

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
(Saudi Joint-Stock Company)
MAKKAH – SAUDI ARABIA
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) AND
INDEPENDENT AUDITOR'S REPORT FOR
THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY

(Makkah – Saudi Arabia)

Interim condensed financial statements and auditor's report for the three-month and nine-month periods ended 30 SEPTEMBER 2023

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**INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS,
MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
(A SAUDI JOINT-STOCK COMPANY)
MAKKAH – SAUDI ARABIA**

Introduction

We have reviewed the accompanying interim condensed statement of financial position for Makkah Construction and Development Company - a Saudi joint stock company - (the "Company") as at September 30, 2023, the interim condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2023, the interim condensed statement of changes in shareholders' equity and interim condensed statement of cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes forming an integral part of these interim condensed statements.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 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 statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia. Consequently, we are not able to reach 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 financial statements have not been prepared in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.


Other matter

The Company's condensed interim financial statements for the three-month and nine-month periods ended to 30 September 2022 were reviewed by another auditor, who expressed a modified review result regarding condensed interim financial statements on January 4, 2023 corresponding to Jumada 11, 1444 H.

For El Sayed El Ayouty & Co.

Jeddah 22 Rabi Al-Thani 1445H
Corresponding to 6 November 2023




Abdullah A. Balamesh
Certified Public Accountant
License No. (345)

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throughout the world.

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY

(A Saudi joint-stock company)

Interim condensed statement of financial position (unaudited)

As at 30 September 2023

(All amounts in Saudi Riyals unless otherwise stated)

	Note	30 September 2023 (unaudited)	31 December 2022 (audited)
Assets			
Non-current assets			
Property, plant and equipment - net	5	1,300,933,586	1,304,744,776
Investment properties- net	6	214,773,659	218,495,180
Financial assets at fair value through other comprehensive income	7	2,262,361,213	1,598,613,920
Investment in an associate	8	16,231,613	16,231,613
Total non-current assets		3,794,300,071	3,138,085,489
Current assets			
Trade receivables - net	9	36,445,062	41,392,175
Inventory		2,439,263	1,620,361
Due from related parties- net	10	309,564,950	313,055,268
Prepayments and other account receivables		67,206,886	42,415,721
Cash and cash equivalent		441,564,935	371,036,743
Total current assets		857,221,096	769,520,268
Total assets		4,651,521,167	3,907,605,757
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital		1,648,162,400	1,648,162,400
Statutory reserve		836,280,685	836,280,685
Revaluation gains of financial assets at fair value through other comprehensive income	7	1,292,411,818	628,664,525
Retained earnings		338,037,427	246,941,316
Total Shareholders' equity		4,114,892,330	3,360,048,926
Non-current Liabilities			
Long-term loan - non-current portion		99,998,850	124,998,850
Employees' defined benefit obligations		36,877,885	35,128,477
Total non-current liabilities		136,876,735	160,127,327
Current Liabilities			
Long-term loan - current portion		25,000,000	27,476,616
Deferred revenue		18,728,146	6,478,911
Trade payables		5,716,219	8,282,544
Due to related parties	10	-	3,141,639
Accrued expenses and other payables		109,870,683	100,280,718
Dividends payable	11	184,934,937	181,169,478
Provision for zakat	12	55,502,117	60,599,598
Total current liabilities		399,752,102	387,429,504
Total liabilities		536,628,837	547,556,831
Total Shareholders' equity and liabilities		4,651,521,167	3,907,605,757

The accompanying notes from (1) to (21) form an integral part of these interim condensed financial statements which were approved by the Company's Board of Directors and signed on behalf of the following:

Hamza Mohamad Saleh Sairafi

Fahd Mohamed Salih AlFawaz

Amr Hussein Abdel Fattah

BOD's Member and Managing
Director

Chief Executive Officer

Chief Financial Officer

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY

(A Saudi joint-stock company)

Interim condensed statement of profit or loss and other comprehensive income (unaudited)

For the three-month and nine-month periods ended 30 September 2023

(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended at 30 September 2023 (unaudited)	Period from 14 June 2022 to 30 September 2022 (unaudited)	For the nine-month period ended at 30 September 2023 (unaudited)	Period from 5 December 2021 to 30 September 2022 (unaudited)
Revenue		249,189,582	132,518,069	597,122,895	340,794,759
Cost of revenue		(158,834,109)	(48,492,879)	(257,233,124)	(125,817,418)
Gross profit		90,355,473	84,025,190	339,889,771	214,977,341
General and administrative expenses		(20,260,255)	(19,373,461)	(72,722,720)	(64,734,843)
Provision for expected credit losses	9	-	-	(4,910,640)	(20,082,601)
Profit from operations		70,095,218	64,651,729	262,256,411	130,159,897
Other income		-	-	217,795	-
Net profit for the period before Zakat		70,095,218	64,651,729	262,474,206	130,159,897
Zakat		(1,752,380)	(6,596,437)	(6,561,855)	(16,540,962)
Net profit for the period		68,342,838	58,055,292	255,912,351	113,618,935
Other comprehensive income/(loss)					
Items that will not be subsequently reclassified to statement of profit or loss					
Losses of re-measurement of employees defined benefit obligations		-	-	-	(2,173,658)
Unrealized profit/(loss) from revaluation of financial assets at fair value through other comprehensive income		(225,558,488)	(451,116,975)	663,747,293	(724,865,261)
income/other comprehensive (loss) for the period		(225,558,488)	(451,116,975)	663,747,293	(727,038,919)
income/ (loss) for the period		(157,215,650)	(393,061,683)	919,659,644	(613,419,984)
Earnings per share					
Basic and diluted earnings per share from net profit for the period	13	0.41	0.35	1.55	0.69

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Fahd Mohamed Salih AlFawaz
Chief Executive Officer



Amr Hussein Abdel Fattah
Chief Financial Officer



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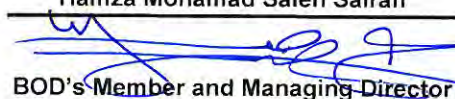
Interim condensed statement of changes in Shareholders' equity (unaudited)

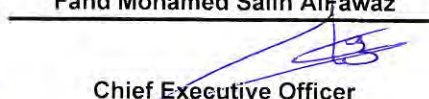
For the nine-month period ended 30 September 2023


(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Revaluation gains of financial assets at fair value through other comprehensive income	Retained earnings	Total
Balance at 5 December 2021 (audited)	1,648,162,400	836,280,685	1,715,951,693	108,846,036	4,309,240,814
Net profit for the period (unaudited)	-	-	-	113,618,935	113,618,935
Other comprehensive loss for the period (unaudited)	-	-	(724,865,261)	(2,173,658)	(727,038,919)
Comprehensive loss for the period (unaudited)	-	-	(724,865,261)	111,445,277	(613,419,984)
Balance at September 30, 2022 (unaudited)	1,648,162,400	836,280,685	991,086,432	220,291,313	3,695,820,830
Balance at January 01, 2023 (audited)	1,648,162,400	836,280,685	628,664,525	246,941,316	3,360,048,926
Net profit for the period (unaudited)	-	-	-	255,912,351	255,912,351
Other comprehensive income for the period (unaudited)	-	-	663,747,293	-	663,747,293
Comprehensive income for the period (unaudited)	-	-	663,747,293	255,912,351	919,659,644
Dividends (note 18)	-	-	-	(164,816,240)	(164,816,240)
Balance at September 30, 2023 (unaudited)	1,648,162,400	836,280,685	1,292,411,818	338,037,427	4,114,892,330

The accompanying notes from (1) to (21) form an integral part of these interim condensed financial statements which were approved by the Company's Board of Directors and signed on behalf of the following:

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 Chief Financial Officer

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY

(A Saudi joint-stock company)

Interim condensed statement of cash flows (unaudited)

For the nine-month period ended 30 September 2023

(All amounts in Saudi Riyals unless otherwise stated)

	For the nine-month period ended at 30 September 2023 (unaudited)	Period from 5 December 2021 to 30 September 2022 (unaudited)
Cash flows from operating activities:		
Net profit for the period before Zakat	262,474,206	130,159,897
Adjustments:		
Depreciation on property, plant, and equipment	20,558,465	23,138,581
Depreciation on investment properties	3,878,632	5,235,290
Allowance for expected credit losses	4,910,640	20,082,601
Loss from disposal of non-current assets	-	79,077
Employees' defined benefit obligations paid	5,661,146	3,344,872
	297,483,089	182,040,318
Changes in:		
Trade receivables	36,474	(26,725,984)
Inventory	(818,902)	(1,120,788)
Prepayments and other account receivables	(24,791,165)	(25,142,260)
Deferred revenue	12,249,235	29,025,837
Trade payables	(2,566,325)	(3,145,647)
Related Parties	348,679	(750,851)
Accrued expenses and other payables	9,589,965	12,801,356
Employees' defined benefit obligations paid	(3,911,738)	(4,583,548)
Zakat provision paid	(11,659,336)	(7,972,031)
Net cash generated from operating activities	275,959,976	154,426,402
Cash flows from investing activities:		
Payments to property, plant, and equipment	(16,747,275)	(2,187,900)
Payments to investment properties	(157,111)	(238,152)
Interest paid	(2,476,616)	(3,702,993)
Net cash (used in) investing activities	(19,381,002)	(6,129,045)
Cash flows from financing activities:		
Settlement of a long-term loan	(25,000,000)	(25,000,000)
Dividends paid	(161,050,780)	(10,494,714)
Net cash (used in) financing activities	(186,050,780)	(35,494,714)
Net change in cash and cash equivalent	70,528,194	112,802,643
Cash and cash equivalents at beginning of the period	371,036,741	162,815,957
Cash and cash equivalents at end of the period	441,564,935	275,618,600
Other Non-cash transactions:		
Unrealized profit/(loss) from revaluation of financial assets at fair value through other comprehensive income	663,747,293	(724,865,261)

The accompanying notes from (1) to (21) form an integral part of these interim condensed financial statements which were approved by the Company's Board of Directors and signed on behalf of the following:

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MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY

(A Saudi joint-stock company)

Notes to the interim condensed financial statements

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

(All amounts in Saudi Riyals unless otherwise stated)

1. General

1.1 Corporate information

Makkah Construction and Development Company (A Saudi Joint Stock Company) (the "Company") was incorporated in accordance with the Companies' Law and as per Royal Decree no. (M/5) dated 13 Dhu Al-Qi'dah 1408H. The incorporation was declared by the Minister of Commerce and Investment no. 859 dated 21 Dhu Al-Qi'dah 1409 H (corresponding to 24 June 1989). The Company is registered in Makkah under Commercial Registration number

4031020101 dated 1 Dhu Al-Hijjah 1409 H (corresponding to 4 July 1989).

The main activity of the Company is the construction of the area near Al Masjid Al Haram, the ownership, development, management, investment, purchase, and lease of the properties near Al Masjid Al Haram. In addition to performing all necessary engineering works to perform building, constructing, repairing, and demolishing works.

The Head office of the Company is located in Makkah Al Mukarramah, Faqih Center, P O Box 7134- Kingdom of Saudi Arabia.

On January 16, 2023, corresponding to 23 Jumada al-Thani 1444 AH, and pursuant to the decision of the Minister of Commerce No. (284), the implementing regulations for the new Companies Law were issued. On January 19, 2023, corresponding to 26 Jumada al-Thani 1444 AH, the new Companies Law issued by Royal Decree No. (M/132) came into effect. The company's management will make the necessary amendments to the company's articles of association in accordance with the requirements of the new Companies Law and its implementing regulations.

Branches: The Company has the following branches:

S/N	City	CR No.	Date	Branch location
1	Makkah	4031045190	18/9/1424H	Makkah Hotel and Towers
2	Makkah	4031102134	18/3/1439H	Branch of Makkah Construction and Development Company for Omrah Services

1.2 Fiscal year:

- The shareholders of the Company in their meeting held on 15 Shawwal 1443H (corresponding to 16 May 2022)

have resolved to change the financial year of the Company from Hijri to Gregorian, which will end on 31 December every year. The first financial year will begin after approving the change from the Hijri year to the Gregorian year by pertinent authorities and will end on 31 December 2022. The legal formalities in respect of the change of the financial year have been completed on 14 Dhu Al-Qi'dah 1443H (date of closing the Hijri period) (corresponding to 13 June 2022). Accordingly, the first Gregorian calendar year begins on June 14, 2022, and ends on December 31, 2022. Consequently, the fiscal year will commence on the first of January and conclude on the thirty-first of December annually.

The Company's current period begins on 1 January 2023 and ends on 30 September 2023 compared to the period commencing on 5 December 2021 and ending on 30 September 2022.

2. Basis of preparation and statement of compliance

2.1 Compliance with Accounting Standards Applied

These interim condensed financial statements (the "financial statements") have been prepared in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" approved in the Kingdom of Saudi Arabia (the International Financial Reporting Standard that specifies the minimum contents of an interim financial report) and other standards and pronouncements issued by the Saudi Organization for Auditors and Accountants.

The interim condensed financial statements do not include all the information and disclosures required for the complete set of financial statements prepared in accordance with International Financial Reporting Standards and must be read in accordance with the annual financial statements of the Company as of December 31, 2022 (the "last annual financial statements"). In addition, the results of the initial period ending on September 30, 2023 may not be considered an accurate indication of the expected results for the fiscal year ending on December 31, 2023.

2.2 BASIS OF MEASUREMENT

The interim condensed financial statements have been prepared on the historical cost basis using the principle of accounting accrual, with the exception of financial instruments that are measured at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Company.

2.4 Going concern basis

The management of the company has assessed its ability to continue operating as a going concern while preparing the accompanying financial statements and is confident that the company has sufficient resources to sustain its operations in the foreseeable future. In addition, the management is not aware of any material uncertainty that may cast significant doubts about the Company's ability to continue as a going concern.

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY

(A Saudi joint-stock company)

Notes to the interim condensed financial statements

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

(All amounts in Saudi Riyals unless otherwise stated)

2. Basis of preparation and statement of compliance (continued)

2.5 Significant accounting judgments and estimates

The preparation of these financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and disclosures. These estimates are based on underlying assumption related to historical experience and various other factors that are believed to be reasonable in these circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimate is modified if the modification affects current and future periods. The significant judgments and estimates have the most significant effect on the amounts recognized in the financial statements are as follows:

Fulfillment of performance obligations

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Company assessed that one performance obligations is related to maintenance services can be measured reliably.

Determination of transaction prices

The Company is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Company assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration, if any.

Classification of real estate properties

The Company exercises its judgment in the classification of real estate as property and equipment and investment properties. The Company considers recognition criteria as per the supporting accounting standard with the management's intention and effective plan. The Hotels are considered as occupied by the owner and held for use to provide services while commercial malls are classified as investment properties as they are held for a third-party leasing.

Operating lease classification – Company as lessor

The Company entered commercial leases for its investment property. The Company has determined, based on an Estimation of the terms and conditions of the arrangements, that as the lease term not constituting a major part of the economic life of the property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases

Impairment financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds the recoverable amount, which is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is arrived based on available data from binding sales transactions at arm's length, for similar assets. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Useful lives and residual value of of property, equipment and investment property

The Company's management estimates the useful lives of its property and equipment and investment properties for calculating depreciation. Such estimates are updated after considering the expected use of the assets, obsolescence, and wear and tear. The management periodically reviews estimated useful lives, the residual values and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY

(A Saudi joint-stock company)

Notes to the interim condensed financial statements

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

(All amounts in Saudi Riyals unless otherwise stated)

2. Basis of preparation and statement of compliance (continued)

2.5 Significant accounting judgments and estimates (Continued)

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the option to extend or terminate. The assessment is reviewed if a material event or a significant change in circumstances has occurred that affects this assessment. During the current financial period, there was no material financial impact of revising the terms of the lease contracts to reflect the impact of exercising extension or termination options.

Depreciation and amortization on non-current assets

Depreciation and amortization are recognized to write off the cost of assets less their residual value over their useful lives using the appropriate method. The Company's management estimates useful lives, residual values and depreciation method and reviews them at the end of each reporting period. The impact of any changes in estimate is calculated on a prospective basis.

ECL allowance for trade and other receivables

The Company uses a provision matrix to calculate expected credit losses on trade receivables and contract assets. Provision ratios are determined based on days past due for different groups of customer segments with similar loss patterns (i.e. geographic region, product type, customer type, price, coverage by letters of credit and other forms of credit guarantee).

Determining expected credit losses for trade and other receivables requires the Company to take into account certain estimates of forward-looking factors when calculating the probability of default. These estimates may differ from actual circumstances. The matrix is based on past default experience monitored by the Company. The company will calibrate the table in order to adjust the historical credit loss experience with forecast information, for example, if economic conditions (i.e. GDP) are expected to deteriorate over the next year which could lead to an increasing number of defaults in the tourism and services sector, then previous default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The company assessed the growth rate of the gross domestic product, a macroeconomic factor closely tied to future information, which has the potential to impact the credit risk of customers. Based on this assessment, the company made adjustments to the historical loss by considering the expected changes in this factor through various scenarios. An assessment of the relationship between historically observed rates of default, expected economic conditions and expected credit losses is an important estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's previous credit losses and expected economic conditions may not be an indication of the customer's actual default in the future. Information about expected credit losses on trade receivables and contract assets of the company has been disclosed in the related notes.

Provision for Zakat and VAT

When the amount of zakat is an uncertain liability or asset, the Company recognizes the provision that reflects management's best estimate as a more probable outcome based on facts known in the relevant period. Any differences between the zakat estimates and final zakat assessments are charged to the statement of profit or loss in the period in which they are incurred.

Impairment of financial assets

At the end of each reporting period, the Company estimates the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. In the event of this indication, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Contingent liabilities

By default, contingent liabilities will only be resolved upon the occurrence or non-occurrence of one or more future events. The assessment of such contingencies inherently involves exercise of significant judgment and estimates of the outcome of future events.

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY

(A Saudi joint-stock company)

Notes to the interim condensed financial statements

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

(All amounts in Saudi Riyals unless otherwise stated)

2. Basis of preparation and statement of compliance (continued)

2.5 Significant accounting judgments and estimates (continued)

Employees defined benefit obligations

The cost of employees' terminal benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employees' turnover (employment, termination, resignations). Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each period end. The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, Management considers the market yield on high quality corporate/government bonds. Future salary increases are based on the expected future inflation rates, seniority, promotion, demand, and supply in the employment market. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes.

Fair value measurement of financial instruments

The company measures some financial instruments and non-financial assets according to the fair value at the statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- Sale or transfer in the principal market for the asset or liability, or
- A sale or transfer in a market other than the principal, i.e. in the most advantageous market for the asset or liability.

The company must have access to the principal market or the most favorable market. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate for the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Inputs are quoted prices asset markets for identical assets (unadjusted) of similar obligations,
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is not observable.

The Company's management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Company identified classes of assets and liabilities based on their nature, characteristics and risks of the asset or liabilities and the level of the fair value hierarchy, as described above.

3. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs), AMENDMENTS TO IFRS AND INTERPRETATION

No new accounting standards and interpretations were issued. However, a number of changes to the standards are effective as of January 1, 2023 which were explained in the financial statements of the Company. These standards and interpretations do not have a material impact on the interim condensed financial statements of the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The applied accounting policies and methods of calculation are consistent with those used for the previous financial year.

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY

(A Saudi joint-stock company)

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5. Property, plant and equipment - net

Cost						
	Lands	Buildings	Plant and equipment	Furniture and Fixtures	Motor vehicles	Total
As at 14 June 2022 (audited)	601,409,769	956,439,450	180,863,575	70,890,890	2,169,419	1,811,773,103
Additions during the period	-	16,017,376	17,160,054	718,592	-	33,896,022
Disposals during the period	-	(219,351)	(5,891,266)	(30,681,450)	(818,500)	(37,610,567)
As at 31 December 2022 (audited)	601,409,769	972,237,475	192,132,363	40,928,032	1,350,919	1,808,058,558
As at 1 January 2023 (audited)	601,409,769	972,237,475	192,132,363	40,928,032	1,350,919	1,808,058,558
Additions during the period	-	6,046,705	9,377,507	1,323,063	-	16,747,275
Disposals during the period	-	-	-	-	(39,273)	(39,273)
as at 30 September 2023 (unaudited)	601,409,769	978,284,180	201,509,870	42,251,095	1,311,646	1,824,766,560
Total depreciation						
As at 14 June 2022 (audited)	-	354,247,138	106,930,340	62,579,862	2,012,427	525,769,767
Depreciation during the period	-	6,293,619	7,037,884	1,430,126	36,670	14,798,299
Disposals during the period	-	(86,837)	(5,723,809)	(30,625,140)	(818,498)	(37,254,284)
As at 31 December 2022 (audited)	-	360,453,920	108,244,415	33,384,848	1,230,599	503,313,782
As at 1 January 2023 (audited)	-	360,453,920	108,244,415	33,384,848	1,230,599	503,313,782
Depreciation during the period	-	8,756,265	9,907,557	1,844,588	50,054	20,558,464
Disposals during the period	-	-	-	-	(39,272)	(39,272)
as at 30 September 2023 (unaudited)	-	369,210,185	118,151,972	35,229,436	1,241,381	523,832,974
Net book value:						
As at 30 September 2023 (unaudited)	601,409,769	609,073,995	83,357,898	7,021,659	70,265	1,300,933,586
As at 31 December 2022 (audited)	601,409,769	611,783,555	83,887,948	7,543,184	120,320	1,304,744,776

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6. Investment properties - net

Cost	Lands	Buildings	Furniture & Furnishings	Total
As at 14 June 2022 (audited)	66,082,344	221,046,674	48,994,541	336,123,559
Additions during the period	-	69,394	6,140,982	6,210,376
Disposals during the period	-	-	(372,763)	(372,763)
As at 31 December 2022 (audited)	66,082,344	221,116,068	54,762,760	341,961,172
As at 1 January 2023 (audited)	66,082,344	221,116,068	54,762,760	341,961,172
Additions during the period	-	-	157,111	157,111
Disposals during the period	-	-	(69,000)	(69,000)
as at 30 September 2023 (unaudited)	66,082,344	221,116,068	54,850,871	342,049,283
Total depreciation				
As at 14 June 2022 (audited)	-	93,892,225	26,611,458	120,503,683
Depreciation during the period	-	1,503,354	1,753,021	3,256,375
Disposals during the period	-	-	(294,066)	(294,066)
As at 31 December 2022 (audited)	-	95,395,579	28,070,413	123,465,992
As at 1 January 2023 (audited)	-	95,395,579	28,070,413	123,465,992
Depreciation during the period	-	2,052,701	1,825,930	3,878,631
Disposals during the period	-	-	(68,999)	(68,999)
as at 30 September 2023 (unaudited)	-	97,448,280	29,827,344	127,275,624
Net book value:				
as at 30 September 2023 (unaudited)	66,082,344	123,667,788	25,023,527	214,773,659
As at 31 December 2022 (audited)	66,082,344	125,720,489	26,692,347	218,495,180

- The Company's investment properties consist of commercial center and other 4 properties that are leased to third parties.
- On 30 September 2023, the fair value measurement for all of the investment properties has been categorized as a level 3 fair value based on the inputs to the valuation techniques used.
- The total fair value of the investment properties has been determined by an external appraiser, which is a company registered with the Saudi Organization for Certified Public Accountants and specializes in valuating investment properties. The fair value as of March 31, 2023 amounted to SR 3,557,682,788. Management believes that there has been no significant change in the fair value during the SIX months from the valuation date on March 31, 2023, until the financial statements date on September 30, 2023.
- The depreciation charge for the period has been allocated to the cost of revenue

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6. Investment properties - net (continued)

- Amounts recognized in statement of profit or loss and other comprehensive income for investment properties are

as follows:

	For the nine-month period ended 30 September 2023 (unaudited)	Period from 5 December 2021 to 30 September 2022 (unaudited)
Rental income from operating leases	136,387,464	127,214,154
Direct operating expenses on property that generated rental income	39,155,098	40,018,834

There were no direct operating expenses on investment properties that did not generate rental income (under development) during period ended 30 September 2023 and to 30 September 2022.

- The table below shows the technical methods used in measuring the fair value of the investment properties, and the significant unobservable inputs used.

Valuation technique

Income approach: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental, cap rates and occupancy rate.

The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location and lease terms.

Unobservable input

Please refer to table below

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

Approach used to determine values

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 neighboring 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.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

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7. Financial assets at fair value through other comprehensive income

The Company classified the investments below as financial assets at fair value through other comprehensive income. This is because these financial assets represent investments the Company intends to hold for a long term for strategic purposes. Details are below:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Jabal Omar Development Co. - investments in listed equity note (7.1)	2,261,368,426	1,597,621,133
Commodity Trading Fund - investments in unlisted equity, note (7-2)	992,787	992,787
	2,262,361,213	1,598,613,920

The table below shows unrealized gains on revaluation and investment movements in equity instruments designed at Fair Value through Other Comprehensive Income (FVTOCI):

	30 September 2023 (unaudited)	31 December 2022 (audited)
Balance at the beginning of the period	628,664,525	1,442,203,407
Unrealized profits / (losses)	663,747,293	(813,538,882)
Balance at the end of the period	1,292,411,818	628,664,525

The Company has investments in Jabal Omar Development Company "JODC" that represent investments in listed shares. The Company has a non-controlling interest of 7.508%. These investments have been irrevocably classified at fair value through other comprehensive income. The fair value of these shares determined by the quoted share price in an active market.

The Company holds a total of 96,392,516 shares in JODC. The Company requested JODC to confirm the number of shares owned by the Company as at 30 September 2023. According to the confirmation received, JODC confirmed number of shares less by 1,198,571 shares as compared to the total number of shares recorded in the Company's books and records. These shares are undergoing reconciliation as a result of the difference in the measurement of the areas of lands compared to title deeds provided as in-kind capital from MCDC. The management of the Company sought a legal opinion from their external legal advisor. The Company has been advised by its legal advisor that:

- JODC may not make any adjustment to the number of shares of MCDC, by decreasing, modifying, or any other action, and thus, no amendment or change may occur to the value of the shares entered by MCDC as a shareholder in JODC. According to the Article (66) of the Companies' Law, the evaluation report of in-kind shares submitted by the Company is binding on JODC as long as it is not objected by the Constituent Assembly.

- Before adding the final amount of the area as per the deeds by the respective authorities and departments, the value of the contribution entered by the Company in JODC remains fixed as it is and there is no modification or change to it until the total area of the deeds is added by the respective authorities. It is not permissible for JODC to enforce the Company to pay amounts in excess of the amount they committed when issuing the share.

- Accordingly, the balance of the in-kind shares owned by the Company at JODC is 96,392,516 shares, including the shares related to title deeds that have not yet been transferred to JODC to date, until the total area as per the deeds is added by the respective authorities, and JODC may not reduce the number of shares or reduce the value of the assessment of in-kind shares submitted upon subscription.

Based on the above legal opinion, the management has recorded the total number of shares at the fair value in the financial statements.

Furthermore, out of the total JODC shares owned by the Company, there are 8,509,144 share that represent in-kind capital shares in exchange for land titles that the Company acquired from landowners in favor of JODC's project and the transfer of the titles have not yet been finalized. Accordingly, these shares are being registered under Makkah Company's portfolio and upon completion of transferring of the lands' titles to JODC, the Company will be able to access its rights over these shares like in the sale transactions. These shares are already recorded as part of JODC's share capital.

7.2 As at 30 September 2023 and 31 December 2022, the fair value of the Commodity Trading Fund was estimated to be close to its book values.

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8. Investment in an associate

8.1. The details of the Company's investment in an associate are as follows:

Name	Country of incorporation	Principal activity	Effective ownership %	
			30 September 2023 (unaudited)	31 December 2022 (audited)
Jurhom for Development and Growth Company (closed joint-stock company)	KSA	Development of lands and leasing properties	27.5	27.5

8.2. The movement of the Company's investment in an associate is as follows:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Balance at the beginning of the period	16,231,613	17,115,131
Company's share in investment losses of an associate	-	(883,518)
Balance at the end of the period	16,231,613	16,231,613

8.3. The Board of Directors unanimously resolved in its meeting no. 133 held on 25 Muharram 1435H (corresponding to 28 November 2013) to offer a cash contribution interest in the share capital of Jurhom for Development Company, which operates in the field of developing real state and which the main objective to develop Al-Sharashif mountain area. Based on this resolution, the Company decided on 11 Jumada Al-Ula 1435 H to pay the amount of SR 28.84 million, representing 27.5% of the Company's share capital amounting to SR 104.84 million.

9. Trade receivables - net

	30 September 2023 (unaudited)	31 December 2022 (audited)
The Commercial Center	58,250,552	70,631,338
Hotels and towers – Guests	17,222,471	1,903,841
Net due from the hotel operator and towers (Millennium)	11,075,954	11,075,954
Tenants of Jabal Omar Real State	2,356,099	2,047,547
	88,905,076	85,658,680
Less: Provision for the expected credit loss (note 9.2)	(52,460,014)	(44,266,505)
	36,445,062	41,392,175

9.1. Trade receivables are non-derivative financial assets carried at amortized 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 Company to obtain collateral over third party trade receivables and these are, therefore, unsecured. The company's trade receivables are concentrated in the Kingdom of Saudi Arabia. For short-term trade receivables, their book value is close to their fair values as of September 30, 2023 and December 31, 2022.

9.2 Movement in allowance for expected credit losses on trade receivables:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Opening balance for the period	44,266,505	29,943,528
Charge for the period	4,910,640	14,322,977
Reclassified from due from related parties	3,282,869	-
Balance at the end of the period	52,460,014	44,266,505

9.3. Unbilled revenue is initially recognized for lease income earned from investment properties rendered but to be billed to customers. Upon billing of invoice, the amounts recognized as unbilled revenue are reclassified to trade receivables.

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10. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent the 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 Board.

The following are the related parties' transactions and the balances:

10.1 Balance due from related parties is as follows:

Related party	Nature of relationship	Nature of transaction	Transaction amount		Balance	
			30 September 2023 (unaudited)	31 December 2022 (audited)	30 September 2023 (unaudited)	31 December 2022 (audited)
Jabal Omar Development Company (note 10.5)	Investee	Finance	-	-	309,564,950	309,564,950
Abdulrahman Abdulkadir Fakeih	Shareholder	Purchases	(6,065,272)	(117,501)	-	6,065,272
Fakeih BBQ Chicken	Owned by a shareholder	Expenses	(143,853)	(439,246)	-	143,853
Fakeih Chicken Farms	Owned by a shareholder	Purchases	(564,061)	(10,743)	-	564,061
					309,564,950	316,338,136
Less: Impairment loss on related parties					-	(3,282,868)
					309,564,950	313,055,268

10.2 Balance due to related parties is as follows:

Related party	Nature of relationship	Nature of transaction	Transaction amount		Balance	
			30 September 2023 (unaudited)	31 December 2022 (audited)	30 September 2023 (unaudited)	31 December 2022 (audited)
Fakeih Chicken Farms	Owned by a shareholder	Purchases	(3,141,639)	73,189	-	3,141,639
					-	3,141,639

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10. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

10.3 Compensation to Senior Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any director (whether executive or otherwise).

	For the nine-month period ended 30 September 2023 (unaudited)	Period from 5 December 2021 to 30 September 2022 (unaudited)
Salaries, allowances and incentives	2,638,884	2,858,059
Rents and consultation contracts	936,300	3,059,130
	3,575,184	5,917,189

10.4 The transactions with related parties are performed in the course of normal business of the company. Outstanding balances at the period ended 30 September 2023 are unsecured, interest free and settled in cash. There have been no guarantees provided or received for any related party receivable or payable.

10.5 This represents amount due from a related party - Jabal Omar Development Company amounting to SR309,564,950 as of 30 September 2023. Due to the location of the project and the characteristics associated with land ownership around the Haram area, there were some plots of land without title deeds. Accordingly, the shareholders of the plots of land worth SR 359,564,950 were unable to complete the documents related to the ownership of these lands.

With regard to those owners who were unable to present their legal title deeds, in accordance with the ownership transfer agreement, MCDC has subscribed to the company's shares on behalf of these owners. This was approved by Royal Decree No. M/63 on 25/09/1427H (corresponding to 18 October 2006).

The amount paid to MCDC during the year ended on 30 Dhul-Hijjah 1436H (14 October 2015) amounting to SR 50 million was settled in return for the receivable.

On Jumada al-Thani 24, 1438 H corresponding to March 23, 2017, the Ordinary General Assembly of the Jabal Omar Development Company was held and approved the purchase by Jabal Omar Development Company of the remaining cash share of the Makkah Construction and Development Company, amounting at that time to 35,956,495 cash shares, at a nominal value of SR 359,564,950 Saudi riyals, and authorizing the Jabal Omar Board of Directors For development to determine the payment mechanism. According to the Articles of Association of Jabal Omar Development Company, Makkah Construction and Development Company is committed to what is approved by the General Assembly of Jabal Omar Development Company regarding the remaining cash shares.

Accordingly, Jabal Omar Development Company acquired rights to use these lands and accordingly Jabal Omar Development Company completed construction on these lands and the authorities issued during the year 2020 a unified title deed in the name of the Company for the entire area of the project in the name of Jabal Omar Development Company.

On 29 March 2023, a letter from the Chairman of the Board of Directors of Jabal Omar Company, issued, referring to a decision made by the General Assembly of Jabal Omar Company on March 23, 2017, to authorize its Board of Directors to determine the payment mechanism for settlement (cash, property or a combination of both), which falls under the obligation of Jabal Omar Company. Accordingly, Jabal Omar Company resolved to settle the remaining obligation of 309.6 million Saudi riyals to Makkah Construction and Development Company. One of the proposed options is to hand over non-financial assets in the form of property.

On June 6, 2023, a letter from the Chairman of the Board of Jabal Omar Company was issued, indicating the Board's approval of settling the cash portion by issuing new shares of Jabal Omar Company in favor of Makkah Construction and Development Company. A financial advisor has been appointed to study the valuation mechanism and the appropriate exchange ratio to determine the number of shares required to be issued to settle the cash share.

The management of Makkah Construction and Development Company believes that the amount of 309.6 million Saudi riyals will be settled for Jabal Omar Company during the year 2023.

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11. Dividends payable

On March 30, 2023, the company announced the recommendation of its board of directors to distribute cash dividends to its shareholders for the period ended December 31, 2022, with a total amount of 164,816,240 Saudi riyals. The share of the dividend per share is 1 Saudi riyal, and the eligibility for profits will be for the registered shareholders with the deposit center at the end of the second trading day following the date of the company's general assembly on June 6, 2023. Below is the breakdown of dividends payable:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Balance at the beginning of the period	181,169,478	184,924,208
Provided during the period	164,816,240	-
Dividend payments during the period	(161,050,781)	(3,754,730)
Balance at the end of the period	184,934,937	181,169,478

The dividends payable as of 30 September 2023 represent remaining balance related to dividends declared for the years from 1994 up to 2023 pending completion of necessary bank transfer procedures by certain shareholders before the payments can be made. The Company holds separate bank accounts amounting to SR114 million (31 December 2022: SR112.06 million) related to dividends payable to the Company's shareholders.

12. Zakat

12.1. Movement in zakat provision

	30 September 2023 (unaudited)	31 December 2022 (audited)
Balance beginning of the period / year	60,599,598	53,584,530
Provided for current period /year	6,561,855	7,015,068
Paid during the period/year	(11,659,336)	-
Balance at end of the period/ year	55,502,117	60,599,598

12.2 Zakat status

12.2.1 The Company finalized its Zakat status up to the year ended 30 Rabi' Athani 1436 H, filed its zakat returns and financial statements for the years from 1437H up to 31 December 2022 and paid zakat.

The Zakat, Tax and Customs Authority (ZATCA) issued a zakat assessment for 1438 H and 1439 H with a zakat difference amounting to SR 15,019,502. The Company appealed against these assessments before the General Secretariat of Tax Committee. Resolution number IZD-2022-695 was issued by the First Circuit of Tax Violation and Dispute Resolution in Dammam, under claim number Z-39782-2021. A case was brought before the First Appeal Circuit of Tax Violation and Dispute. The company created a provision covering all zakat differences.

The Zakat, Tax and Customs Authority (ZATCA) issued a zakat assessment for 1440 H and 1441 H with a zakat difference amounting to SR 28,620,237. The Company appealed against these assessments before the General Secretariat of Tax Committee. Resolution number IFR-2022-2409 was issued by the First Circuit of Tax Violation and Dispute Resolution in Dammam, under claim number Z-93300-2022. A case was brought before the First Appeal Circuit of Tax Violation and Dispute. The company paid 25% of the amount and created a provision covering all zakat differences.

12.2.2 The management believes that the provisions recorded are sufficient against future zakat liabilities but will continue to appeal against such assessments as the Company is confident that such appeals are valid.

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13. Earnings per share

The basic earnings / (loss) per share for the period ended September 30, 2023 from December 5, 2021 to September 30, 2022, is calculated by dividing the profit for the period attributable to the company's shareholders by the number of outstanding shares during the period. As there are no diluted shares outstanding, basic, and diluted losses per share are identical.

	For the nine-month period ended 30 September 2023 (unaudited)	Period from 5 December 2021 to 30 September 2022 (unaudited)
Profit for the period attributable to shareholders of the Company	255,912,351	113,618,935
Weighted average number of shares outstanding	164,816,240	164,816,240
Earnings per share (Saudi Riyals) – Basic and diluted	1.55	0.69

Diluted earnings per share

During the period, there were no transactions resulting in diluting the earning of the shares, and thus, the diluted earnings per share doesn't differ from the basic earnings per share.

14. Segment information

For the nine-month period ended 30 September 2023

	The Commercial Center	Hotels and towers	Investment sector	Other	Total
Revenue	136,387,464	452,832,800	-	7,902,631	597,122,895
Cost of revenue	(39,155,098)	(214,315,876)	-	(3,762,150)	(257,233,124)
Gross profit for the sector	97,232,366	238,516,924	-	4,140,481	339,889,771
General and administrative expenses	-	(51,005,307)	-	(21,717,413)	(72,722,720)
Provision for expected credit losses	-	-	-	(4,910,640)	(4,910,640)
Other income	-	-	-	217,795	217,795
Zakat	-	-	-	(6,561,855)	(6,561,855)
Profit (loss) during the period	97,232,366	187,511,617	-	(28,831,632)	255,912,351
As at 30 September 2023					
Segment assets	406,613,323	1,205,357,913	2,278,592,826	760,957,105	4,651,521,167
Segment liabilities	32,755,715	92,352,037	-	411,521,085	536,628,837

Period from 5 December 2021 to 30 September 2022

Revenue	127,214,154	212,718,605	-	862,000	340,794,759
Cost of revenue	(40,091,783)	(85,725,635)	-	-	(125,817,418)
Gross profit for the sector	87,122,371	126,992,970	-	862,000	214,977,341
General and administrative expenses	-	(46,642,561)	-	(18,092,282)	(64,734,843)
Provision for credit loss	-	-	-	(20,082,601)	(20,082,601)
Zakat	-	-	-	(16,540,962)	(16,540,962)
Profit (loss) during the period	87,122,371	80,350,409	-	(53,853,845)	113,618,935
As at 30 September 2022					
Segment assets	598,437,215	1,142,077,704	1,961,035,828	550,820,767	4,252,371,514
Segment liabilities	50,911,774	105,115,225	-	400,523,685	556,550,684

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15. Contingencies and commitments

	30 September 2023 (unaudited)	31 December 2022 (audited)
Letters of guarantee	2,000,000	2,000,000
Capital commitments	59,191,601	39,012,864
Investment contribution - unpaid	19,543,280	19,543,280

16. Seasonality

The business results for the 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 increase during Hajj and Omrah seasons and during summer vacations. Revenue decreases during the rest of the year. Such changes are reflected on the financial results of the Company's operations during the period. Therefore, the operation results for this period may not be an accurate indication of the actual results of the full year.

17. Legal cases

17.1 Cases filed by the Company against others

There are lawsuits filed by the Company against others by a total amount of SR11.6 Million in addition to one lawsuit with undetermined value for property evacuation.

The Company has filed a lawsuit against the previous hotel operator, "Millennium and Copthorne Middle East Holding Ltd.", for recovery of a receivable balance amounting to SR 39 million, representing the minimum guaranteed difference in accordance with the signed agreement with Makkah Construction and Development Company at the Economic Court. The lawsuit has not yet been decided. It is currently under arbitration at the reporting date. The Company has recorded sufficient allowance against the receivable balance, according to the opinion of the management and its legal advisor.

A lawsuit raised by the Company against Makkah Region Development Authority ("the Authority") for the recovery of consultancy fees, designs, and models and various other costs that were incurred by the Company amounting to SR 17.36 million on the studies of the Western Parallel Road project under the supreme order no. 22589 dated 14 Jumada Al-Ula, 1424H. The Authority has appealed the case, however, the appeal ruling was issued in favor of Company and obligating the Authority to compensate the Company for the incurred cost. The Authority appealed against the case during the year ended 29 Rabi' II 1443H (4 December 2021) and is still pending with court. The Company believes that sufficient provisions were provided against the receivable balance according to the opinion of the management and its legal advisor.

17.2 Cases filed by others against the Company

There are cases filed against the Company on September 30, 2023 amounting to SR1.1 million (31 December 2022: SR2.5 million) and two cases with no precise amount.

18. Dividends

On June 6, 2023, the company's Ordinary General Assembly approved dividend distributions amounting to SR 164,816,240 (at a value of SR 1 per share) for the period ended December 31, 2022. A total of SR 161,050,780 was disbursed during the period ended September 30, 2023.

19. Comparative - figures

Certain comparative figures have been reclassified to conform to the classification of the current year.

20. SUBSEQUENT EVENTS

The Management believes there are no significant events as of the date of the interim condensed statement of financial position on September 30, 2023 and until the date of preparing these interim condensed financial statements that may have a significant impact on the Company's financial position reported.

21. Approval of financial statements

These interim condensed financial statements for the period ended 30 September 2023 were approved by the Company's Board of Directors on 6 November 2023 (corresponding 22 Rabi Al-Thani 1445H).