JABAL OMAR DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

JABAL OMAR DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

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FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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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 31 March 2022, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-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

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

As of 31 March 2022, the net carrying value of property, plant and equipment and investment properties (collectively "the Assets") reported in the Group's interim condensed consolidated statement of financial position amounted to SR 19,582 million and SR 5,023 million, respectively. In view of substantial reduction in cash generated from the Group's hotels and other commercial operations, as well as the interruption in the development of the Group's real estate projects primarily due to the outbreak of COVID-19 pandemic, the Group's management performed an impairment assessment on its Assets as of 31 March 2022 by comparing the Assets' carrying values with the recoverable amount, being the higher of fair value less costs to sell and value-in-use (VIU). Accordingly, the Group's management performed an impairment assessment (including using an external valuer) to determine the fair values of the assets and carried out an internal assessment to determine the VIU. As a result of the Group management's assessment, it concluded that no impairment provision is required on its Assets as of 31 March 2022. We reviewed and challenged the significant judgments, assumptions and estimates used by the Group's management including its determination of the appropriate valuation methodologies, and noted that in our view recoverable values of certain Assets that comprised property, plant and equipment and investment properties with net carrying values of SR 5,640 million and SR 273 million, respectively as at 31 March 2022, were determined mainly using cost approach, while a permitted valuation approach by the applicable accounting standards, is not appropriate considering the nature and current and expected use of the Assets.

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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)

Basis for Qualified Conclusion (continued)

We also noted that certain significant assumptions used in the calculation of certain Asset's VIUs and fair values using income approach were not supported by reasonable basis. Had the Group management used valuation methodology that is aligned with the requirements of the applicable accounting framework, as well as assumptions that are reasonably supported, certain elements in the accompanying interim condensed consolidated financial statements together with the related disclosures would have been materially affected. The effects on the interim condensed consolidated financial statements have not been determined.

Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, 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 182 million and negative operating cash flows amounting to SR 116 million during the three-month period ended 31 March 2022. In addition, the Group's current liabilities exceeded its current assets by SR 1,699 million and the Group had accumulated losses amounting to SR 1,362 million as at 31 March 2022. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Other matter

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2021 were reviewed by another auditor who expressed their unmodified conclusion on those interim condensed consolidated financial statements on 10 May 2021 (corresponding to 28 Ramadan 1442H).

for Ernst & Young Professional Services

Ahmed I. Reda
Certified Public Accountant
License No. 356

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(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Jeddah: 31 May 2022G
1 Duh Al-Qi'dah 1443H

Jabal Omar Development Company (A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	Note	*31 March 2022 SR'000 (Unaudited)*	*31 December 2021 SR'000 (Audited)*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**19,581,966**	19,369,516
Intangible assets		**7,865**	4,646
Investment properties	5	**5,023,359**	5,024,028
Investment in a joint venture	9	**123,555**	121,762
Investment held at fair value through profit or loss	8	**304,122**	304,122
Restricted cash	7	**242,590**	242,590
Other non-current assets		**19,410**	18,396
TOTAL NON-CURRENT ASSETS		**25,302,867**	25,085,060
CURRENT ASSETS			
Properties for development and sale	10	**25,660**	24,806
Other current assets		**65,171**	95,230
Trade and other receivables	11	**903,504**	548,060
Investment held at fair value through profit or loss	8	**24,475**	24,475
Restricted cash – current portion	7	**682,440**	716,520
Cash and cash equivalents	7	**187,523**	328,427
TOTAL CURRENT ASSETS		**1,888,773**	1,737,518
TOTAL ASSETS		**27,191,640**	26,822,578
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**9,294,000**	9,294,000
Statutory reserve		**108,506**	108,506
Accumulated losses		**(1,361,953)**	(1,179,491)
Reserve for advances to certain founding shareholders		**(285,960)**	(285,960)
Equity attributable to the equity holders of the Parent before subordinated perpetual instrument		**7,754,593**	7,937,055
Subordinated perpetual instrument	12(a)	**689,668**	689,668
Net Equity attributable to the equity holders of the Parent after subordinated perpetual instrument		**8,444,261**	8,626,723
Non-controlling interest		**1,503**	1,503
TOTAL EQUITY		**8,445,764**	8,628,226

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 21 form an integral part of these interim condensed consolidated financial statements.

LIABILITIES	*Note*	***31 March 2022 SR'000 (Unaudited)***	*31 December 2021 SR'000 (Audited)*
NON-CURRENT LIABILITIES			
Loans and borrowings	12	**8,989,126**	8,042,845
Liabilities against lease	13	**12,024**	11,309
Payable to other unitholders of investment fund	1	**5,008,694**	4,964,244
Provision for employees' terminal benefits		**28,207**	27,309
Other non-current liabilities		**1,120,471**	1,131,480
TOTAL NON-CURRENT LIABILITIES		**15,158,522**	14,177,187
CURRENT LIABILITIES			
Loans and borrowings – current portion	12	**1,060,223**	1,766,085
Accounts payable and other current liabilities		**1,816,490**	1,539,866
Payable to other unitholders of investment funds - current portion	1	**406,199**	406,199
Liabilities against lease – current portion	13	**2,674**	3,247
Zakat payable	16	**301,768**	301,768
TOTAL CURRENT LIABILITIES		**3,587,354**	4,017,165
TOTAL LIABILITIES		**18,745,876**	18,194,352
TOTAL EQUITY AND LIABILITIES		**27,191,640**	26,822,578

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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 three-month period ended 31 March 2022

	Note	*Three-month period ended 31 March*	
		2022	*2021*
		SR'000	*SR'000*
Revenue	14	**109,647**	21,573
Cost of revenue		**(135,385)**	(110,019)
GROSS LOSS		**(25,738)**	(88,446)
Selling and marketing expenses		**(371)**	(1,551)
General and administration expenses		**(31,087)**	(42,649)
(Allowance)/reversal of financial loss on financial assets		**(15,827)**	3,467
Other operating income		**1,691**	1,466
Other operating expense		**(893)**	(9,855)
OPERATING LOSS		**(72,225)**	(137,568)
Financial costs	15	**(112,030)**	(209,761)
Share of results from investment in a joint venture		**1,793**	1,876
LOSS FOR THE PERIOD BEFORE ZAKAT		**(182,462)**	(345,453)
Zakat	16	**-**	-
LOSS FOR THE PERIOD		**(182,462)**	(345,453)
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(182,462)**	(345,453)
Attributable to:			
Shareholders of the Parent Company		**(182,462)**	(345,304)
Non-controlling interests		**-**	(149)
		(182,462)	(345,453)
LOSS PER SHARE (Saudi Riyals):			
Weighted average number of ordinary shares (number in thousand)		**929,400**	929,400
Loss per share attributable to ordinary equity holders of the Parent Company (basic and diluted)		**(0.20)**	(0.37)

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three-month period ended 31 March 2022

	Share capital SR'000	*Statutory reserve SR'000*	*Accumulated losses SR'000*	*Reserve for advances to certain founding shareholders SR'000*	*Equity attributable to the equity holders of the Parent before subordinated perpetual instrument SR'000*	*Subordinated perpetual instrument SR'000*	*Net Equity attributable to the equity holders of the Parent after subordinated perpetual instrument SR'000*	*Non-controlling interests SR'000*	*Total equity SR'000*
Balance at 1 January 2021 (audited)	9,294,000	108,506	(2,128,187)	(287,296)	6,987,023	-	6,987,023	1,719	6,988,742
Loss for the period	-	-	(345,304)	-	(345,304)	-	(345,304)	(149)	(345,453)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(345,304)	-	(345,304)	-	(345,304)	(149)	(345,453)
Payments received against advance to certain founding shareholders	-	-	-	1,318	1,318	-	1,318	-	1,318
Balance at 31 March 2021 (unaudited)	9,294,000	108,506	(2,473,491)	(285,978)	6,643,037	-	6,643,037	1,570	6,644,607
Balance at 1 January 2022 (audited)	9,294,000	108,506	(1,179,491)	(285,960)	7,937,055	689,668	8,626,723	1,503	8,628,226
Loss for the period	-	-	(182,462)	-	(182,462)	-	(182,462)	-	(182,462)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(182,462)	-	(182,462)	-	(182,462)	-	(182,462)
Balance at 31 March 2022 (unaudited)	**9,294,000**	**108,506**	**(1,361,953)**	**(285,960)**	**7,754,593**	**689,668**	**8,444,261**	**1,503**	**8,445,764**

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	Note	*For the three-month period ended 31 March*	
		2022 SR' 000 (Unaudited)	*2021 SR' 000 (Unaudited)*
OPERATING ACTIVITIES			
Loss for the period before zakat		**(182,462)**	(345,453)
Adjustments for:			
Depreciation on property, plant and equipment	6	**58,468**	61,205
Depreciation on investment properties	5	**7,274**	7,274
Amortization of intangible assets		**288**	645
Provision for employees' terminal benefits		**1,888**	7,172
Allowance/(reversal) of financial loss on financial assets		**15,827**	(3,467)
Share of results of investment in a joint venture	9	**(1,793)**	(1,876)
Financial costs	15	**112,030**	209,761
Finance charges on lease liabilities		**142**	-
		11,662	(64,739)
Working capital adjustments:			
Other non-current assets		**(1,014)**	2,090
Properties for development and sale		**(854)**	1,095
Other current assets		**30,059**	(1,098)
Trade and other receivables		**(371,271)**	(1,366)
Other non-current liabilities		**(11,009)**	(3,489)
Accounts payable and other current liabilities		**296,910**	78,563
Cash (used in)/from operations		**(45,517)**	11,056
Financial costs paid		**(69,276)**	(6,402)
Employees' termination benefits paid		**(990)**	(9,581)
Net cash used in operating activities		**(115,783)**	(4,927)
INVESTING ACTIVITIES			
Additions to property, plant and equipment	6	**(253,359)**	(15,718)
Purchase of intangible assets		**(3,507)**	(984)
Net change in restricted cash balances		**34,080**	92,771
Net cash (used in)/from investing activities		**(222,786)**	76,069

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	Note	*For the three-month period ended 31 March*	
		2022	***2021***
		SR' 000	***SR' 000***
FINANCING ACTIVITIES		***(Unaudited)***	***(Unaudited)***
Payments received against advance to certain founding shareholders		-	1,318
Loans and borrowings drawdown		**1,158,186**	13,267
Loans and borrowings repayment		**(960,521)**	-
Repayments of lease		-	(645)
Net cash from financing activities		**197,665**	13,940
Net (decrease)/ increase in cash and cash equivalents		**(140,904)**	85,082
Cash and cash equivalents at beginning of the period	7	**328,427**	51,225
Cash and cash equivalents at end of the period	7	**187,523**	136,307

MAJOR NON-CASH SUPPLEMENTAL INFORMATION

Capitalization of borrowing cost on investment property	5(a)	**6,605**	-
Capitalization of borrowing cost on property, plant and equipment	6(d)	**17,559**	14,239

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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 impact of which continued to affect the Group during the period. 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 of SR 182 million (31 March 2021: SR 345 million) and negative operating cash flows amounting to SR 116 million (31 March 2021: SR 5 million) during the three-month period ended 31 March 2022. In addition, the Group’s current liabilities exceeded its current assets by SR 1,699 million (31 December 2021: SR 2,280 million) and the Group had accumulated losses amounting to SR 1,362 million as at 31 March 2022 (31 December 2021: SR 1,179 million).

Consequently, the Group is critically dependent on the cash that will be generated from debt financing, on-going 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 31 March 2022	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	1,301,380	1,522,906	1,935,187	5,724,645	10,484,118
Payable to other unit holders of investment fund**	812,398	812,398	1,218,596	5,801,087	8,644,479
Accounts payable and other current liabilities	1,816,490	-	-	-	1,816,490
Liabilities against leases (note 13)	2,834	12,399	-	-	15,233
Other non-current liabilities	62,239	455,979	186,717	903,189	1,608,124
Total	3,995,341	2,803,682	3,340,500	12,428,921	22,568,444

**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 carry financial covenants for the following (refer note 12):

- covenants in respect of loans amounting to SR 1,000 million (31 December 2021: SR 636 million) included in non-current liabilities (31 December 2021: current liabilities).
- covenants in respect of syndicated loan with local banks amounting to SR 5,043 million (31 December 2021: SR 4,889 million) included in non-current liabilities
- covenants in respect of loans amounting to SR Nil (31 December 2021: SR 70 million) included in 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 revisited the 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 date of approval of these interim condensed consolidated financial statements. This plan principally includes:

- On 5 October 2021, the Group announced the restructuring of 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 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 total available undrawn facility as at reporting period amounts to SR 1 billion. The cash expected to be generated from this sale would be utilized to partially repay the loan, amounting to SR 1.2 billion. An amount of SR 1.6 billion, will be drawn 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. This loan has been considered in maturity profile as per restructured repayment plan.

- During the year ended 31 December 2021, the Group announced the restructuring of loan facility from the Ministry of Finance ("MoF") which involves significant modifications of loan terms such as extending the maturity of the existing loans, waiver of the accrued commission, capitalization of commission for certain period for commencing repayments, revision in commission rates and conversion of certain portion of the existing loan into a subordinated perpetual instrument. Modified financial liability has been considered as non-current in maturity profile while subordinated perpetual instrument is not considered in foreseeable future.

  The MoF has supported the Group by acting as guarantor for the new financing arrangement amounting to SR 1.6 billion (note 12).

- 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 3.4 billion within 12 months from the date of the interim condensed consolidated statement of financial position.

- During the year ended 31 December 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 547 million. Remaining drawdowns from this facility is SR 1,053 million out of which SR 1,047 million, is planned to be made within 12 months from the date of the interim condensed consolidated statement of financial position.

- During the year ended 31 December 2021, the Group obtained approval from another lender to roll-over a loan facility amounting to SR 1 billion due to mature on 30 November 2021 to 23 February 2022 (bullet payment with interest paid monthly). However, the Group is in advanced discussion with lender to reschedule the repayment terms – to be extended to 5 years with 1 year grace period. As at 31 March 2022, the restructured agreement facility has not been finalized. The Group is confident that restructured agreement would be signed with extension, as a result, has not considered any repayment within twelve months from the date of interim condensed consolidated financial statements.
- 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. During the three-month period ended 31 March 2022, the Group drawndown SR 1 billion for the purpose of settlement of certain Group's outstanding liabilities. The repayment for the facility will be due in 18 months from the day of the first withdrawal

- As of 31 March 2022, the Group is at an advanced stage of discussions with a lender to avail new loan facility amounting to SR 225 million, the Group is confident that drawdowns would be available for said amount within 12 months from the date of the interim condensed consolidated statement of financial position.
- On 13 September 2021, JODC announced the submission of a non-binding offer to the manager of the Alinma Makkah Real Estate Fund ("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 Group 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

1. CORPORATE INFORMATION (continued)

Going Concern (continued)

The Company has revised its offer on 23 December 2021 whereby the Company shall issue to the unitholders of the Fund a total number of 225,134,162 new shares instead of 193,068,966 shares.

On 9 January 2022, the Company received a notification from the Fund informing the Company that the Fund's unitholders have approved the Transaction in the unitholder General Assembly. As a result, liability payable to unitholders would be settled by issuing Company's own shares; hence this liability would not result in any cash outflow

Subsequent to period end, on 2 April 2022, the Group has executed an agreement with the Fund Manager to settle this liability in exchange of Company's new 225,134,162 shares. In accordance with terms of agreement, the transaction is binding and non-revocable

Liability payable to unitholders would be settled by issuing shares of JODC; hence this transaction would not resolve any outflow.

Based on the above plan, the Group's cash flow forecast for the 12-month period from the reporting date indicates a net positive cash flow position. Although there is a material uncertainty initially created by COVID-19, and continued to affect the Group 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 interim condensed consolidated financial statements include the results of the operating activities relating to the following hotels in addition to its four branches bearing commercial registration numbers 4030291056, 40301097883, 40301098207 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)

Further to the above operating hotels, the Company has two additional hotels, the operations of which are not yet commenced, bearing commercial registration numbers 4031215100 and 4031247845, respectively.

1. CORPORATE INFORMATION (continued)

These interim condensed consolidated 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 31 March 2022. 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 Number*	*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 interim condensed consolidated 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 2021. 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 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

2.2 Basis of Measurement

These interim condensed consolidated 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 2021. However, in the view of the uncertainty initially created due to COVID-19, which continued to affect the Group, 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 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract

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

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

Reference to the Conceptual Framework – Amendments to IFRS 3
The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.

The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
The amendment 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 management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

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 interim condensed 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 interim condensed 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.

5. INVESTMENT PROPERTIES

	Land *SR' 000*	*Buildings* *SR' 000*	*Equipment* *SR' 000*	*Infrastructure Assets* *SR' 000*	*Capital work in progress* *SR' 000*	*Total* *SR' 000*
Cost:						
Balance at 1 January 2021 (Audited)	1,339,673	879,983	367,215	92,335	2,493,293	5,172,499
Additions during the year	-	-	-	-	11,292	11,292
Balance at 31 December 2021 (Audited)	1,339,673	879,983	367,215	92,335	2,504,585	5,183,791
Additions during the period	-	-	-	-	6,605	6,605
Balance at 31 March 2022 (Unaudited)	**1,339,673**	**879,983**	**367,215**	**92,335**	**2,511,190**	**5,190,396**
Accumulated depreciation:						
Balance at 1 January 2021 (Audited)	-	39,352	73,217	18,099	-	130,668
Depreciation for the year	-	10,613	16,557	1,925	-	29,095
Balance at 31 December 2021 (Audited)	-	49,965	89,774	20,024	-	159,763
Depreciation for the period	-	2,653	4,139	482	-	7,274
Balance at 31 March 2022 (Unaudited)	-	**52,618**	**93,913**	**20,506**	-	**167,037**
Net book value:						
At 31 March 2022 (Unaudited)	**1,339,673**	**827,365**	**273,302**	**71,829**	**2,511,190**	**5,023,359**
At 31 December 2021 (Audited)	1,339,673	830,018	277,441	72,311	2,504,585	5,024,028

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 31 March 2022, there was SR 6.6 million capitalized as borrowing costs for the construction of investment properties included in capital work in progress (31 December 2021: SR 11.3 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 3.78% per annum (31 December 2021: 3.62 % per annum).

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

c) Deprecation charged for the three-month period ended 31 March 2022 and 2021 has been allocated to cost of sale.

d) As at 31 March 2022, the Group's land in the investment properties with a carrying amount of SR 1,018 (31 December 2021: SR 1,018 million) were mortgaged as collateral against loans and borrowings and unitholders of investment fund. Also, see note 1.

e) 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 2021 (Audited)	2,896,000	4,207,847	1,007,154	1,969,224	758,997	429,057	7,514,486	18,782,765
Additions during the year	-	-	-	1,031	4,151	-	449,077	454,259
Disposals/write offs during the year	-	-	-	-	(20,825)	-	-	(20,825)
Transfer from development properties (note 10)	135,997	-	-	-	-	-	1,259,061	1,395,058
Transfers from CWIP	-	-	11,868	-	-	-	(11,868)	-
Transfer to non-current asset classified as held for sale (Note 6 (b))	(54,557)	-	-	-	-	-	(56,278)	(110,835)
Reclassification	41,103	-	-	-	-	-	(41,103)	-
Balance at 31 December 2021 (Audited)	3,018,543	4,207,847	1,019,022	1,970,255	742,323	429,057	9,113,375	20,500,422
Additions during the period	-	-	-	682	34	-	270,202	270,918
Balance at 31 March 2022 (Unaudited)	**3,018,543**	**4,207,847**	**1,019,022**	**1,970,937**	**742,357**	**429,057**	**9,383,577**	**20,771,340**
Accumulated depreciation:								
Balance at 1 January 2021 (Audited)	-	184,788	119,454	250,983	314,592	37,838	-	907,655
Depreciation for the year	-	49,873	34,227	81,552	68,838	7,984	-	242,474
Disposals/write-off during the year	-	-	-	-	(19,223)	-	-	(19,223)
Balance at 31 December 2021 (Audited)	-	234,661	153,681	332,535	364,207	45,822	-	1,130,906
Depreciation for the period	-	12,469	8,557	20,395	15,050	1,997	-	58,468
Balance at 31 March 2022 (Unaudited)	**-**	**247,130**	**162,238**	**352,930**	**379,257**	**47,819**	**-**	**1,189,374**
Net book value								
At 31 March 2022 (Unaudited)	**3,018,543**	**3,960,717**	**856,784**	**1,618,007**	**363,100**	**381,238**	**9,383,577**	**19,581,966**
At 31 December 2021 (Audited)	3,018,543	3,973,186	865,341	1,637,720	378,116	383,235	9,113,375	19,369,516

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 assets determined by management to be recovered principally through a sale transaction rather than continuing use.

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 31 March 2022, an amount of SR 17.5 million (31 December 2021; SR 47.8 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 3.78% per annum (31 December 2021: 3.62% per annum).

e. At 31 March 2022, the Group’s land in the property and equipment with a carrying amount of SR 2,532 million (31 December 2021: 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, which continued to affect the Group's 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 'Dorchester Estates' ("Dorchester") and 'Square Meter' ("SQM") 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). Dorchester and SQM have 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, and the valuation team 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 did not significantly change from the valuation done at Group's last audited consolidated financial statements for the year ended 31 December 2021, as there were no significant change in the circumstances and use of Group's properties during the period.

7. CASH AND CASH EQUIVALENTS

	31 March 2022 (Unaudited) SR'000	*31 December 2021 (Audited) SR'000*
Cash on hand	**85**	85
Cash at banks (see notes (a), and (b) below)	**831,043**	981,527
Term deposits less than three months (note (a) below)	**281,425**	305,925
	1,112,553	1,287,537
Less: Restricted cash– non-current (see note (a) below)	**(242,590)**	(242,590)
Less: Restricted cash – current (see note (a) below)	**(682,440)**	(716,520)
	187,523	328,427

a) These represent deposit placed in Murabaha deposits with commercial banks having original maturity of three months and yielding profit at prevailing market rate. Further, these Murabaha deposits are restricted under reserve accounts as per the agreements under corresponding arrangements with commercial banks. The classification depends on the contractual arrangement and is classified as current when the payment is on demand.

b) 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 31 March 2022 and 31 December 2021.

8. INVESTMENT HELD AT FAIR VALUE 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	***31 March 2022 (Unaudited) SR'000***	*31 December 2021 (Audited) SR'000*	***31 March 2022 (Unaudited) SR'000***	*31 December 2021 (Audited) SR'000*
Non-current assets					
Al Bilad Makkah Hospitality Fund	a	304,122	304,122	-	(588)
Current assets					
Alinma Saudi Riyal Liquidity Fund	b	24,475	24,475	-	844

a) This represents investment in 20 million units (31 December 2021: 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 audited financial statements of the investee for the period ended 31 December 2021, the Indicative NAV per unit amounts to SR 15.2, has accordingly been used as a valuation basis of the Group's investment as at 31 March 2022 as the Group's management believe that there have been no major change in circumstances during the period.

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	***31 March 2022 (Unaudited)***	**328,597**	**24,475**	**304,122**	**-**
Equity investments at fair value through profit or loss	*31 December 2021 (Audited)*	328,597	24,475	304,122	-

8. INVESTMENT HELD AT FAIR VALUE 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 31 March 2022.

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 1.8 million (31 March 2021: SR 1.9 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 31 March 2022 is as follows:

	31 March 2022 (Unaudited) SR'000	*31 December 2021 (Audited) SR'000*
Opening balance	**24,806**	1,419,044
Transfers (note 6)	**-**	(1,395,058)
Additions	**854**	820
	25,660	24,806

10.1 At 31 March 2022 and 31 December 2021, the net realizable value of the properties is assessed to be higher than their carrying value.

<u>*Residential units*</u>
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. As at 31 March 2022 and 31 December 2021, the net realizable value of the residential units is assessed to be higher than their carrying value.

11. TRADE AND OTHER RECEIVABLES

	31 March 2022 (Unaudited) SR'000	*31 December 2021 (Audited) SR'000*
Receivables from contract with customers	**75,873**	16,757
Receivables from rental income and land sale	**156,375**	156,322
Contract assets	**41,678**	56,550
Advances to suppliers	**397,862**	152,904
Margin and other deposits	**14,571**	14,571
Other receivables	**293,949**	211,645
Less: net impairment loss on financial assets	**(76,804)**	(60,689)
	903,504	548,060

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 31 March 2022, five largest customers accounted for 73% (31 December 2021: 71%) 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:

	31 March 2022 (Unaudited) SR'000	*31 December 2021 (Audited) SR'000*
Loans and borrowings	**9,838,576**	9,632,872
Accrued commission on term loan	**286,790**	241,320
Less: Deferred financial costs	**(76,017)**	(65,262)
	10,049,349	9,808,930
Current portion	**(1,060,223)**	(1,766,085)
Non-current portion	**8,989,126**	8,042,845

12. LOANS AND BORROWINGS (continued)

Non-current portion

	31 March 2022 (Unaudited) SR'000	*31 December 2021 (Audited) SR'000*
Government loan (Note (a) below)	**1,336,677**	1,326,088
Accrued commission	**13,225**	-
Syndicate loan (Note (b) below)	**5,043,465**	4,889,028
Accrued commission	**234,430**	201,980
Facility from a local bank (Note (c) below)	**1,000,000**	-
Facility from local bank (Note (f) below)	**29,150**	29,150
Facility from a local bank (Note (g) below)	**600,000**	600,000
Accrued commission	**-**	-
Subordinated Sukuk (Note (h) below)	**252,585**	506,250
Facility from local bank (Note (i) below)	**547,550**	547,550
	9,057,082	8,100,046
Less: Deferred financial costs	**(67,956)**	(57,201)
	8,989,126	8,042,845

Current portion

	31 March 2022 (Unaudited) SR'000	*31 December 2021 (Audited) SR'000*
Facility from a local bank (Note (c) below)	**-**	635,656
Accrued commission	**5,542**	9,496
Facility from a local bank (Note (d) below)	**1,000,000**	1,000,000
Accrued commission	**-**	3,171
Facility from a local bank (Note (e) below)	**-**	70,000
Accrued commission	**-**	1,099
Facility from a local bank (Note (f) below)	**29,150**	29,150
Accrued commission	**794**	420
Accrued commission (Note (g) below)	**12,933**	15,455
Accrued commission (note (h) below	**1,491**	8,318
Accrued commission (Note (i) below)	**18,374**	1,381
	1,068,284	1,774,146
Less: Deferred financial costs	**(8,061)**	(8,061)
Current portion	**1,060,223**	1,766,085

12. LOANS AND BORROWINGS (continued)

Term loans

a) On 13 December 2011 (corresponding to 18 Muharram 1433H), the Group signed an agreement with the Ministry of Finance (“MoF”), a government entity, to obtain a loan amounting to SR 3 billion. The loan was designated for development of Phase 3 of the Group’s Project. At origination, the amount was due for settlement in six semiannual installments commencing from 1 January 2014. There are no financial debt covenants related to the facility.

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 form the lender to postpone until 31 March 2022 the repayment of all installments that were due on or before 31 December 2020. The Group has also pledged Phase 3 to the lender as mortgage against the loan.

During 2021, the Group entered into a loan restructuring agreement with MoF that involved significant modifications of the loan terms, including waiver of the accrued commission, capitalization of commission for certain period for commencing repayments, revision in commission rates and conversion of SR 1.5 billion of the total existing loan amount into a new unsecured Shariah-compliant subordinated perpetual instrument (“Perpetual instrument”), and maturity extension of the remaining secured SR 1.5 billion to 31 March 2031, with bullet payment (“Bullet Loan”).

The SR 1.5 billion Perpetual instrument includes the following main features:

1- Waiver of the entire accrued and unpaid profit amounting to SAR 457 million.
2- The Perpetual instrument do not carry a contractual maturity nor does the government entity hold a contractual right to redemption or repayment in the ordinary course of Group’s business.

Moreover, the Group may elect not to make any of the profit payments, except in the event of distribution of dividend to ordinary shareholders, and such non-payment of profit shall neither accumulate nor be considered an event of default.

The Group has analysed the Perpetual Instrument having features of an equity instrument under IAS-32 and hence classified the instrument under equity at its fair value on the date of debt conversion.

The SR 1.5 billion Bullet Loan will be repaid from 31 December 2026 and semiannual installments thereafter until its final maturity on 31 March 2031. The Bullet Loan, carries an annual profit commencing immediately after restructuring. Certain updates to the collateral provided against the Bullet Loan.

Pursuant to receipt of binding term sheets from MoF, confirmation from the facility agent and approval of Board of Directors (BoD) of acceptance of term sheets, the Group derecognized the old facility and recognized new facilities. The changes in the terms of the original MoF loan constitute a substantial modification and, accordingly, the difference between the pre-restructuring loan carrying amount and the fair value of the Perpetual Instrument and Bullet Loan, amounting to SR 1.4 billion, has been recognized as net gain on loan restructuring in the statement of profit or loss and other comprehensive income. The Group management is in the process of finalizing the facilities agreement as at 31 March 2022.

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 Saudi Riyals 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 Saudi Riyals 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 was payable over a period of 12 years from the date of signing the agreement in quarterly payments ending at September 2027. The Group had withdrawn Saudi Riyals amounting to 4.5 billion under the facility, carrying profit at SIBOR plus spread. During 2020, the Group received letter for the deferral of payment due till 31 March 2021.

The Group had provided the following securities against the facility:

- Mortgage of the above-mentioned phases’ lands deeds and properties with carrying amount of Saudi Riyals 7,285 million as of 31 December 2020.
- Promissory note by the Group for the syndicate of Saudi Riyals 6.1 billion

12. LOANS AND BORROWINGS (continued)

Term loans (continued)

During the year ended 31 December 2021, the Group completed the restructuring of the Syndicate loan facility with the following key changes:

- Additional SR 1.2 billion of available limit for future drawdowns.
- Extension in Syndicate Loan's final maturity by 3 years from the original date of maturity with an option to extend by a further 3 years, subject to certain pre-agreed conditions
- Sculpted repayment schedule based on the underlying projects' cash flows
- Scheduled repayments will initiate after a grace period of 3 years
- Scope for step-down in profit rate based on achieved progress on Phases 2 and 4 of the Project and deleveraging of the facility

The Group has analysed the renegotiated terms and identified the changes to represent a non-substantial modification. Accordingly, the resulting modification loss amounted to SR 173 million had been recognized in net gain on loan restructuring presented in the statement of profit or loss and other comprehensive income during the year ended 31 December 2021.

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, 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. As of 31 December 2021, the Group has utilized SR 636 million. There are no financial debt covenants related to the facility. During the period ended 31 March 2022, the Group has repaid the loan in full.

Further, during the three-month period ended 31 March 2022, the Group has finalized signing of new loan facility agreement, having facility limit of SR 1,000 million for the purpose of settlement of certain Group's outstanding liabilities, whereby the loan will be repaid over a period of eight years. Accordingly, as per the repayment terms, the loan is repayable in eight semi-annual equal instalments; the first instalment is due on 31 July 2023 and last instalment would be due on 31 January 2030. The loan carries borrowing costs at SIBOR plus 2.25%.

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 23 February 2022 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. The loan facility has a history of roll-over in the past and, on this basis, the Group's management is confident that further roll-over will be granted.

As at 31 March 2022, the Group is in advanced discussion with lender to reschedule the repayment terms – to be extended to 5 years with 1 year grace period. The restructured agreement facility has yet not been finalized.

12. LOANS AND BORROWINGS (continued)

Term loans (continued)

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. During the year ended 31 December 2020, the facility had been extended. At 31 December 2021, the Group has utilized SR 70 million to settle some of the outstanding liabilities SIBOR plus 2.5%. At 31 March 2022, the Group has repaid the loan amount in full.

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 31 March 2022, the Group has utilized SR 58 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 2020, 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.

During the three-month period ended 31 March 2022, the Company announced and redeemed the partial early redemption of Sukuk amounting to USD 67,500,000 in aggregate face amount of its Certificates (out of total face amount of USD 135,000,000) that were issued on 12 November 2018 and its original maturity date is 15 November 2023.

i) During the year ended 31 December 2021, the Group entered into a secured financing arrangement amounting to SR 1.6 billion with a lender for the completion of the Phase 3 of the Group’s Project. SR 547 million were drawn 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 interim condensed consolidated statement of financial position. Cost of borrowing is SIBOR plus 0.9% per annum. As per the repayment terms, the loan is repayable in is twenty-four equal semi-annual installments. First installment due after 24 months from the date of end of initial availability period dated 31 December 2024. There are no financial debt covenants related to the facility.

13. LIABILITIES AGAINST LEASE

The liabilities against lease are as follows:

	31 March 2022 (Unaudited) SR'000	*31 December 2021 (Audited) SR'000*
Total leases payments under leases	**15,233**	15,090
Finance charges	**(535)**	(534)
	14,698	14,556
Less: Current portion	**(2,674)**	(3,247)
Non-current portion	**12,024**	11,309

	Future lease rentals SR'000	*Unamortized finance charges SR'000*	*Lease Liability SR'000*
31 March 2022 *(Unaudited)*			
Less than one year	**2,834**	**(160)**	**2,674**
Between one to five years	**12,399**	**(375)**	**12,024**
	15,233	**(535)**	**14,698**
31 December 2021 (Audited)			
Less than one year	3,407	(160)	3,247
Between one to five years	11,683	(374)	11,309
	15,090	(534)	14,556

14. REVENUE

	For the three-month period ended	
	31 March 2022 (Unaudited) SR'000	*31 March 2021 (Unaudited) SR'000*
Revenue from contract with customers	**96,862**	20,523
Revenue from rental income	**12,785**	1,050
	109,647	21,573

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 three-month period ended 31 March (Unaudited)							
	2022	*2021*	***2022***	*2021*	***2022***	*2021*	***2022***	*2021*
	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	-	-	-	-	-	-	-	-
Hotel's operations	**96,862**	20,523	-	-			**96,862**	20,523
Lease of Parking	-	-	-	-	-	-		-
Lease of Commercial center	-	-	**12,785**	1,050	-	-	**12,785**	1,050
	96,862	20,523	**12,785**	1,050	-	-	**109,647**	21,573
Timing of revenue recognition:								
Point-in-time	**28,680**	3,896		-	-	-	**28,680**	3,896
Over time	**68,182**	16,627	**12,785**	1,050	-	-	**80,967**	17,677
Total Revenue from contract with customers	**96,862**	20,523	**12,785**	1,050	-	-	**109,647**	21,573

15. FINANCIAL COSTS

	For the three-month period ended	
	31 March 2022 (Unaudited) SR'000	*31 March 2021 (Unaudited) SR'000*
Interest and finance charges paid / payable for financial liabilities not at fair value through profit or loss	**54,332**	119,470
Conventional borrowing cost	**57,698**	90,291
	112,030	209,761

16. ZAKAT

During the three-month period ended 31 March 2022, the Group has recorded zakat charge of SR Nil (31 March 2021: SR nil)

Zakat status:

During 1433H, the Zakat, Tax and Customs Authority ("ZATCA"), 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 ZATCA 's assessment and submitted a bank guarantee of SR 29.1 million. During 2016, the Higher Appeal Committee (HAC) rendered its decision reducing the zakat liability to SR 21.8 million. JODC has filed another appeal to the Board of Grievance (BOG) against HAC's unfavorable decision. This appeal is under assessment and awaiting a decision from the General Secretariate Tax Committee (GSTC). Management expects a favorable outcome. During 2021, JODC has recorded additional zakat payable of SR 17 million for the related assessment in addition to SR 21 million recorded in the prior years under accruals and transferred to zakat provisions in year ended 31 December 2021.

During 1435H, ZATCA issued an assessment for zakat and withholding tax 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 ZATCA'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. ZATCA 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 ZATCA and awaiting assessment. The Group has received zakat assessment from ZATCA till 2018 of approximately SR 421 million and recorded zakat payable based on the received assessment of SR 133.1 million and filed appeal against the open assessments. Case is currently under Tax Violations and Disputes Appellate Committee (TVDAC).

During the year ended 2021, ZATCA has issued assessments for the years 2019 and 2020 resulting in an additional zakat liability of SR 209 million and recorded zakat payable of SR 102 million. The Group has submitted an objection against the aforesaid assessments. The objection is currently being reviewed by ZATCA. ZATCA has reconfirmed the basis for their assessment for the year 2020, and the Group is in the process of filing appeal against the ZATCA's assessments at GSTC's level for the years in accordance with the relevant regulations. Management expects a favorable outcome.

17. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent the shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

In addition to related party transactions disclosed in notes to these interim condensed consolidated financial statements, significant transactions with related parties in the ordinary course of business included in the interim condensed consolidated financial statements for the period ended 31 March and balances arising there from are summarized below

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

		For the three-month period ended	
		31 March 2022 (Unaudited)	*31 March 2021 (Unaudited)*
		SR'000	*SR'000*
Related party	**Nature of transaction**		
Bank Al Bilad – affiliate	Finance cost on loan from a local bank	**-**	5,980
Senior management employees	- Short term employee benefits	**900**	937
	- Post-employment benefits	**38**	37
BOD	BOD meeting attendance fee	-	112
Central District Cooling Company – Joint Venture	Cooling charges and lease payment (Note 6(a))	**18,688**	14,582
	Concession fee 7%	**692**	1,782
	Others	**-**	(2,632)

Key management personnel comprise chief executive officer and heads of departments. Compensation of the group's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined Benefit plan

Balances arising from transactions with related parties are as follows:

Related party	**Included under**	***31 March 2022 (Unaudited) SR'000***	*31 December 2021 (Audited) SR'000*
Al-Bilad Makkah Hospitality Fund	Accounts payable and other current liabilities	69,496	69,496
Bank Al-Bilad	Loans and Borrowings	-	642,277
Central District Cooling Company	Accounts payable and other current liabilities	210,808	208,817
Central District Cooling Company	Other non-current liabilities	741,205	741,205
Central District Cooling Company	Accounts and other receivables	(8,654)	(11,467)
Makkah Construction and Development Company	Other non-current liabilities	309,565	309,565

The amount due to Makkah Construction and Development Company (MCDC), represents cash paid by them for shares in cash against land of which the Owners were not able to submit the statutory and legal documentation. Refer Note 6 for more details.

18. 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 three-month period ended 31 March 2022 (Unaudited)				
	Operating Hotels SR'000	***Commercial Centres SR'000***	***Properties for development and sale SR'000***	***Corporate SR'000***	***Total SR'000***
Interim condensed consolidated statement of financial position items as at 31 March 2022 (Unaudited):					
Current assets	**290,026**	**41,717**	**67,336**	**1,489,694**	**1,888,773**
Property and equipment	**19,522,992**	**44,930**	**-**	**14,044**	**19,581,966**
Investment properties	**1,609,744**	**3,413,615**	**-**	**-**	**5,023,359**
Other non-current assets	**389**	**-**	**-**	**697,153**	**697,542**
Total assets	**21,423,151**	**3,500,262**	**67,336**	**2,200,891**	**27,191,640**
Total liabilities	**187,295**	**6,951**	**149,005**	**18,402,625**	**18,745,876**
Interim condensed consolidated statement of profit or loss and other comprehensive income items for the three-month period ended 31 March 2022 (unaudited):					
Revenues from operations	**96,862**	**12,785**	**-**	**-**	**109,647**
Total comprehensive loss	**(117,725)**	**(49,178)**	**(23)**	**(15,536)**	**(182,462)**

18. SEGMENT REPORTING (continued)

	For the year ended 31 December 2021 (Audited)				
	Operating Hotels SR'000	***Commercial Centres SR'000***	***Properties for development and sale SR'000***	***Corporate SR'000***	***Total SR'000***
Current assets	224,451	38,961	67,674	1,406,432	1,737,518
Property and equipment	19,309,403	44,930	-	15,183	19,369,516
Investment properties	1,611,306	3,412,722	-	-	5,024,028
Other non-current assets	455	-	-	691,061	691,516
Total assets	21,145,615	3,496,613	67,674	2,112,676	26,822,578
Total liabilities	135,127	6,470	149,005	17,903,750	18,194,352

Statement of profit or loss and other comprehensive income items for the three-month period ended 31 March 2021 *(unaudited)*:

Revenues from operations	20,523	1,050	-	-	21,573
Total comprehensive loss	(171,677)	(59,101)	(81)	(114,594)	(345,453)

19. COMMITMENTS AND CONTINGENCIES

a) As at 31 March 2022, the outstanding capital commitments in respect of development of the Project amounted to SR 4,464 million (31 December 2021: SR 4,297 million).
b) Operating lease commitments are not significant.
c) Refer note 16 for Zakat and tax related contingencies.
d) As at 31 March 2022, the Group has bank letter of credits amounting to SR 17.7 million (31 December 2021: SR 56.2 million) issued from local bank in the Kingdom of Saudi Arabia
e) As at 31 March 2022, the contingencies against banks' letter of guarantees issued on behalf of the Group amounted to SR 50 million (31 December 2021: SR 50 million).

20. SUBSEQUENT EVENTS

1) On 2 April 2022G (corresponding to 1 Ramadan 1443H), the Group has executed an agreement with the Fund Manager to settle liability payable to unitholders in exchange of Company's new 225,134,162 shares. In accordance with terms of agreement, the transaction is binding and non-revocable.

2) On 28 April 2022 (corresponding to 27 Ramadan 1443H), the Group announced the submission of the application of the increase of the company's capital through debt conversion to the capital market authority.

21. 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 22 May 2022G corresponding to 21 Shawwal 1443H.