,482	844,364,080	198,965,810	-	645,398,270
<i>Financial liabilities</i>								
Trade accounts and other payables	238,149,072	238,149,072	-	-	191,074,455	191,074,455	-	-
Dividends payable	112,354,197	112,354,197	-	-	114,722,804	114,722,804	-	-
Bank borrowings	564,746,165	564,746,165	-	-	362,751,810	362,751,810	-	-
Total	915,249,434	915,249,434	-	-	668,549,069	668,549,069	-	-

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16- EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share

Basic earnings (loss) per share are calculated based on the distributable profits to shareholders of ordinary shares using the weighted average number of ordinary shares outstanding as at the date of the interim condensed consolidated financial statements amounting to 160,457,483 shares (30 September 2022: 160,457,483 shares).

Diluted earnings (loss) per share

During the period, there were no transactions resulting in diluting the earnings (loss) of the shares, and thus, the diluted earnings (loss) per share does not differ from the basic earnings (loss) per share.

17- DIVIDENDS PAYABLE

No dividends were announced during the period ended on 30 September 2023 (period ended 30 September 2022: Nil).

Following is the movement of dividend payable account:

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Balance at 1 January	114,722,804	120,627,400
Profits declared during the period/ year	-	-
Dividend payments during the period/ year	(2,368,607)	(5,904,596)
Balance at the end of the period / year	112,354,197	114,722,804

Restricted cash of SR 102.1 million as of 30 September 2023 is kept in bank accounts separate from operating accounts and not available for general use of the Group (31 December 2022: SR 100.5 million).

18- SEASONALITY

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

19- LOANS AND FACILITIES

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Tawrruq	-	71,665,290
Murabaha financing	564,746,165	291,086,520
Balance at the end of period/ year	564,746,165	362,751,810
Less: Current portion	27,865,884	87,492,863
Non-current portion	536,880,281	275,258,947

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19- LOANS AND FACILITIES (CONTINUED)

On 23 July 2020, the Group signed credit facilities agreement with a local bank to obtain a long-term loan in the amount of SR 1.4 billion, according to the Murabaha formula, for a period of fourteen Gregorian years, including a grace period of four years, with real estate mortgage guarantees and a promissory note for the financing amount, for the purpose of financing some real estate projects of the Group. During 2022, part of the loan amounting to SR 100 million was withdrawn, and during the period ended 30 September 2023, another part of the loan amounting to SR 280 million was withdrawn. On 25 October 2022, the Group signed an appendix to the credit facilities agreement in order to obtain another long-term loan in the amount of SR 189.2 million, for a period of ten Gregorian years, and to be repaid in twenty installments, the first installment of which is due on 26 June 2023, with real estate guarantees by mortgage. The lands of the Deem Plaza commercial center in Riyadh, on which it is located, and a promissory note for the amount of financing. During the year 2022, the total amount of the loan was withdrawn, in order to finance 80% of the value of the purchase of the aforementioned commercial center (note 6).

The Group also has short-term banking facilities with some local banks with a total amount of SR 170 million represented in the limit of credit alternatives, letters of guarantee, and a short-term Tawruq limit in exchange for financial burdens equal to SIBOR plus the agreed profit margin. Part of it was used for bank letters of guarantee as on 30 September 2023 in the amount of SR 2.8 million (2022: SR 21.3 million). In addition, during 2022, a short-term loan in the form of tawruq was withdrawn in the amount of SR 70 million, and it was paid by the Company to the bank with a profit margin in 13 March 2023. These bank facilities are secured by promissory notes issued in favor of the bank.

During the period ended 30 September 2023, the total financing costs amounted to SR 15.6 million. An amount of SR 9.5 million has been capitalized, including projects under development, and the portion charged to the interim condensed consolidated statement of income amounted to SR 6.1 million.

20- FINANCIAL DERIVATIVES

The Group has covered the risk of Murabaha rates on some of the loans obtained from local banks. This is to reduce the risk of Murabaha rates that are eligible for designation as "cash flow hedges". The Group's share of changes in effective cash flow hedge reserves, subsequent to acquisition is recognised in its equity. According to the Company's policy, financial derivatives are not used for trading and speculation purposes.

As of 30 September 2023, Murabaha price swap agreements ("swap contracts") with local banks amounted to a total nominal amount of SR 600 million to hedge against future fluctuations in Murabaha rates for part of their loans signed with the bank for financing projects under development.

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

The maturity date for the swap contracts and the average Murabaha rates are as follows:

	<i>Maturity date</i>				
	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
Murabaha rate swap contracts	-	-	-	600,000,000	600,000,000
Murabaha average rate	-	-	-	4.37%	4.37%

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20- FINANCIAL DERIVATIVES (CONTINUED)

The effect of hedging instruments on the interim condensed consolidated statement of financial position was as follows:

As at 30 September 2023	Nominal value	Carrying amount	The line item in the statement of financial position	Change in fair value
Murabaha rate swap contracts	600,000,000	28,471,113	Financial derivatives	13,124,438

The effect of cash flow hedges on the interim condensed consolidated statement of income and other comprehensive income is as follows:

	<i>Profits and losses through other comprehensive income</i>	<i>The line item in the statement of comprehensive income</i>	<i>Ineffectiveness recognized in the statement of income</i>	<i>Amounts reclassified through the statement of income</i>	<i>The line item in the statement of income</i>
		Net change in fair value of cash flow hedges			
Murabaha rate swap contracts	14,141,166		-	2,057,427	Finance cost

21- COMPARATIVE AMOUNTS

Certain comparative figures for the period have been reclassified to conform to the current period presentation.