Arabian Centres Company
(A Saudi Joint Stock Company)
Consolidated financial statements
For the year ended 31 December 2024
together with the
Independent Auditor's Report

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KPMG Professional Services Company
Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Arabian Centres Company

Opinion

We have audited the consolidated financial statements of **Arabian Centres Company** ("the Company") (and its subsidiaries) (collectively referred to as "the Group"), which comprise the consolidated statements of financial position as at 31 December 2024, the consolidated statements of profit or loss, comprehensive income for the year ended 31 December 2024, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS as issued by the International Accounting Standards Board (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

To the Shareholders of Arabian Centres Company (continued)

<table>
<tr><th colspan="2">Revenue recognition</th></tr>
<tr><td colspan="2">See Notes 7(c) and 25 to the consolidated financial statements.</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>During the year ended 31 December 2024, the Group recognised total revenue of SR 2.34 billion (31 December 2023: SR 2.25 billion).

The Group revenue mainly consists of rental income from lease contracts.

Revenue is one of the core indicators for measuring performance, and consequently, there are inherent risks through recognizing revenue with more than its actual value or not recognizing in correct accounting period. Therefore, the revenue recognition process has been considered as a key audit matter.</td><td>– We assessed the appropriateness of the accounting policies by considering the requirements of the relevant accounting standards;

– We assessed the design and implementation, and testing the operating effectiveness of both manual and automated controls over the:

○ accuracy and validity of the input of key terms of the contract,
○ tenant's acknowledgement to the amendments of lease contracts; and
○ recognition of revenue accurately over the term of the lease contracts.

– We inspected key contractual arrangements including rental discounts by considering relevant documentation and agreements with the tenants;
– For a sample of lease contracts, we evaluated whether revenue recognised is in accordance with the Group's revenue recognition policy and the underlying terms of the lease contracts;
– On a sample basis, we obtained accounts receivable balance confirmations from the Group's tenants and investigating any discrepancies;
– We tested manual journal entries posted to the revenue accounts to identify any unusual items;
– We performed procedures to assess if revenue were recognised in the correct period; and
– We evaluated the disclosures included in the consolidated financial statements.</td></tr>
</table>

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Independent Auditor's Report

To the Shareholders of Arabian Centres Company (continued)

Valuation of investment properties	
See Note 7(d) and 8 to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
As at 31 December 2024, the Group owned investment properties with a carrying value of SR 28.02 billion (31 December 2023: SR 25.33 billion) which are used for earning rentals and capital appreciation. The Group engaged multiple professionally qualified external valuers to fair value its property portfolio performing their work in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation Professional Standards in line with Capital Market Authority (CMA) requirements to obtain two valuations for each investment property. The property portfolio (excluding lands) was valued using the discounted cash-flow method. The valuation of land is based on the sales comparison method. Key inputs in the valuation process included discount rates, yield rates, contracted estimated rental values, forecasted occupancy and cost to complete expenses which are influenced by prevailing market forces and the specific characteristics of each property in the portfolio. Valuation of investment properties is considered a key audit matter since valuation of the property portfolio is a significant area of judgement, underpinned by a number of assumptions and has a high degree of estimation uncertainty, with a potentially significant range of reasonable outcomes.	– We considered the experience and qualification of Company's real estate valuation experts and we evaluated whether the valuation approach was appropriate for determining the fair value of the properties; – We tested on a sample basis the accuracy of the underlying data by verifying the specific details (rentals, occupancies, area etc.) of the investment properties as per the valuation reports with the Group records and title deeds of the investment properties; – We tested on sample basis whether property-specific current information supplied to the Company's real estate valuation experts reflects the underlying property records held by the Group which have been tested during our audit; – We involved our own real estate valuation specialist who assessed the valuation methodology and assessed whether selected significant assumptions including market comparability for lands, discount rates, annual growth rate and yield rates for shopping malls are within an acceptable range; – Where assumptions and the fair values outside of acceptable range or otherwise deemed unusual, we challenged the Company's real estate valuation experts' assumptions; and – We evaluated the adequacy of the consolidated financial statement disclosures, including disclosure of key assumptions, judgements and sensitivities.

Independent Auditor's Report

To the Shareholders of Arabian Centres Company (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditor's Report

To the Shareholders of Arabian Centres Company (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Arabian Centres Company ("the Company") and its subsidiaries ("the Group").**

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services

Fahad Mubark Aldossari
License No: 469

Al Riyadh, 18th Ramadan 1446H
Corresponding to: 18 March 2025

كي بي إم جي للإستشارات المهنية
ترخيص رقم ٤٦
Lic No. 46
C.R. 1010425494
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Arabian Centres Company (A Saudi Joint Stock Company)
Consolidated statement of financial position
As at 31 December 2024

	Notes	31 December 2024	31 December 2023
Assets			
Investment properties	8	**28,019,429,550**	25,333,791,089
Property and equipment	10	**49,006,026**	56,647,114
Accrued revenue – non-current portion	23(ii)	**137,318,657**	157,058,122
Amounts due from related parties– non-current portion	14B	**234,967,548**	--
Investment in equity accounted investee	12A	**87,717,039**	78,634,195
Investment at FVTPL	12B	**58,266**	81,576
Other non-current assets	13&15	**12,545,436**	18,681,804
Non-current assets		**28,541,042,522**	25,644,893,900
Development properties	11	**353,774,251**	353,531,069
Accrued revenue	23(ii)	**68,659,329**	78,529,061
Accounts receivable and others	13	**482,886,879**	474,152,092
Amounts due from related parties	14B	**408,420,267**	483,752,516
Prepayments and other assets	15	**430,971,432**	118,422,568
Investment at FVTPL	12B	**255,949,188**	303,026,022
Cash and cash equivalents	16	**670,342,011**	84,995,834
		2,671,003,357	1,896,409,162
Assets held for sale	8A	**240,500,000**	209,924,358
Current assets		**2,911,503,357**	2,106,333,520
Total assets		**31,452,545,879**	27,751,227,420
Equity			
Share capital	17	**4,750,000,000**	4,750,000,000
Share premium	17	**411,725,703**	411,725,703
Statutory reserve	18	**873,992,101**	873,992,101
Other reserves	18	**10,320,410**	4,106,041
Retained earnings		**8,739,245,345**	8,231,652,970
Equity attributable to the shareholders of the Company		**14,785,283,559**	14,271,476,815
Non-controlling interest		**42,753,264**	40,491,288
Total equity		**14,828,036,823**	14,311,968,103
Liabilities			
Loans and borrowings	20	**12,137,599,887**	5,881,705,199
Lease liabilities	9	**2,790,696,853**	2,839,886,903
Employee benefits	21	**34,641,302**	35,809,551
Other non-current liabilities	22(ii)	**22,464,724**	42,697,177
Non-current liabilities		**14,985,402,766**	8,800,098,830
Loans and borrowings – current portion	20	**34,709,205**	3,104,998,958
Lease liabilities – current portion	9	**339,625,574**	328,383,213
Accounts payable and other liabilities	22	**670,921,001**	703,108,095
Provision		**--**	30,000,000
Amount due to related parties	14B	**234,743,486**	102,087,353
Unearned revenue	23(i)	**282,746,367**	302,198,673
Zakat liabilities	24B	**76,360,657**	68,384,195
Current liabilities		**1,639,106,290**	4,639,160,487
Total liabilities		**16,624,509,056**	13,439,259,317
Total equity and liabilities		**31,452,545,879**	27,751,227,420

The attached notes from 1 to 36 are an integral part of these consolidated financial statements.
These consolidated financial statements were authorized for issue by the Board of Directors, on behalf of the Shareholders, on 10 Ramadan 1446H (corresponding to 10 March 2025) and signed on its behalf by:

Jabri Maali	Alison Rehill-Erguven	Fawaz Al-Hokair
Chief Financial Officer	*Chief Executive Officer*	*Chairman*

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Consolidated statement of profit or loss
For the year ended 31 December 2024

	Notes	31 December 2024	31 December 2023
Revenue	*25*	**2,344,038,571**	2,253,673,262
Cost of revenue - Direct costs	*26*	**(358,435,608)**	(383,488,576)
Gross profit		**1,985,602,963**	1,870,184,686
Other operating income	*27A*	**15,428,124**	291,453,490
Net fair value gain on investment properties	*8A*	**565,281,848**	369,929,259
Advertisement and promotion expenses	*27B*	**(22,891,402)**	(65,453,810)
General and administrative expenses	*27C*	**(256,108,149)**	(348,548,924)
Impairment loss on accounts receivable, related parties and accrued revenue rentals	*13,14B & 23*	**(321,844,800)**	(189,674,873)
Other operating expenses	*27D*	**(102,613)**	(18,421,762)
Operating profit		**1,965,365,971**	1,909,468,066
Modification loss on related parties' receivables	*14*	**(53,571,680)**	--
Finance income on due from related parties	*14*	**17,055,722**	--
Finance income	*30B*	--	7,124,755
Finance costs over loans and borrowings	*27E*	**(520,112,258)**	(253,816,842)
Finance costs over lease liabilities	*9A*	**(133,484,647)**	(110,436,822)
Net finance costs		**(690,112,863)**	(357,128,909)
Share from loss of equity-accounted investee	*12A*	**(7,089,208)**	(10,870,750)
Profit before zakat		**1,268,163,900**	1,541,468,407
Zakat charge	*24*	**(44,000,000)**	(40,473,225)
Profit for the year		**1,224,163,900**	1,500,995,182
Profit for the year is attributable to:			
- Shareholders of the Company		**1,216,906,944**	1,514,995,569
- Non-controlling interest		**7,256,956**	(14,000,387)
		1,224,163,900	1,500,995,182
Earnings per share			
Basic and diluted earnings per share	*28*	**2.56**	3.19

The attached notes from 1 to 36 are an integral part of these consolidated financial statements.

Jabri Maali	**Alison Rehill-Erguven**	**Fawaz Al-Hokair**
Chief Financial Officer	*Chief Executive Officer*	*Chairman*

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Consolidated statement of comprehensive income
For the year ended 31 December 2024

	Notes	31 December 2024	31 December 2023
Profit for the year		**1,224,163,900**	1,500,995,182
Other comprehensive income/(loss)			
Items that are or may be reclassified subsequently to consolidated statement of profit or loss:			
- Cash flow hedges – effective portion of changes in fair value	30B	--	80,794
- Cash flow hedges – reclassified to profit or loss	30B	--	(7,124,755)
- Foreign currency translation difference of equity accounted investee	12A	**131,354**	561,377
Items that will not be reclassified to consolidated statement of profit or loss:			
- Re-measurement of defined benefit liability	21A	**5,105,084**	(3,694,235)
Total comprehensive income for the year		**1,229,400,338**	1,490,818,363
Total comprehensive income for the year attributable to:			
- Shareholders of the Company		**1,222,143,382**	1,504,818,750
- Non-controlling interests		**7,256,956**	(14,000,387)
		1,229,400,338	1,490,818,363

The attached notes from 1 to 36 are an integral part of these consolidated financial statements.

Jabri Maali	**Alison Rehill-Erguven**	**Fawaz Al-Hokair**
Chief Financial Officer	*Chief Executive Officer*	*Chairman*

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Consolidated statement of changes in equity
For the year ended 31 December 2024

		Attributable to shareholders of the Company							
	Notes	Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Total	Non-Controlling interest	Total equity
Balance at 1 Jan 2023		4,750,000,000	411,725,703	722,492,544	16,511,299	8,118,388,376	14,019,117,922	49,482,783	14,068,600,705
Total comprehensive income/(loss) for the year									
Profit/(loss) for the year		--	--	--	--	1,514,995,569	1,514,995,569	(14,000,387)	1,500,995,182
Other comprehensive income		--	--	--	(10,176,819)	--	(10,176,819)	--	(10,176,819)
Total comprehensive income/(loss) for the year		--	--	--	(10,176,819)	1,514,995,569	1,504,818,750	(14,000,387)	1,490,818,363
Deficit on sale of treasury shares	*17B*	--	--	--	--	(722,526)	(722,526)	--	(722,526)
Transfers to statutory reserve		--	--	151,499,557	--	(151,499,557)	--	--	--
Changes in ownership interests									
Sale of shares to non-controlling interest		--	--	--	--	(5,008,892)	(5,008,892)	5,008,892	--
Transactions with shareholders of the company									
Treasury shares acquired	*17B*	--	--	--	(2,228,439)	--	(2,228,439)	--	(2,228,439)
Dividends	*19*	--	--	--	--	(1,244,500,000)	(1,244,500,000)	--	(1,244,500,000)
Balance at 31 December 2023		4,750,000,000	411,725,703	873,992,101	4,106,041	8,231,652,970	14,271,476,815	40,491,288	14,311,968,103
Balance at 1 Jan 2024		4,750,000,000	411,725,703	873,992,101	4,106,041	8,231,652,970	14,271,476,815	40,491,288	14,311,968,103
Total comprehensive income for the year									
Profit for the year		--	--	--	--	1,216,906,944	1,216,906,944	7,256,956	1,224,163,900
Other comprehensive income		--	--	--	5,236,438	--	5,236,438	--	5,236,438
Total comprehensive income for the year		--	--	--	5,236,438	1,216,906,944	1,222,143,382	7,256,956	1,229,400,338
Deficit on sale of treasury shares	*17B*	--	--	--	--	(1,809,549)	(1,809,549)	--	(1,809,549)
Changes in ownership interests									
Acquisition through common control transaction		--	--	--	--	4,994,980	4,994,980	(4,994,980)	--
Transactions with shareholders of the company									
Treasury shares sold	*17B*	--	--	--	977,931	--	977,931	--	977,931
Dividends	*19*	--	--	--	--	(712,500,000)	(712,500,000)	--	(712,500,000)
Balance at 31 December 2024		4,750,000,000	411,725,703	873,992,101	10,320,410	8,739,245,345	14,785,283,559	42,753,264	14,828,036,823

The attached notes from 1 to 36 are an integral part of these consolidated financial statements

Jabri Maali
Chief Financial Officer

Alison Rehill-Erguven
Chief Executive Officer

Fawaz Al-Hokair
Chairman

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Consolidated statement of cash flows
For the year ended 31 December 2024

	Notes	**31 December 2024**	31 December 2023
Cash flows from operating activities:			
Profit before Zakat		**1,268,163,900**	1,541,468,407
Adjustments for:			
- Depreciation on property and equipment	*10*	**16,144,779**	16,779,309
- Impairment loss on accounts receivable, related parties and accrued revenue rentals	*13,14B &23*	**321,844,800**	189,674,873
- Provision for employee benefits	*21A*	**8,610,892**	9,068,677
- Finance cost over loans and borrowings	*27E*	**520,112,258**	253,816,842
- Finance cost over lease liabilities	*9A*	**133,484,647**	110,436,822
- Modification loss on related parties' receivables	*14*	**53,571,680**	--
- Finance income on due from related parties	*14*	**(17,055,722)**	--
- Reclassification gain on cash flow hedge settlement	*30B*	--	(7,124,755)
- Share of loss from equity-accounted investee and other	*12A*	**7,089,208**	10,870,750
- Gain on disposal of investment property	*27A*	--	(238,668,127)
- Gain on termination of lease	*27A*	--	(16,286,468)
- Fair value gain of Investment at FVTPL	*12B*	**(1,416,421)**	(6,640,195)
- Gain on disposal of Investment at FVTPL	*12B*	**(1,483,435)**	(403,678)
- Commission income on bank deposits		**(2,396,382)**	(1,208,939)
- Lease rental concession	*9A*	**(1,875,000)**	(3,750,000)
- Net fair value gain on investment properties	*8*	**(565,281,848)**	(369,929,259)
		1,739,513,356	1,488,104,259
Changes in:			
- Accounts receivable		**(222,804,688)**	(138,349,492)
- Amounts due from related parties, net		**(206,545,902)**	(245,875,853)
- Prepayments and other current assets		**(22,641,234)**	2,724,113
- Accounts payable, other liabilities and provision		**(234,798,557)**	263,479,548
- Accrued revenue		**13,812,402**	(14,930,743)
- Unearned revenue		**(19,452,306)**	63,089,074
Cash generated from operating activities		**1,047,083,071**	1,418,240,906
Employee benefits paid	*21A*	**(4,674,057)**	(4,694,352)
Zakat paid	*24B*	**(36,023,538)**	(23,310,387)
Net cash generated from operating activities		**1,006,385,476**	1,390,236,167
Cash flows from investing activities:			
Additions in development properties	*11*	**(243,182)**	(7,847,348)
Additions to investment properties, net	*8*	**(1,680,362,553)**	(995,519,549)
VAT payments for CAPEX Transactions		**(283,771,262)**	--
Acquisition of equity-accounted investee	*12 A*	**(16,040,698)**	(25,228,845)
Acquisition of property and equipment	*10*	**(8,503,691)**	(10,013,952)
Proceeds from disposal of investment property	*8*	--	644,548,184
Acquisition of Investment at FVTPL	*12 B*	--	(322,274,093)
Proceeds from disposal of Investment at FVTPL	*12B*	**50,000,000**	27,369,782
Net cash used in investing activities		**(1,938,921,386)**	(688,965,821)

All amounts are presented in Saudi Riyals unless otherwise stated.

	Notes	**31 December 2024**	31 December 2023
Cash flows from financing activities:			
Proceeds from loans and borrowings, net	*20B& 20B(iii)*	**8,429,462,571**	708,350,701
Repayments of loans and borrowings	*20B*	**(5,202,421,876)**	(68,380,208)
Transaction costs paid	*20B*	**(104,660,816)**	(10,500,000)
Payment of finance costs	*22 & 30B*	**(638,138,213)**	(563,849,078)
Proceeds from sale of treasury shares acquired	*17B*	**826,204,893**	390,754,132
Repurchase of treasury shares	*17B*	**(827,036,510)**	(393,705,097)
Repayments of lease liabilities – principal portion	*9A*	**(133,340,822)**	(66,982,413)
Repayments of lease liabilities – interest portion	*9A*	**(173,156,196)**	(159,267,284)
Commission income on bank deposits		**2,396,382**	1,208,939
Dividends paid	*19*	**(661,427,326)**	(1,064,350,000)
Net cash generated from / (used in) financing activities		**1,517,882,087**	(1,226,720,308)
Net increase /(decrease) in cash and cash equivalents		**585,346,177**	(525,449,962)
Cash and cash equivalents at beginning of the year		**84,995,834**	610,445,796
Cash and cash equivalents at end of the year	*16*	**670,342,011**	84,995,834
Significant non-cash transactions:			
- Dividend settled against due from related party balances		**51,072,674**	180,150,000
- Employee benefits transferred to the related party		--	(745,117)
- Sale of shares to non-controlling interest		--	(5,008,892)
- Acquisition through common control transaction		**4,994,980**	--

The attached notes from 1 to 36 are an integral part of these consolidated financial statements.

Jabri Maali	**Alison Rehill-Erguven**	**Fawaz Al-Hokair**
Chief Financial Officer	*Chief Executive Officer*	*Chairman*

All amounts are presented in Saudi Riyals unless otherwise stated.

1. Reporting entity

Arabian Centres Company ("the Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia ("KSA") under commercial registration numbered 1010209177 and dated 7 Rabi Thani 1426H (corresponding to 15 May 2005). The registered office is located at Nakheel District, P.O. Box 341904, Riyadh 11333, KSA.

The Company was formed on 7 Rabi Thani 1426H (corresponding to 15 May 2005) as Limited Liability Company. On 8 Muhurram 1439H (corresponding to 28 September 2017) legal status of the Company had changed from a Limited Liability Company to a Saudi Closed Joint Stock Company.

On 22 May 2019, the Company completed its Initial Public Offering ("IPO") and its ordinary shares were listed on the Saudi Stock Exchange ("Tadawul"). In connection with IPO, the Company has issued 95 million of its ordinary shares for a cash payment and the legal status of the Company changed from Saudi Closed Joint Stock Company to Saudi Joint Stock Company.

The Company and its subsidiaries' (collectively referred to as "the Group") principal business objectives are to purchase lands, build, develop and invest in buildings, sell or lease of buildings and the construction of commercial buildings including demolition, repair, excavation and maintenance works. It also includes maintenance and operation of commercial centres, tourist resorts, hotels and restaurants, managing and operating temporary and permanent exhibitions, compounds and hospitals.

The new Companies Law issued through Royal Decree M/132 on 01/12/1443H (corresponding to June 30, 2022) (hereinafter referred as "the New Law") came into force on 26/06/1444 H (corresponding to January 19, 2023) as well as the amended implementing regulations issued by the Capital Market Authority (CMA) based on the New Law. During the year, the management amended its By-laws to align with the provisions of the New Law and the amended CMA implementing regulations, and with any other amendments that may take advantage of the New Law and the amended CMA implementing regulations.

1. Reporting entity (continued)

Following is the list of subsidiaries included in these consolidated financial statements as at 31 December 2024 and 31 December 2023:

No	Subsidiaries	Country of incorporation	Direct ownership interest held by the Group as at:		Indirect ownership interest held by the Group as at:		Share Capital (SR)	Number of shares issued
			31 December 2024	31 December 2023	31 December 2024	31 December 2023		
1	Al Bawarij International for Development & Real Estate Investment Company	Kingdom of Saudi Arabia	**95%**	95%	**5%**	--	500,000	500
2	Al Makarem International for Real Estate Development Company	Kingdom of Saudi Arabia	**95%**	95%	**5%**	--	500,000	500
3	Oyoun Al Raed Mall Trading	Kingdom of Saudi Arabia	**95%**	95%	**5%**	5%	100,000	100
4	Oyoun Al Basateen Company for Trading	Kingdom of Saudi Arabia	**95%**	95%	**5%**	--	100,000	100
5	Al-Qasseem Company for Entertainment and Commercial Projects Owned by Abdulmohsin AlHokair and Company	Kingdom of Saudi Arabia	**50%**	50%	--	--	500,000	500
6	Yarmouk Mall Company Limited	Kingdom of Saudi Arabia	**95%**	95%	**5%**	5%	500,000	500
7	Mall of Arabia Company Limited	Kingdom of Saudi Arabia	**95%**	95%	**5%**	--	500,000	500
8	Dhahran Mall Trading Company Limited	Kingdom of Saudi Arabia	**95%**	95%	**5%**	5%	500,000	500
9	Al Noor Mall Trading Company Limited	Kingdom of Saudi Arabia	**95%**	95%	**5%**	--	500,000	500
10	Al Yasmeen Mall Trading Company Limited	Kingdom of Saudi Arabia	**95%**	95%	**5%**	--	100,000	100
11	Al Hamra Mall Trading Company Limited	Kingdom of Saudi Arabia	**95%**	95%	**5%**	--	100,000	100
12	Al Erth Al Rasekh Trading Company Limited	Kingdom of Saudi Arabia	**95%**	95%	**5%**	5%	100,000	100
13	Al Erth Almatin Trading Company Limited ***(iii)***	Kingdom of Saudi Arabia	**95%**	--	**5%**	--	100,000	100
14	Aziz Mall Trading Company Limited ***(iii)***	Kingdom of Saudi Arabia	**95%**	--	**5%**	--	100,000	100
15	Arkan Salam for Real Estate and Contracting Company Limited ***(iii)***	Kingdom of Saudi Arabia	**95%**	--	**5%**	--	100,000	100
16	Al Malaz Mall Trading Company Limited ***(iii)***	Kingdom of Saudi Arabia	**95%**	--	**5%**	--	100,000	100
17	Derayah Destination Arabia Diversified Fund	Kingdom of Saudi Arabia	--	100%	--	--	--	--
18	Riyad Real Estate Development Fund – Jawharat AlRiyadh ***(i)***	Kingdom of Saudi Arabia	**100%**	100%	--	--	--	--
19	Riyad Real Estate Development Fund – Jawharat Jeddah ***(ii)***	Kingdom of Saudi Arabia	**100%**	100%	--	--	--	--

i) The Group invested in private real estate fund named Riyad Real Estate Development Fund – Jawharat AlRiyadh. The Group signed an agreement with Riyad Capital Company to manage the fund. The units were subscribed by transfer of a parcel of land, construction work in progress and advances to contractor to the fund with a carrying value of **SR 2,796 million.**

ii) The Group invested in a private real estate fund named Riyad Real Estate Development Fund – Jawharat Jeddah. The Group signed an agreement with Riyad Capital Company to manage the fund. The units were subscribed by transfer of a parcel of land, construction work in progress and advances to contractor to the fund with a carrying value of **SR 1,568 million**

iii) During the year, the Group acquired 100% equity interests in subsidiaries through common shareholding. The acquisition was executed without any consideration, as the transfer of ownership resulted from the common control of the entities involved.

All amounts are presented in Saudi Riyals unless otherwise stated.

2. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants and Company's by-laws.

3. Basis of measurement

These consolidated financial statements are prepared under the historical cost convention, except for the following material items in the consolidated statement of financial position:

- Other investments at fair value
- Employee end of service benefits using projected unit credit method
- Investment properties at fair value

4. Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyal ("SR"), which is the functional currency of the Company.

5. Significant accounting estimates, assumptions and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses and assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

A. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material differences in the carrying amounts of assets and liabilities within the next financial period, are presented below. The Group used these assumptions and estimates on the basis available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value of investment properties
The fair value of investment properties is determined by using valuation techniques. For further details of the judgement and assumption made, see note 8.

Long-term assumptions for employee benefits
Employees end-of-service benefits represent obligations that will be settled in the future and require assumptions to project obligations. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase, mortality rates, employment turnover and future healthcare costs. Periodically, management of the Group consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the projected benefit obligations and/or periodic employee defined benefit costs incurred.

5. Significant accounting estimates, assumptions and judgements (continued)

A. Estimates and assumptions (continued)

Measurement of Expected Credit Loss (ECL) allowance for accounts receivable: key assumptions in determining the weighted average loss rate

The Group's exposure to credit risk is influenced mainly by the individual characteristics of the customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with other social-economic factors. Such estimates are based on assumptions relating to those factors and actual results may differ, resulting in future changes to the impairment.

B. Critical judgements in applying accounting standards

The following critical judgements have the most significant effect on the amounts recognized in the consolidated financial statements:

Determination of the reasonable certainty of exercising options of lease term extension

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Determination of the incremental borrowing rate of lease liabilities

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when the need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity specific estimates.

Determination of control and significant influence

i. Management's judgement in assessing control over consolidated subsidiaries:

Subsidiaries are all investees over which the Group has control. The Group's management considers that the Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has equal or less than a majority of the voting or similar rights of an investee, the Group considers all other relevant facts and circumstances in assessing whether it has power over an investee, including any contractual and other such arrangements which may affect the activities which impact investees' return.

The determination about whether the Group has power thus depends on such relevant activities, the way decisions about the relevant activities are made and the rights the Group has in relation to the investees.

5. Significant accounting estimates, assumptions and judgements (continued)

B. Critical judgements in applying accounting standards (continued)

Determination of control and significant influence (continued)
Based on above considerations, management of the Group believes:

- there is a pattern of past and existing practice of the Group's involvement in the relevant activities of these investees resulting in an impact on their returns and also indicating a more than passive interest of the Group in such investees; and
- the Group has created an environment in which the set-up and function of these investees and their interrelationship with the Group leads towards a judgement of 'control'.

Hence, the Group has consolidated those investees, which meet the above criteria as part of the Group's consolidated financial statements.

ii. Management's judgement in assessing significant influence over investees:
Judgement is required, particularly where the Group owns shareholding and voting rights of generally 20% and above but where the management does not believe that it has 'control' or 'joint control' over such investee.

In case of such investee, the Group's management has concluded it has 'significant influence' in line with the requirements of IFRSs as endorsed in KSA. Significant influence is defined as the power to participate in the financial and operating policy decisions of the investee but is not 'control' or 'joint control'. IFRSs as endorsed in KSA provides various indicators of 'significant influence', including representation in the Board of Directors and participation in policymaking process.

By virtue of the Group's shareholding rights in the investee's general meetings, as well as the Group's representation on Board of Directors of such investee and the Group's involvement in operating and financial policies and decision making, management believes it has 'significant influence' over such investee ("associate").

The Group is accounting for such investment in an associate under the equity method of accounting.

6. Changes in material accounting policies

There has been no significant change in the Group accounting policies. The policies are consistently applied and the summary of the material accounting policies are disclosed in note 7.

7. Summary of material accounting policies

A. Basis of consolidation

i. Subsidiaries

Please refer to *note 5* for details on judgements applied by the Group in respect of determination of control.

These Consolidated Financial Statements comprising the Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the 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. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. Intra-group balances, transactions and any unrealised 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.

7. Summary of material accounting policies (continued)

A. Basis of consolidation (continued)

The Group has control over Al Qassem Company for Entertainment and Commercial Projects "Al Qassem" despite owning 50% of the ordinary shares due to existence of veto rights in Board of Directors meeting who are involved in decision making for relevant activities. Further, the group has majority over the board of Al Qassem which takes the relevant decisions by simple majority.

NCI is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

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.

ii. Joint Venture

Joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Company's interest in Joint ventures are accounted for using the equity method.

B. Foreign currencies

Foreign currency transactions are translated into Saudi Riyal (SR) at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of profit or loss. Translation of non-monetary items depends on whether they are recognized at historical cost or at fair value. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in consolidated statement of comprehensive income or consolidated statement of profit or loss).

C. Revenue recognition

The Group generates revenue from the following:

Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms. Accrued revenue is recognized to the extent that the revenue has been earned but not yet billed.

Tenant lease incentives including rental discounts are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease. Unamortized portion of these incentives are classified under accrued revenue in the consolidated statement of financial position.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of profit or loss when the right to receive them arises.

Turnover rent

The Group recognizes income from turnover rent on the basis of turnover reports submitted by the tenants. In the absence of reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance. Revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of revenue recognized will not occur.

Service charges, management charges and other expenses recoverable from tenants

Management charges include management fees recognized by the Group from operating malls under its management. These fees are recognized as revenue in accordance with the terms of the management agreements with the respective mall owners.

7. Summary of material accounting policies (continued)

C. Revenue recognition (continued)

Service charges, management charges and other expenses recoverable from tenants (continued)
Income arising from expenses recharged to tenants is recognized over time in the period in which the compensation becomes due. Service and management charges related to repairs and maintenance of the building facilities and other such receipts are included in revenue while the related costs, which are included as part of cost of revenue, as the management considers that the Group acts as a principal in this respect.

Service charges related to utilities for heavy users are presented net of the related costs and are recorded as part of "commission income on provisions for utilities for heavy users, net" under revenue in the consolidated statement of profit or loss, since the management considers that the Group acts as an agent in this respect.

The Group has applied IFRS 15 "Revenue from Contracts with Customers" to allocate consideration in the contract to each lease and non-lease component.

Principal versus agent consideration
The Group has evaluated its arrangements to determine whether it is a principal, and report revenues on a gross basis, or an agent, and report revenues on a net basis. In this assessment, the Group has considered if it has obtained control of the specified services before they are transferred to the customer, as well as other indicators such as the party primarily responsible for fulfilment, inventory risk and discretion in establishing price. The Group has concluded it is the principal in all of its revenue arrangements (except for service charges related to utilities for heavy users – as discussed in the previous section) since it is the primary obligor, it has pricing latitude and is also exposed to credit risks. When reporting revenue as an agent, it is recognized at a point in time.

Presentation and disclosure requirements
As required for the consolidated financial statements, the Group disaggregated revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Please refer to *note 25* for the disclosure on disaggregated revenue.

Interest income
Interest income is recognized using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original EIR.

Dividend income
Dividend income from investments is recognized when the Group's rights to receive payment have been established.

Other income
All other income are recognized on an accrual basis when the Group's right to earn the income is established.

D. Investment properties

Investment properties comprise completed properties and properties under construction or redevelopments that are held to earn rentals or for capital appreciation or both. Properties held under a lease are classified as investment properties when they are held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for administrative functions.

Investment properties are measured initially at cost, including transaction costs and where applicable borrowing costs.

Investment properties that are obtained through a lease are measured initially at the lease liability amount adjusted for any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

7. Summary of material accounting policies (continued)

D. Investment properties (continued)

After initial recognition, investment properties (including properties under construction) are carried at fair value. Investment properties that are being redeveloped for continuing use as investment properties or for which the market has become less active continues to be measured at fair value.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as at the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment properties being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property and the fair value is reassessed.

If a valuation obtained for a property held under a lease is net of all payments expected to be made, any related lease liability recognised separately in the consolidated statement of financial position is added back, to arrive at the carrying value of the investment property for accounting purposes. Changes in fair values are recognised in the consolidated statement of profit or loss.

Investment properties is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefits is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss in the period of de-recognition.

Transfers are made to/from investment properties only when there is a change in use. For a transfer from investment properties to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to date the date of change in use.

E. Property and equipment

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes all amounts necessary to bring the asset to the present condition and location to be ready for its intended use by management. Expenditures on repairs and maintenance are expensed to the consolidated statement of profit or loss in the period they are incurred. Subsequent expenditures that increase the value or materially extend the life of the related assets are capitalized. Leaseholds improvements are amortized on a straight-line basis over the shorter of the useful life of the improvement and the term of the lease.

Depreciation is calculated from the date the item of property and equipment is available for its intended use. It is calculated on a straight-line basis over the useful life of the asset as follows:

Class of asset	Number of years
Tools and equipment	4 – 8 years
Furniture and fixtures	4 – 10 years
Vehicles	4 years
Leasehold improvements	5 - 6 years (Shorter of economic life or lease term)

7. Summary of material accounting policies (continued)

E. Property and equipment (continued)

Residual values, useful lives and methods of depreciation of property and equipment are reviewed on an annual basis, and adjusted prospectively if appropriate, at each reporting date. Properties under construction, which are not ready for its intended use, are not depreciated.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the period when the asset is derecognized.

The carrying amounts of property and equipment is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

F. Development properties

Development properties are properties that are being developed with a view to sell. The Group's development properties arise when the Group purchase properties with an intention to sale or when there is a change in use of investment properties evidenced by the commencement of development with a view to sale. The investment properties are reclassified as development properties at their carrying amount at the date of their reclassification. They are subsequently carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less costs to complete development and selling expenses.

G. Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, cheques under collection and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, used by the Group in the management of its short-term commitments and are available to the Group without any restriction.

H. Financial instruments

i. Non-derivative financial instruments
a. Non-derivative financial assets

The Group initially measured financial assets at fair value and recognises on the date that they are originated. All other financial assets are measured initially at fair value and recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). For investments designated as FVOCI and for which management has an intention to sell such investments within a period of 12 months from the financial year end, are classified under current assets.

7. Summary of material accounting policies (continued)

H. Financial instruments (continued)

i. Non-derivative financial instruments (continued)
a. Non-derivative financial assets (continued)

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the Consolidated Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets:

Financial Assets at Amortised Cost
Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI") are measured at amortised cost. A gain or loss on a debt investment subsequently measured at amortised cost and not part of a hedging relationship is recognised in the Consolidated Statement of Profit or Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest method.

Financial Assets at FVTPL
All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

b. Non-derivative financial liabilities

Financial liabilities are measured initially at fair value and recognised on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities of the Group comprise of bank borrowings and trade and other payables.

ii. Derivative financial instruments
Derivative financial instruments including commission rate swaps are measured at fair value. All derivatives are carried at their fair value as assets where the fair value is positive and as liabilities where the fair value is negative. Any related transaction costs are recognized in the consolidated statement of profit or loss as incurred.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to consolidated statement of profit or loss.

7. Summary of material accounting policies (continued)

H. Financial instruments (continued)

ii. Derivative financial instruments (continued)

The Group has cash flow hedges which are exposed to the impact of SOFR. The Group uses financial instruments as part of its risk management strategy to manage exposures arising from variation of commission rates that could affect net income or other comprehensive income and applies hedge accounting to these instruments. The Group has certain borrowings where the reference rate is linked to the SOFR. The Group has assessed the impact and ensured a smooth transition from SOFR to new benchmark rates.

I. Impairment of financial instruments

The Group applies the simplified approach for measuring ECL for accounts receivable and accrued revenue, which requires expected lifetime losses to be recognised from initial recognition of the receivables and accrued revenue. Accounts receivable have been grouped based on shared credit risk characteristics and the days past due. Expected loss rates were derived from historical information of the Group and are adjusted to reflect the expected future outcome which also incorporates forward looking information for macroeconomic factor such as gross domestic product growth rate. The Group considers a financial asset to be in default when the financial asset is more than 360 days past due for trade receivables, related parties and accrued revenue.

Other financial assets such as due from related parties, employees' receivables, bank balances have low credit risk and the impact of applying ECL is immaterial.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

J. Fair value measurement

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:

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

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are 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 consolidated 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 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- 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 unobservable.

7. Summary of material accounting policies (continued)

J. Fair value measurement (continued)

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

K. Expenses

Advertisement and promotion expenses principally comprise expenses incurred in promotion and advertisement of the shopping malls. All other expenses are classified as cost of revenues and general and administration expenses.

General and administration expenses include expenses not specifically part of the cost of revenue and promotion and advertising expenses. Allocations between general and administration expenses and cost of revenues, when required, are made on a consistent basis.

L. Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of assets, which are necessarily take a substantial period of time to get ready for their intended use, are added to the cost of assets, until such time as the assets are substantially ready for their intended use. No borrowing costs are capitalised during idle periods.

All other borrowing costs are recognised in the Consolidated Statement of Profit or Loss in the period in which they are incurred.

M. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre- zakat rate that reflects current market assessments of the time value of money and the risks specific to liability. The increase in the provision due to the passage of time is recognized as financial charges.

7. Summary of material accounting policies (continued)

N. Employee benefits and post-employment benefits

i. Short-term obligations

All short-term obligations or liabilities for employees salaries, wages and other monetary and non-monetary benefits are recognized in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

ii. End-of-services benefits obligation

End of services benefits obligations are payable to all employees employed as per Saudi Arabian Labor and Workmen Law as well as the Group's policy.

The Group's obligation in respect of employee retirement benefits is calculated by estimating the amount of future benefits that employees have earned in current and prior periods and discounting that amount to arrive at present value.

Group sets the assumptions used in determining the key elements of the costs of meeting such future obligations. These assumptions are set after consultation with the Group's actuaries and include those used to determine regular service costs and the financing elements related to the liabilities. The calculation of employee retirement benefit liability is performed by a qualified actuary. The actuarial valuation process takes into consideration the provisions of the Saudi Arabian Labor and Workmen Law as well as the Group's policy.

Re-measurement of employee retirement benefit liability, which comprise of actuarial gains and losses are recognised immediately in the Consolidated Statement of Comprehensive Income. The Group determines interest expense on the employee retirement benefit liability for the period by applying the discount rate used to measure the employee retirement benefit liability at the beginning of the annual period, taking into account any change in the net employee retirement benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to employee retirement benefits are recognised in the Consolidated Statement of Profit or Loss.

O. Zakat

Zakat is provided in accordance with the Regulations of the Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia on an accrual basis. The zakat expense is charged to the consolidated statement of profit or loss. Differences, if any, resulting from the final assessments are adjusted in the year of their finalization.

P. Dividends

The Company recognizes a liability to make a dividend distribution to the shareholders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the applicable relevant Regulations of Saudi Arabia, a distribution is authorized when it is approved by the shareholders or when interim dividends are approved by the Board of Directors. A corresponding amount is recognized directly in equity.

7. Summary of material accounting policies (continued)

Q. Leases

Right-of-use asset and lease liability
The Group recognizes a right-of-use asset and a lease liability for lease agreements of lands and buildings at the lease commencement date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Profit or Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group measures the right-of-use assets that meet the definition of investment property using the fair value model applied to its investment property (see note 7D). Right-of-use assets linked to owner occupied buildings are measured applying the cost model relevant to that specific class of property, plant and equipment as described in note 7E and tested for impairment.

R. Segment reporting

An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses.
- results of its operations are continuously analyzed by chief operating decision maker in order to make decisions related to resource allocation and performance assessment; and
- for which discrete financial information is available.

Management considers the operations of the Group as a whole as one operating segment as all subsidiaries engage in similar business activities.

A geographical segment is a Group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments. All of the Group's operations are conducted in KSA hence only one geographic segment has been identified.

S. Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less costs to sell except for the assets are investment properties or financial assets.

8. Investment properties

	Notes	**31 December 2024**	**31 December 2023**
Investment properties	*8A*	**27,190,984,975**	24,427,232,699
Advance payment for projects under construction	*8B*	**828,444,575**	906,558,390
		28,019,429,550	25,333,791,089

A. Investment properties

	Notes	**31 December 2024**	**31 December 2023**
Balance at the beginning of the year		**24,637,157,057**	22,751,694,378
Additions during the year		**2,131,777,930**	1,305,400,862
Lease addition during the year		--	534,208,206
Disposal during the year	*(i)*	--	(405,880,057)
Impact of reassessment of lease	*9C*	**97,268,140**	81,804,409
Net fair value gain on investment properties	*(ii)*	**565,281,848**	369,929,259
Balance at the end of the year		**27,431,484,975**	24,637,157,057
Presented in consolidated statement of financial position as:			
Investment properties		**27,190,984,975**	24,427,232,699
Assets held for sale	*(iii)*	**240,500,000**	209,924,358
		27,431,484,975	24,637,157,057

i. During the year ended 31 December 2023, the Group disposed of a portion of the Jawharat Riyadh land, as part of strategic non-core land bank sale program, for net proceeds of SR 644.5 million resulting in a gain of SR 238.6 million which has been recorded under other operating income in the consolidated statement of profit or loss.

ii. During the year ended 31 December 2023, the Group terminated a project under development and related land operating lease agreement. Net fair value gain for the year includes a loss of SR 142.6 million relating to termination of the project under development.

iii. During the year ended 31 December 2023, the Group entered into an agreement to sell a land and is in the process of completing the pre-conditions to execute the sale. The Group is also committed to sell an owned mall and is in the process of completing the pre-conditions to execute the sale. The sales are considered highly probable and accordingly, the carrying values of the land and the mall have been classified as assets held for sale under current assets.

iv. During the year ended 31December 2024, Group has split the title deed of the land in Riyadh between Mall and the Land. The Mall is operational. The fair value of the land has been carried out during the year and record the land at fair value.

v. On 15 May 2022, there was partial fire outbreak at the Mall of Dhahran in the Eastern Province of Saudi Arabia. The mall was closed for a short period and reopened its doors on 7 June 2022, with an exception to some damaged area that is currently under restoration. The impact of the fire outbreak has been factored in by the valuers in the fair value of the mall. Surveyors are in the process of assessing the extent of loss, following which the Group had filed a claim for reimbursement with the insurers.

vi. All leasehold interests meet the definition of an investment property and, accordingly, the Group has accounted for the right-of-use assets as part of investment property as allowed by IFRS 16. The lands are restricted to be used for commercial purposes in relation to the Group's businesses and the right to renew the lease is based on mutual agreements between the parties. If the respective leases are not renewed the land and buildings will be transferred to the lessors at the end of the lease term.

vii. Projects under construction pertains to expenditure relating to malls which are in the course of construction as at the end of the reporting period and these are expected to be completed within 2 to 5 years. During the year ended 31 December 2024, the Group capitalized finance costs amounting to SR **470.5** million (31 December 2023: SR 384.5 million).

All amounts are presented in Saudi Riyals unless otherwise stated.

8. Investment properties (continued)

A. Investment properties(continued)

viii. The carrying amount at the reporting date includes the fair value of the following:

		31 December 2024	31 December 2023
Shopping malls on owned lands	*(i)*	**12,593,408,177**	11,929,917,260
Shopping malls on leasehold lands	*(i)*	**7,191,815,802**	6,644,698,513
Owned lands/buildings held as investment properties	*(ii)*	**548,572,880**	335,776,375
Projects under construction – Fair value	*(i)*	**7,097,688,116**	5,726,764,909
		27,431,484,975	24,637,157,057

(i) Investment properties held for rental
(ii) Investment properties for undetermined future use

ix. Fair value of investment properties

a) *Fair value hierarchy*

The fair value measurement for investment property of **SR 27,431 million** (31December 2023: SR 24,637 million) has been categorized as a level 3 fair value based on the significant unobservable inputs adopted by the valuer in the valuation technique used which are future retail rental payment terms; discount rates; capitalization rate (yields); forecasted occupancy; and cost to complete projects.

The fair value of investment properties as at the reporting dates for all properties, whether owned or leased, is determined by independent external valuers with appropriate qualifications and experience in the valuation of properties. Effective dates of the valuations are 31 December 2024 and 31 December 2023 and are prepared in accordance with Royal Institution of Chartered Surveyors ("RICS") Global Standards 2020 which comply with the international valuation standards and the RICS Professional Standards. The valuations have been performed by Colliers Saudi Arabia, ValuStrat and NATA Real Estate Appraisal Company. As per the CMA regulations, the Group has opted for the lower of the two valuations for the properties performed by the independent and competent valuers.

b) *Inter-relationship between key unobservable inputs and fair value measurement*

31 December 2024

Property	Fair value SR million	Valuation technique	Significant unobservable input	Range
Shopping malls	**19,785**	Discounted cash flows	Occupancy (%) Future rent growth (%) Discount rate (%)	**64% - 99%** **2% - 4%** **9% - 18%**
Projects under construction	**7,098**	Discounted cash flows – Residual method	Occupancy (%) Future rent growth (%) Discount rate (%)	**90% - 95%** **2%** **12% - 15%**
Owned land	**549**	Comparable transaction	Average price (SR /sqm)	**220-8,943**

31 December 2023

Property	Fair value SR million	Valuation technique	Significant unobservable input	Range
Shopping malls	18,575	Discounted cash flows	Occupancy (%) Future rent growth (%) Discount rate (%)	76% - 100% 2% - 4% 9% - 18%
Projects under construction	5,727	Discounted cash flows – Residual method	Occupancy (%) Future rent growth (%) Discount rate (%)	90% - 95% 2% 12% - 14%
Owned land	336	Comparable transaction	Average price (SR /sqm)	215-8,943

The estimated fair value would increase/(decrease) if the discount rates were lower/(higher) and/or the growth rates and occupancy % were higher/(lower).

All amounts are presented in Saudi Riyals unless otherwise stated.

8. Investment properties (continued)

A. Investment properties (continued)

ix. Fair value of investment properties (continued)

c) *Reconciliation of level 3 fair value as per fair valuer to accounting fair value*

Accrued lease income at the reporting date, relating to the accounting for operating lease rentals on a straight line basis as per IFRS 16 and lease liabilities have been adjusted from the fair valuation as per fair valuer, in order to avoid double counting of assets and liabilities, as mentioned below:

	31 December 2024	31 December 2023
Fair value of land and buildings as per fair valuer	**24,699,818,150**	21,896,776,377
Less: Adjustment for accrued operating lease income	**(205,977,986)**	(235,587,183)
Add: carrying amount of lease liabilities	**2,937,644,811**	2,975,967,863
Total carrying amount of investment properties	**27,431,484,975**	24,637,157,057

x. Amounts recognized in the consolidated statement of profit or loss for investment property that generated income.

	31 December 2024	31 December 2023
Revenue from investment property	**2,344,038,571**	2,253,673,262
Direct operating expenses on properties that generated rental income	**(358,435,608)**	(383,488,576)

xi. The following table shows the valuation technique to measure fair value of investment property

Discounted cash flows (DCF)	The gross fair value (net costs to complete), as applicable, is derived using DCF and is benchmarked against net initial yield.
Comparable transaction	Properties held for future development are valued using comparable methodology which involves analyzing other relevant market transactions.

B. Advance payments for projects under construction

It represents advance payments to the contractors for the construction of shopping malls, which are under various stages of completion.

			Construction work services received		**Balances**	
Name of party	**Business status**	**Relationship**	**31 December 2024**	31 December 2023	**31 December 2024**	31 December 2023
Lynx Contracting Company	Limited Liability	Fellow subsidiary	**1,569,817,430**	224,576,431	**826,892,735**	905,103,726
Others	--	--	--	--	**1,551,840**	1,454,664
					828,444,575	906,558,390

Lynx Contracting Company is a related party being controlled by the controlling shareholders of the Group. With the consent of the Shareholders, Group has signed a framework agreement with Lynx Contracting Company for the construction of projects and has engaged the company for design and construction services for all of its current Projects under Construction. Business relationships with Lynx are at arms' length and contract are only entered with Lynx after due tendering processes and cost verifications from third parties.

As is market practice, advance payments are required by the contractor from time to time in relation with design work, mobilization, advance procurement of long lease items. Advances paid are commensurate with the associated contract values and repayment mechanisms are in place against progress billing.

All amounts are presented in Saudi Riyals unless otherwise stated.

9. Lease liabilities

A. Lease liabilities

The Group leases lands buildings. The lands buildings and are restricted to be used for commercial purposes in relation to the Group's business and the right to renew the lease is based on mutual agreements between the parties. Lease liabilities are presented in the consolidated statement of financial position as follows:

	Notes	**31 December 2024**	31 December 2023
Balance at beginning of the year		**3,168,270,116**	2,639,276,382
Additions during the year		**--**	534,208,206
Lease payments during the year		**(306,497,017)**	(226,249,697)
Rent concessions during the year		**(1,875,000)**	(3,750,000)
Remeasurement of lease liabilities	*9C*	**97,268,140**	81,804,409
Lease termination		**--**	(16,286,468)
Interest expense during the year		**133,484,647**	110,436,822
Interest capitalized for projects under construction		**39,671,541**	48,830,462
Balance at end of the year		**3,130,322,427**	3,168,270,116

	31 December 2024	31 December 2023
Non-current portion of lease liabilities	**2,790,696,853**	2,839,886,903
Current portion of lease liabilities	**339,625,574**	328,383,213
Balance at end of the year	**3,130,322,427**	3,168,270,116

B. Group Commitments to lease contracts

	31 December 2024	31 December 2023
Within one year	**501,675,014**	494,775,188
After one year but not more than five years	**1,121,178,313**	1,072,021,062
More than five years	**3,844,040,921**	4,096,274,563
	5,466,894,248	5,663,070,813

C. Lease remeasurements

During the year ended 31 December 2024, the group engaged in negotiations with the landlord but did not reach a conclusion or agreement to terminate the lease. As a result, the management decided to reassess and extend the lease term until December 31, 2026. Management's assessment of whether termination rights should be exercised are based on associated economic incentives and disincentives of the decision.

During the period ended 31 December 2022, the Group assessed that significant capital expenditure is required on a leased operational mall to continue to attract footfall and generate appropriate returns. The Group based on a cost benefit analysis did not find the additional capital expenditures commercially feasible in comparison to other projects in pipeline and reassessed the lease term considering the exercise of termination rights available under a land lease which allows the Group to cancel a lease with a prior notice of one year. As a result of the reassessment of the lease term of the land, lease liability and right-of-use assets (included under investment properties) have reduced.

All amounts are presented in Saudi Riyals unless otherwise stated.

10. Property and equipment

Reconciliation of carrying amount

	Tools and equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Capital work in progress	Total
Cost:						
Balance at 31 December 2022	144,197,813	99,289,376	3,020,862	53,103,917	602,901	300,214,869
Additions during the year	3,704,425	2,628,146	316,500	449,275	2,915,606	10,013,952
Balance at 31 December 2023	147,902,238	101,917,522	3,337,362	53,553,192	3,518,507	310,228,821
Additions during the year	**784,617**	**2,908,792**	**65,500**	**7,900**	**4,736,882**	**8,503,691**
Balance at 31 December 2024	**148,686,855**	**104,826,314**	**3,402,862**	**53,561,092**	**8,255,389**	**318,732,512**
Accumulated depreciation						
Balance at 31 December 2022	120,128,190	84,371,276	3,020,862	29,282,070	--	236,802,398
Charge for the year	6,783,619	6,254,270	47,156	3,694,264	--	16,779,309
Balance at 31 December 2023	126,911,809	90,625,546	3,068,018	32,976,334	--	253,581,707
Charge for the year	**6,905,500**	**5,139,725**	**81,854**	**4,017,700**	--	**16,144,779**
Balance at 31 December 2024	**133,817,309**	**95,765,271**	**3,149,872**	**36,994,034**	--	**269,726,486**
Carrying amounts:						
At 31 December 2023	20,990,429	11,291,976	269,344	20,576,858	3,518,507	56,647,114
At 31 December 2024	**14,869,546**	**9,061,043**	**252,990**	**16,567,058**	**8,255,389**	**49,006,026**

10.1 As of December 31, 2024, the Group has ongoing capital expenditures classified as Capital Work in Progress (CWIP). These expenditures relate to leasehold improvements that are currently under development and will be capitalized upon completion.

All amounts are presented in Saudi Riyals unless otherwise stated.

11. Development properties

	31 December 2024	31 December 2023
Cost		
Balance at the beginning of the year	**353,531,069**	345,683,721
Additions during the year	**243,182**	7,847,348
Balance at the end of the year	**353,774,251**	353,531,069

This represents property under development for commercial and residential purpose located in Buraydah, Qassim. The property is being developed with the intention of resale and is hence classified as development properties in these consolidated financial statements.

12. Investments

	Notes	**31 December 2024**	31 December 203
Investment in equity accounted investee	*12A*	**87,717,039**	78,634,195
Investments at FVTPL	*12B*	**256,007,454**	303,107,598
		343,724,493	381,741,793

A - Investment in equity accounted investee

Name of an entity		**31 December 2024**	**31 December 2023**
FAS Lab Holding Company (Associate)	(i)	**87,467,039**	78,384,195
Khozam Mall Real Estate Development Company (Joint venture)	(ii)	**250,000**	250,000
		87,717,039	78,634,195

i. This represents a 50% equity investment in the share capital of FAS Lab Holding Company, an LLC incorporated in the Kingdom of Saudi Arabia, which is engaged primarily in leading the digital initiatives of the Group including but not limited to providing the malls visitors and shoppers with a specialized and advanced loyalty program, simplified and innovative consumer financing solutions and an e-commerce platform.

Reconciliation of carrying amount

	Opening balance	**Additions**	**Share in losses**	**Other Comprehensive income**	**Ending Balance**
31 December 2024	**78,384,195**	**16,040,698**	**(7,089,208)**	**131,354**	**87,467,039**
31 December 2023	63,714,723	24,978,845	(10,870,750)	561,377	78,384,195

Summarized financial statements.

	31 December 2024	31 December 2023
Assets	**303,931,484**	309,698,148
Liabilities	**(117,812,182)**	(129,448,843)
Net Assets	**186,119,302**	180,249,305
Net assets attributable to owners of investee	**148,242,259**	142,735,591
Share of net assets (50%)	**74,121,129**	71,367,796
Adjustments – Due to additional contribution	**13,345,910**	7,016,399
Carrying amount of investee	**87,467,039**	78,384,195

All amounts are presented in Saudi Riyals unless otherwise stated.

12. Investments (continued)

A. Investment in equity accounted investee (continued)

	31 December 2024	31 December 2023
Revenue	**542,002,993**	409,293,398
Loss from continuing operations	**(15,544,329)**	(18,914,175)
Total comprehensive loss	**(13,185,107)**	(18,477,365)
Loss for the year attributable to shareholders of the Company	**(13,296,026)**	(20,395,349)
Share of loss for the year	**(7,089,208)**	(10,870,750)

(ii) This represents a 50% equity investment in the share capital of Khozam Mall Real Estate Development Company, a closed joint stock Company incorporated in the Kingdom of Saudi Arabia, which is engaged primarily in the construction of real estate projects. The Company was established during the year and is yet to commence commercial operations.

B. Investment at FVTPL

Name of an entity		31 December 2024	31 December 2023
Al Jawhara Real Estate Fund *(i)*	*(i)*	**58,266**	81,576
Other investment	*(ii)*	**255,949,188**	303,026,022
		256,007,454	303,107,598

i. This represents investment in Al Jawhara Real Estate Fund (formerly known as Digital City Fund) purchased for SR 6.8 million.. As at 31 December 2024, the net asset value (NAV) of the investment amounted to SR 0.06 million (31 December 2023: SR 0.08 million) and SR 0.02 million of unrealized fair value loss is recognized in the consolidated statement of profit or loss (31 December 2023: gain of SR 0.31 million).

Reconciliation of carrying amount

	Investments at FVTPL
Balance at 1 January 2023	1,159,414
Revaluation adjustments	
Unrealized loss to consolidated statement of profit or loss	(308,056)
Movement	
Disposals	(769,782)
Balance at 31 December 2023	81,576
Balance at 1 January 2024	**81,576**
Revaluation adjustments	
Unrealized loss to consolidated statement of profit or loss	**(23,310)**
Movement	
Disposals	--
Balance at 31 December 2024	**58,266**

All amounts are presented in Saudi Riyals unless otherwise stated.

12. Investment (continued)

B. Investment at FVTPL

ii. At 31 December 2024, a Group's subsidiary Riyadh Real Estate Development Fund held 140,009 units (2023: 166,699 units) of Diversified Trade Fund at a unit price of SR1,828 (2023:SR 1,817.8) for trading purposes.

	31 December 2024	31 December 2023
Balance at beginning of the year	**303,026,022**	--
Additions	**--**	322,274,093
Disposals	**(48,516,565)**	(26,196,322)
Fair value change	**1,439,731**	6,948,251
Balance at end of the year	**255,949,188**	303,026,022

	31 December 2024	31 December 2023
Proceed	**50,000,000**	26,600,000
Carrying amount	**(48,516,565)**	(26,196,322)
Gain on disposal	**1,483,435**	403,678

13. Account receivable and others

Accounts receivable comprise interest free net receivables due from tenants with no credit rating. Before accepting any new customer, management of the Group assesses the potential customer's credit quality and defines credit limits. Accounts receivable are, in part, covered by promissory notes to secure the payment of lease obligations, with accelerated lease resolution mechanisms for defaulting tenants available through the Saudi Unified Ejar platform.

Reconciliation of carrying amount

	Note	**31 December 2024**	31 December 2023
Gross accounts receivable		**747,555,738**	636,154,384
Receivable from Jeddah Park landlord	*(i)*	**163,586,711**	132,509,059
		911,142,449	768,663,443
Less: Impairment loss on accounts receivable	*(a)*	**(423,755,570)**	(285,511,351)
		487,386,879	483,152,092
Less: Non-current receivable	*(i)*	**(4,500,000)**	(9,000,000)
		482,886,879	474,152,092

(i) This amount has been paid by the Company as initial support payments for the Jeddah park mall. The non-current portion represents amounts expected to be collected after one year from the reporting date.

(a) Movement in the impairment loss allowance was as follows:

		31 December 2024	31 December 2023
Balance at beginning of the year		**285,511,351**	171,400,842
Impairment charge for the year		**138,244,219**	114,110,509
Balance at end of the year		**423,755,570**	285,511,351
Amounts directly charged to consolidated statement of profit and loss			
- Impairment of accrued revenue	*(ii)*	**71,103,179**	52,932,799
- Receivables written off		**4,722,503**	22,631,565

Please refer to Note *30(c)* for ageing of expected credit loss allowance on receivables.

(ii) It represents release of unamortized portion of rent-free period / lease straight lining to profit or loss on account of termination of lease.

All amounts are presented in Saudi Riyals unless otherwise stated.

14.Related party transactions and balances

For the purpose of these consolidated financial statements, a party is considered related to the Group if the Group has the ability, directly or indirectly, to control or exercise significant influence over the party in financial and operating decisions, or vice versa. A party is also considered related if both the Group and the party are subject to common control or if the Group can be directly or indirectly influenced by another party. Related parties may include both individuals and entities. Balances and transactions between the Company and its subsidiaries, which are related parties within the Group, have been eliminated on consolidation.

A. Key management personnel compensation

The remuneration of directors and other key management personnel ('KMP') are as follow:

	31 December 2024	31 December 2023
End of service benefits	**6,342,888**	5,291,604
Salaries and short-term benefits	**29,393,429**	22,211,312
Total key management compensation	**35,736,317**	27,502,916

B. Related party transactions and balances

I - Related party balances are presented in the consolidated statement of financial position as follows:

	31 December 2024	31 December 2023
Amounts due from related parties – current portion	**408,420,267**	483,752,516
Amounts due from related parties – non-current portion	**234,967,548**	--
Amount due from related parties - net (i)	**643,387,815**	483,752,516
Amount due to related parties	**234,743,486**	102,087,353
(i)Movement of amount due from related parties-net		
Amount due from related parties – gross	**771,881,877**	483,752,516
Modification loss on related parties' receivables - net (ii)	**(36,515,958)**	--
Less: Impairment loss on due from related parties	**(91,978,104)**	--
Amount due from related parties – net	**643,387,815**	483,752,516

(ii) During the year ended December 31, 2024, the Group has restructured the balances due from related parties, as per the restructure agreement the amounts are receivable over a period of three years. Hence, the balances are measured at the present value of the contractual amounts by using the average incremental borrowing rate consequently, the Group has recorded the contract modification loss of SR **53.5 million** and finance income of SR **17 million** recognized in statement of profit or loss during the year ended December 31, 2024.

All amounts are presented in Saudi Riyals unless otherwise stated.

14. Related party transactions and balances (continued)

B. Related party transactions and balances (continued)

II - During the year, the Group transacted with its related parties. The terms of those transactions are approved by management/Board of Directors in the ordinary course of business. The significant transactions and the related amounts are as follows:

Name of related party	Note	Business status	Transactions for year: Rental income and other fees / services	Services received	Others	Total	Balance as at: Due from	Due to
31 December 2024								
Transactions with ultimate parent								
Saudi FAS Holding Company	(i)	Closed Joint Stock Company	2,443,104	--	--	2,443,104	6,447,086	--
Transactions with fellow subsidiaries								
Fawaz Abdulaziz Al Hokair Company and its subsidiaries (trading as Cenomi Retail)	(ii)	Joint Stock Company	270,586,372	--	(5,103,000)	265,483,372	487,541,807	--
Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries	(iii)	Joint Stock Company	28,277,473	--	--	28,277,473	34,876,385	--
Salman & Sons Holding Co and its associates	(iv)	Limited Liability Company	41,566,297	--	--	41,566,297	72,774,205	--
Majd Al Amal Co. Limited and its associates	(v)	Limited Liability Company	14,849,613	--	--	14,849,613	28,376,076	--
Tadaris Alnajd Security Company	(vi)	Limited Liability Company	--	(55,432,947)	--	(55,432,947)	8,950,560	--
Ezdihar Holding Co and its subsidiaries	(vii)	Limited Liability Company	49,132,159	--	(22,797,000)	26,335,159	107,539,059	--
Lynx Contracting Company	(xi)	Limited Liability Company	--	(197,447,531)	--	(197,447,531)	--	(231,906,096)
Others, net	(viii)	Limited Liability Companies	8,770,572	(13,239,039)	--	(4,468,467)	25,376,699	(2,837,390)
			415,625,590	(266,119,517)	(27,900,000)	121,606,073	771,881,877	(234,743,486)
31 December 2023								
Transactions with ultimate parent								
Saudi FAS Holding Company	(i)	Closed Joint Stock Company	3,296,527	--	--	3,296,527	8,401,207	--
Transactions with fellow subsidiaries								
Fawaz Abdulaziz Al Hokair Company and its subsidiaries	(ii)	Joint Stock Company	355,595,535	--	(65,048,000)	290,547,535	246,035,225	--
Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries	(iii)	Joint Stock Company	23,801,302	--	--	23,801,302	24,116,051	--
Salman & Sons Holding Co and its associates	(iv)	Limited Liability Company	54,855,505	--	--	54,855,505	71,048,857	--
Majd Al Amal Co. Limited and its associates	(v)	Limited Liability Company	22,666,608	--	--	22,666,608	5,244,635	--
Tadaris Alnajd Security Company	(vi)	Limited Liability Company	--	(66,011,599)	--	(66,011,599)	8,164,179	--
Ezdihar Holding Co and its subsidiaries	(vii)	Limited Liability Company	55,610,260	--	--	55,610,260	92,784,508	--
Lynx Contracting Company	(xi)	Limited Liability Company	--	(94,791,180)	--	(94,791,180)	--	(94,791,180)
Others, net	(viii)	Limited Liability Companies	7,104,959	(13,490,055)	674,163	(5,710,933)	27,957,854	(7,296,173)
			522,930,696	(174,292,834)	(64,373,837)	284,264,025	483,752,516	(102,087,353)

All amounts are presented in Saudi Riyals unless otherwise stated.

14. Related party transactions and balances (continued)

B. Related party transactions and balances (continued)

III - Information about the fellow subsidiaries and their relationship

i. **Saudi FAS Holding Company** is the ultimate parent of the Company via assignment of shares by the Company's immediate parent company (FAS Real Estate Company Limited). The Company has various transactions with its Ultimate Parent in relation to ongoing business support activities provided by the Ultimate Parent Company.

ii. **Fawaz Abdulaziz Al Hokair Company**, a subsidiary of the Company's Ultimate Parent Saudi FAS Holding Company, is one of the Group's Key Account Tenants and leases stores in various of the Company's malls. The Company is party to a framework agreement with Fawaz Abdulaziz Al Hokair Company which aims to ensure that all tenancy leases between the parties for all of the Company's malls are conducted on a basis which are approved by the management and Board of Directors.

iii. **Abdul Mohsin Al Hokair Group for Tourism and Development** leases space for indoor and outdoor family entertainment centres in the Group's shopping malls. These leases range from 5 to 10 years in length. **Abdul Mohsin Al Hokair and Tourism and Development** is owned by a relative of the Controlling Shareholders.

iv. **Salman & Sons Holding Co.** and its associates is a mix of entities which leases spaces in several of the Group's shopping malls mainly for entertainment purposes. These entities are owned by the controlling shareholder (Salman Abdulaziz Alhokair) and their close family members. Salman & Sons Holding Co and its associates includes:

- **Sala Entertainment Company** leases space for an indoor soft play entertainment venue in the Company's shopping malls. The leases are for a term of 10 years.

- **Kids Space Company** leases space in the Mall of Arabia (Jeddah) for 'Kidzania', a children's interactive play centre. The term of the lease is ten years, with renewal unless one party gives notice. The lease contains turnover rent provisions and rent escalation mechanics.

- **Via Media, Vida first for beverages Est., Vida Trading Est.** and **Fashion District Co.** leases spaces in several of the Group's shopping malls. The term of the leases range from 1 to 3 years.

v. **Majd Al Amal Co. Limited and its associates** is a mix of entities which leases spaces in several of the Company's shopping malls. The term of the leases range from 3 to 7 years. The Company is owned by close family members of the Controlling Shareholders. Entities includes Majd Al Amal Co. limited, Wealth Company Limited, Almuzn Foods and Saraya Al Majd Co.

vi. **Tadaris Alnajd Security Company (TNS)** currently provides security services to all of the Group's shopping malls. The entity is owned by the controlling shareholder (Salman Abdulaziz Alhokair) and his close family members. The Company entered into a civil security services agreement with TNS for the provision of civil security services in the malls, which includes the provision of security guards and other security personnel and security vehicles. The agreement is automatically renewable by mutual consent.

14. Related party transactions and balances (continued)

B. Related party transactions and balances (continued)

vii. **Ezdihar Holding Co and its subsidiaries** is a mix of entities which leases spaces in several of the Group's shopping malls mainly for trading purposes. These entities are owned by close family members of the Controlling Shareholder (Fawaz Abdulaziz Alhokair) and their close family members. These are as follows:

- **Next Generation Company Limited** currently leases cinemas and space planned for cinemas in the Company's shopping malls. The term of the lease range is approximately 10 years.

- **Ezdihar Sports Co.** leases space for fitness centers in U-Walk. The term of the lease range is approximately 10 years.

viii. Others mainly include transactions with Etqan Facilities Management, DAAM Support Maintenance& Cleaning Company, FAS Energy, Cenomi E-commerce, Business Flower, Medical Health Development Company, Echo Design Consultant, Fahad Abdulaziz Al Hokier Trading EST, FAS Technologist Trading Company, and Nail Place Trading Est. These entities are owned by close family members of the Controlling Shareholder (Fawaz Abdulaziz Alhokair) and their close family members.

ix. Fawaz Abdulaziz Alhokair, Salman Abdulaziz Alhokair and Abdulmajeed Abdulaziz Alhokair are the joint ultimate controlling shareholders of the Company.

x. See note 30C (i) for expected credit losses on related party receivables.

xi. This is amount owed to Lynx Contracting Company for construction works received.

15. Prepayments and other assets

		31 December 2024	31 December 2023
Value Added Tax (VAT) receivables		**328,487,071**	44,946,809
Prepaid expenses		**12,646,265**	17,924,050
Advances to suppliers		**45,524,966**	36,232,122
Employees' receivables		**5,094,477**	4,135,734
Cash in portfolio account (restricted cash)	(i)	**1,217,418**	2,049,034
Others	*(ii)*	**46,046,671**	22,816,623
		439,016,868	128,104,372
Less: non-current Prepayments		**(8,045,436)**	(9,681,804)
		430,971,432	118,422,568

(i) This is cash maintained in investor account of the Company with its Market Maker for purpose of trading in Company's equity shares listed on stock exchange.

(ii) This mainly includes margin amounting to SR 10 million paid to obtain letters of guarantee related to acquisition of investment in FAS Lab Holding Company.

16. Cash and cash equivalents

	31 December 2024	31 December 2023
Bank balances – current accounts	**253,157,011**	84,125,834
Bank balances – time deposits	**416,250,000**	--
Cash in hand	**935,000**	870,000
	670,342,011	84,995,834

All amounts are presented in Saudi Riyals unless otherwise stated.

17. Share capital

A) Share capital

The movement in share capital and share premium are as follows:

	No. of shares	Share capital	Share premium
Balance at 31 December 2024	475,000,000	4,750,000,000	411,725,703
Balance at 31 December 2023	475,000,000	4,750,000,000	411,725,703

B) Treasury shares reserve

During the year ended 31 December 2023, the Company entered into a market making agreement with Al Rajhi Capital to provide continuous buying and selling of the Company's shares. The reserve for Company's treasury shares comprises the cost of Company's shares held by the Group. As at 31 December 2024, the Company held 57,646 of its shares (2023: 109,187). All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

18. Reserves

Statutory reserve

The statutory reserve included in the consolidated financial statements as of December 31, 2024, and December 31, 2023, was required under the Company's previous by-laws. However, following amendments to the Company's by-laws during the year ended December 31, 2024, the requirement to set aside a statutory reserve has been removed.

Other reserves

Other reserves include foreign currency reserve, treasury shares reserve, hedging reserve and reserve for actuarial gain/loss of employees' end-of-service benefits.

19. Dividends distribution

December 2024

i. On 26 March 2024, the Board of Directors resolved to distribute an interim dividend for the second half of the year ended 31 December 2023 amounting to SR 0.75 per share aggregating to SR 356,250,000. The dividend was paid on 16 April 2024.

ii. On 16 May 2024, the Board of Directors resolved to distribute dividends for the first quarter of the year ending 31 December 2024 amounting to SR 0.375 per share aggregating to SR 178,125,000. The dividend was paid on 18 July 2024.

iii. On 9 November 2024, the Board of Directors resolved to distribute dividends for the second quarter of the year ending 31 December 2024 amounting to SR 0.375 per share aggregating to SR 178,125,000. The dividends was paid on 21 November 2024.

December 2023

i. On 13 July 2023, the Board of Directors resolved to distribute dividends for the first half of the year ending 31 December 2023 amounting to SR 0.87 per share aggregating to SR 413,250,000. The dividends were paid/adjusted on 13 August 2023.

ii. On 2 April 2023, the Board of Directors resolved to distribute dividends for the second half of the period ended 31 December 2022 amounting to SR 1 per share aggregating to SR 475,000,000. The dividends were paid/adjusted on 16 April 2023.

iii. On 1 January 2023, the Board of Directors resolved to distribute interim dividends for the first half of the period ended 31 December 2022 amounting to SR 0.75 per share aggregating to SR 356,250,000. The dividends were paid/adjusted on 12 February 2023.

All amounts are presented in Saudi Riyals unless otherwise stated.

20. Loans and borrowings

	Note	**31 December 2024**	31 December 2023
Islamic facilities with banks			
- Facility 1	*(i)*	**5,182,390,278**	3,286,561,312
- Facility 2	*(ii)*	**1,080,545,719**	558,058,069
Sukuks	*(iii)*	**5,909,373,095**	5,142,084,776
	20 B	**12,172,309,092**	8,986,704,157
Loans and Borrowings - Current liabilities		**34,709,205**	3,104,998,958
Loans and Borrowings – Non-current liabilities		**12,137,599,887**	5,881,705,199
		12,172,309,092	8,986,704,157

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note *30.*

A. Terms and repayment

(i) *Facility 1*

During the year ended 31 December 2024, The Group has entered into various long-term Islamic facilities amounting to SR 4.2 billion (equivalent USD 1,120 million), with an additional accordion for SR 1.05 billion, with a syndicate of banks (local and international banks). The facilities include two term Murabha tranches (maturing in 12 years) and revolving Murabha facility (maturing in 5 years). These term Murabaha facilities are fully utilized and revolving Murabaha facility is fully utilized as at reporting date. The Group has early repaid the existing long-term Islamic facilities outstanding as of 31 December 2023.

The long-term loan is repayable in unequal quarterly instalments and is subject to commission rates based on SIBOR/SOFR plus an agreed commission rate. The pricing applicable to the facilities are linked to sustainability targets i.e. reducing carbon emissions, increasing grid connectivity, and enhancing female representation in leadership roles.

The facilities are secured by a security over land and buildings of several malls with carrying amount of **SR 7.9 billion.**

(ii) *Facility 2*

During the year ended 31 December 2024, the Group has **drawn-down** SR 521 million (31 December 2023: SR 508 million) from the facilities. The facility is non-recourse to the Company.
During the year ended 31 December 2024, a subsidiary of the Group has entered into a long-term facility arrangement amounting to SR 350 million from the National Development Fund (NDF). The facility is non-recourse to the Company.
During the year ended 31 December 2023, a subsidiary of the Group has entered into a long-term Islamic facility arrangement amounting to SR 1,000 million with a local bank. The facility is non-recourse to the Company.
During the period ended 31 December 2022, a subsidiary of the Group has entered into a long-term Islamic facility arrangement amounting to SR 800 million with a local bank. The long-term loan is repayable in unequal semi-annual instalments and is subject to commission rates based on SIBOR plus an agreed commission rate. The facilities are secured by Lands.

The above facility agreements contain covenants, which among other things, require certain financial ratios to be maintained.

The loans and borrowings facility 1 & 2 contain certain covenants. These covenants include maintaining a cash flow cover, profit cover, gearing ratio and tangible net worth in accordance with the terms of the respective agreements. The covenants are monitored by the management. As at 31 December 2024, there has not been any non-compliance observed for any of the covenants and the Group is expecting to meet the future covenants as well.

All amounts are presented in Saudi Riyals unless otherwise stated.

20. Loans and borrowings (continued)

(iii) Sukuks

During the year ended 31 December 2024, the Company issued Shari'ah compliant Sukuk amounting to **USD 710 million** (equivalent SR 2,662.5 million), maturing in 2029 with annual yield of 9.5% payable semi-annually. The proceeds from the issuance have been used to refinance the Company's 2019 Sukuk. Sukuk Certificates are subject to early redemption at the option of the Company as per specified conditions mentioned in the Sukuk Certificate. During the year ended 31 December 2024, the Sukuk issued in 2019 has been early redeemed.

On 7 April 2021, Arabian Centres Sukuk II Limited (a special purpose company established for the purpose of issuing Sukuk) issued a Five- and half--year International USD denominated Shari'ah compliant Sukuk "Sukuk II Certificates" amounting to USD 650 million (equivalent SR 2,437.5 million), at a par value of USD 0.2 million each, annual yield of 5.625% payable semi-annually. On 28 July 2021, the Company issued additional Sukuk II certificates amounting to USD 225 million (equivalent SR 843.75 million), at a premium of 4.75%. Sukuk Certificates may be subject to early redemption at the option of the Company as per specified conditions mentioned in the Sukuk Certificate.

B. Reconciliation of carrying amount

		Islamic facility with banks		**Sukuks**	**Total**
		Facility 1	*Facility 2*		
Balance at 1 Jan 2023		3,195,852,084	63,308,995	5,156,200,000	8,415,361,079
Proceeds received during the year		200,000,000	508,350,701	--	708,350,701
Repayments made during the year		(68,380,208)	--	--	(68,380,208)
	(i)	3,327,471,876	571,659,696	5,156,200,000	9,055,331,572
Un-amortized transaction costs	*(ii)*	(40,910,564)	(13,601,627)	(34,263,790)	(88,775,981)
Deferred Sukuk premium	*(iii)*	--	--	20,148,566	20,148,566
Balance at 31 December 2023		3,286,561,312	558,058,069	5,142,084,776	8,986,704,157
Balance at 1 Jan 2024		**3,327,471,876**	**571,659,696**	**5,156,200,000**	**9,055,331,572**
Proceeds received during the year		**5,249,999,921**	**521,087,650**	**2,662,500,000**	**8,433,587,571**
Repayments made during the year		**(3,327,471,876)**	--	**(1,874,950,000)**	**(5,202,421,876)**
	(i)	**5,249,999,921**	**1,092,747,346**	**5,943,750,000**	**12,286,497,267**
Un-amortized transaction costs	*(ii)*	**(67,609,643)**	**(12,201,627)**	**(43,402,048)**	**(123,213,318)**
Deferred Sukuk premium/Discount, net	*(iii)*	--	--	**9,025,143**	**9,025,143**
Balance at 31 December 2024		**5,182,390,278**	**1,080,545,719**	**5,909,373,095**	**12,172,309,092**

All amounts are presented in Saudi Riyals unless otherwise stated.

20. Loans and borrowings (continued)

B. Reconciliation of carrying amount (continued)

i. Below is the repayment schedule of the principal portion of outstanding long-term loans:

	Islamic facility with banks	Sukuks	Total
31 December 2023			
Within one year	1,229,998,958	1,875,000,000	3,104,998,958
Between two to five years	1,823,377,412	3,281,200,000	5,104,577,412
More than five years	845,755,202	--	845,755,202
	3,899,131,572	5,156,200,000	9,055,331,572
31 December 2024			
Within one year	**34,709,205**	--	**34,709,205**
Between two to five years	**1,132,215,599**	**5,943,750,000**	**7,075,965,599**
More than five years	**5,175,822,463**	--	**5,175,822,463**
	6,342,747,267	**5,943,750,000**	**12,286,497,267**

ii. Un-amortized transaction costs movement is as follows:

	Islamic facilities with banks			
	Facility *1*	Facility *2*	Sukuks	Total
Balance at 1 Jan 2023	47,199,402	5,118,750	53,478,788	105,796,940
Arrangement fees paid	500,000	10,000,000	--	10,500,000
Amortization for the year	(3,456,220)	--	(16,017,443)	(19,473,663)
Capitalized arrangement fees	(3,332,618)	(1,517,123)	(3,197,555)	(8,047,296)
Balance at 31 December 2023	40,910,564	13,601,627	34,263,790	88,775,981
Balance at 1 Jan 2024	**40,910,564**	**13,601,627**	**34,263,790**	**88,775,981**
Arrangement fees paid	**72,590,177**	--	**32,070,639**	**104,660,816**
Amortization for the year	**(43,689,240)**	--	**(20,753,576)**	**(64,442,816)**
Capitalized arrangement fees	**(2,201,858)**	**(1,400,000)**	**(2,178,805)**	**(5,780,663)**
Balance at 31 December 2024	**67,609,643**	**12,201,627**	**43,402,048**	**123,213,318**

iii. Deferred Sukuk premium/Discount, net

This represents the premium received on further issuance of Sukuk III (i.e. Issue price less face value of the certificate) and is amortized over the life of the instrument using the effective interest rate at the date of initial recognition of the instrument. Movement is as follows:

	Deferred Discount	Deferred Premium	Total
Balance at 1 Jan 2023	--	27,426,090	27,426,090
Amortization for the year	--	(7,277,524)	(7,277,524)
Balance at 31 December 2023	--	20,148,566	20,148,566
Balance at 1 Jan 2024	--	**20,148,566**	**20,148,566**
Additions during the year	**(4,125,000)**	--	**(4,125,000)**
Amortization for the year	**297,917**	**(7,296,340)**	**(6,998,423)**
Balance at 31 December 2024	**(3,827,083)**	**12,852,226**	**9,025,143**

All amounts are presented in Saudi Riyals unless otherwise stated.

21. Employee benefits

The Group grants end-of-service benefits (benefit plan) to its employees taking into consideration the local labor law requirements in KSA. The benefit provided by this benefit plan is a lump sum based on the employees' final salaries and allowance and their cumulative years of service at the date of the termination of employment.

The benefit liability recognized in the consolidated statement of financial position in respect of defined benefit end-of-service plan is the present value of the DBO at the reporting date.

The DBO is calculated periodically by qualified actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using yields on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation (equivalent to a duration of around 12 years). In countries where there is no deep market in such bonds, the market rates on government bonds are used. As there are insufficient corporate and government bonds in the Kingdom to generate a credible discount rate, the discount rate has instead been based on US Treasury bonds adjusted for country differences between the US and Saudi Arabia.

Re-measurement amounts of actuarial gains and losses on the DBO, if any, are recognized and reported within other reserves under the consolidated statement of comprehensive income and in the consolidated statement of changes in equity.

A. Movement in employee benefits liability

	31 December 2024	31 December 2023
Balance at the beginning of the year	**35,809,551**	28,486,108
Total amount recognized in the consolidated statement of profit or loss		
Current service cost	**6,938,265**	7,584,358
Interest cost	**1,672,627**	1,484,319
	8,610,892	9,068,677
Amount recognized in the consolidated statement of comprehensive income		
Actuarial loss arising from		
– financial assumptions	**(5,105,084)**	2,897,352
– other assumptions and experience adjustments	**--**	796,883
	(5,105,084)	3,694,235
Benefits paid	**(4,674,057)**	(4,694,352)
Benefits transfer to related party	**--**	(745,117)
Balance at end of the year	**34,641,302**	35,809,551

B. Significant actuarial assumptions

The significant actuarial assumptions used were as follows:

	31 December 2024	31 December 2023
Economic assumptions		
Gross discount rate	**5.5%**	4.85%
Withdrawal rate	**20%**	20%
Salary growth rate	**3%**	4%
Retirement age	**60**	60

All amounts are presented in Saudi Riyals unless otherwise stated.

21. Employee benefits (continued)

C. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions made in the calculation is as follows:

	31 December 2024		31 December 2023	
	Increase	**Decrease**	Increase	Decrease
Salary inflation (1% movement)	37,548,749	32,054,562	39,116,388	32,889,415
Discount rate (1% movement)	32,134,932	37,504,525	32,937,447	39,121,473
Withdrawal rate (20% movement)	34,509,898	34,611,299	34,940,430	36,649,502

22. Accounts payable and other liabilities

	Notes	**31 December 2024**	31 December 2023
Accounts payable			
Accounts payable	*(i)*	**180,634,812**	223,255,947
		180,634,812	223,255,947
Other liabilities			
Accrued finance cost	*(iii)*	**225,874,436**	65,474,885
Tenants' security deposits	*(ii)*	**83,291,071**	124,365,613
Accrued expenses		**95,375,123**	136,966,624
Employees' salaries and benefits		**42,694,155**	50,892,146
Withholding and value added tax		**43,051,404**	102,152,880
		490,286,189	479,852,148
Accounts payable and other liabilities		**670,921,001**	703,108,095

i. Accounts payable are amounts which are owed to suppliers for the purchase of goods or services. The amounts are unsecured and are usually paid within 30 to 60 days of recognition.

ii. Non-current portion of tenants' security deposits aggregating to SR **22.4 million** (31 December 2023: SR 42.7 million) are disclosed as other non-current liabilities.

iii. Movement in accrued finance cost is as follows:

	Note	**31 December 2024**	31 December 2023
Balance at beginning of the year		**65,474,885**	77,823,293
Commission expense	*27E*	**460,238,407**	237,870,621
Payment of finance costs		**(638,138,213)**	(570,973,833)
Reimbursement of commission on Sukuk		**10,449,999**	--
Capitalized finance costs		**327,849,358**	320,754,804
Balance at end of the year		**225,874,436**	65,474,885

All amounts are presented in Saudi Riyals unless otherwise stated.

23. Accrued revenue and unearned revenue

i. Unearned revenue represents rental income received against services to be performed or goods to be delivered by the Group in the future. At the end of each accounting period, adjusting entries are made to recognize the portion of unearned revenue that has been earned during the year. The amount of SR 302,198,673 included in unearned revenue at 31 December 2023 has been recognized as revenue in 2024 (year ended 31 December 2023: SR 239,109,599).

ii. Accrued revenue represents the following:

		31 December 2024	31 December 2023
Unamortized portion of lease incentives			
- discounts	*(a)*	**35,978,359**	51,053,368
- rent free period and straight-lining		**185,796,422**	184,533,815
Less: Impairment loss on accrued revenues		**(15,796,795)**	--
		205,977,986	235,587,183
Presented in statement of financial position as follows:			
Accrued revenue – non-current portion		**137,318,657**	157,058,122
Accrued revenue – current portion		**68,659,329**	78,529,061
		205,977,986	235,587,183

(a) As at 31 March 2021 the Group had approved on a cumulative basis since the fourth quarter of the year ended 2020, a total COVID-19 related discount of SR 579 million to be amortized over the term of outstanding lease contracts. The impact of rent relief for year ended 31 December 2024 is **SR 9.9 million** (31 December 2023: SR 35.4 million).

24. Zakat

A. Amounts recognized in consolidated statement of profit or loss

Computation of zakat charge is as follows:

	31 December 2024	31 December 2023
Shareholders' equity and other payables	**28,897,794,867**	25,407,709,441
Adjusted net income	**1,360,142,004**	1,459,800,130
Deductions	**(28,509,985,132)**	(25,849,173,040)
Zakat base	**1,747,951,739**	1,018,336,531
Zakat at 2.5% (higher of adjusted net income or Zakat base)	**44,000,000**	40,473,225

B. Reconciliation of carrying amount

	Note	**31 December 2024**	31 December 2023
Balance at beginning of the year		**68,384,195**	51,221,357
Current year zakat charge	*24A*	**44,000,000**	40,473,225
Payments		**(36,023,538)**	(23,310,387)
Balance at end of the year		**76,360,657**	68,384,195

C. Status of assessment

Status of zakat assessments is as follows:

- The Group submitted the zakat return up to the year ended 31 December 2023 and obtain the provisional zakat certificate. The zakat certificate will be expired on 30 April 2025.
- Until the year ended 31 March 2019, the Ultimate Parent Company prepared and submitted combined zakat returns for the Ultimate Parent Company and its wholly owned subsidiaries, including Arabian Centres Company, to the Zakat, Tax and Customs Authority as per Zakat, Tax and Customs Authority letter. The ultimate parent Company has received final assessment order for zakat until the year 31 March 2016.

All amounts are presented in Saudi Riyals unless otherwise stated.

25. Revenue

	31 December 2024	31 December 2023
Income from leases		
Rental income	**2,132,391,666**	2,089,447,034
Turnover rent	**61,378,094**	64,170,896
Revenue from contracts with customers		
Service and management charges income	**145,276,772**	95,673,728
Commission income on provisions for utilities for heavy users, net	**4,992,039**	4,381,604
	2,344,038,571	2,253,673,262

Rental income includes fixed service and management charges income related to utilities, maintenance, cleaning and security charges of Malls' premises as a part of rent for each of the tenants for the year ended 31 December 2024 amounts to SR **252** million (year ended 31 December 2023: SR 243 million)

Group as a lessor:
The Group has entered into operating leases on its investment properties portfolio consisting of various buildings. These leases have terms of between 1 to 5 years. Leases include a clause to enable upward revision of the rental charge depending on the lease agreements. Future minimum rentals receivable under non-cancellable operating leases as at the end of the reporting periods are as follows:

	31 December 2024	31 December 2023
Less than one year	**1,629,413,757**	1,422,247,702
One to two years	**1,018,521,405**	854,332,236
Two to three years	**500,133,666**	449,143,105
Three to four years	**308,697,482**	266,409,287
Four to five years	**185,284,666**	207,885,695
More than five years	**417,581,190**	288,301,243
	4,059,632,166	3,488,319,268

26. Direct costs

	31 December 2024	31 December 2023
Utilities expense	**85,302,128**	107,739,461
Cleaning expense	**67,012,778**	70,079,400
Employees' salaries and other benefits	**62,378,905**	48,280,598
Repairs and maintenance	**58,126,085**	58,138,097
Security expense	**55,907,577**	63,701,951
Insurance expense	**24,827,415**	30,062,522
Others	**4,880,720**	5,486,547
	358,435,608	383,488,576

27. Income and expenses

A. Other operating income

	Notes	**31 December 2024**	31 December 2023
Gain on sale of investment property	*8A(i)*	**--**	238,668,127
Recovery of written off receivables		**3,031,141**	17,134,975
Gain on lease termination	*9*	**--**	16,286,468
Gain on investments at FVTPL		**2,923,166**	7,351,929
Compensation received from landlord		**1,875,000**	3,750,000
Commission income on bank deposits		**2,396,382**	1,208,939
Foreign exchange gain		**309,517**	1,358,397
Other income		**4,892,918**	5,694,655
		15,428,124	291,453,490

All amounts are presented in Saudi Riyals unless otherwise stated.

27. Income and expenses (continued)

B. Advertisement and promotion expenses

	31 December 2024	31 December 2023
Material and Promotions	**16,715,857**	31,724,317
Advertisement	**2,031,795**	22,449,769
Sponsorship	**4,143,750**	11,279,724
	22,891,402	65,453,810

C. General and administrative expenses

	Note	31 December 2024	31 December 2023
Employees' salaries and other benefits		**145,235,717**	180,389,009
Professional fees	*(i)*	**34,298,376**	78,025,492
Communication and internet expense		**18,108,165**	16,222,583
Depreciation on property and equipment	*10*	**16,144,779**	16,779,309
Board expenses		**6,225,108**	5,884,935
Insurance expense		**3,855,559**	4,186,694
Maintenance		**808,241**	2,711,711
Others		**31,432,204**	44,349,191
		256,108,149	348,548,924

(i) Auditors' remuneration for the statutory audit of the Group's consolidated financial statements and the financial statements of its subsidiaries for the year ended 31 December 2024 amount to SR **2.6 million** (year ended 31 December 2023: SR 2.1 million). Auditors' remuneration for the review of the Group's interim financial information during the year ended 31 December 2024 amounts to SR **0.6 million** (year ended 31 December 2023: SR 0.6 million).

D. Other operating expenses

	Note	31 December 2024	31 December 2023
Fund brokerage fees		--	16,113,705
Others		**102,613**	2,308,057
		102,613	18,421,762

E. Finance costs over loans and borrowings

	Notes	31 December 2024	31 December 2023
Commission expense	*22 (iii)*	**460,238,407**	237,870,621
Amortization of upfront fees	*20B(ii)*	**64,442,816**	19,473,663
Deferred Sukuk premium/Discount, net	*20B(iii)*	**(6,998,423)**	(7,277,524)
Bank charges		**2,429,458**	3,750,082
		520,112,258	253,816,842

28. Earnings per share

Basic earnings per share is calculated by dividing the net income attributable to the ordinary Shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period as all the Company's shares are ordinary shares.

	31 December 2024	31 December 2023
Profit attributable to ordinary shareholders	**1,216,906,944**	1,514,995,569
Weighted average number of ordinary shares	**474,940,907**	474,946,199
Basic earnings per share	**2.56**	3.19

All amounts are presented in Saudi Riyals unless otherwise stated.

29. Operating segments

The Group's activities and business lines used as a basis for the financial reporting are consistent with the internal reporting process and information reviewed by the Chief operating decision maker (CODM). Management considers the operations of the Group as a whole as one operating and reportable segment as all subsidiaries engage in similar business activities.

The Group's revenue, gross profit, investment properties, total assets and total liabilities pertaining to the Group's operations as a whole are presented in the consolidated statement of financial position and in the consolidated statement of profit or loss and other comprehensive income.

All of the Group's operations are conducted in KSA. Hence, geographical information is not applicable in this case. Revenue from top five customer represent 18% of the total revenue of the Group.

30. Financial instruments – fair values and risk management

A. Accounting classification and fair values

Financial instruments have been categorized as follows:

Financial Assets	*Notes*	**31 December 2024**	31 December 2023
Other investments	*12*	**255,949,188**	303,026,022
Other financial asset		**44,313,130**	19,319,587
Amounts due from related parties	*14B*	**643,387,815**	483,752,516
Accounts receivable	*13*	**482,886,879**	474,152,092
Accrued revenue	*23*	**169,999,627**	184,533,815
Cash and cash equivalents	*16*	**670,342,011**	84,995,834
		2,266,878,650	1,549,779,866

Financial Liabilities			
Loans and borrowings	*20*	**12,172,309,092**	8,986,704,157
Lease liabilities	*9*	**3,130,322,427**	3,168,270,116
Accounts payable *(i)*	*22*	**180,634,812**	223,255,947
Tenants' security deposits	*22*	**105,755,795**	167,062,790
Amount due to related parties	*14B*	**234,743,486**	102,087,353
Other liabilities		**363,943,714**	253,333,655
		16,187,709,326	12,900,714,018

(i) The carrying amounts of Accounts payable is considered to be reasonable approximations of their fair values, due to their short-term nature.

The following table presents the Group's financial instruments measured at fair value at 31 December 2024 and 31 December 2023:

	31 December 2024				
	Carrying amount	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets					
FVTPL					
Al Jawhara Real Estate Fund	**58,266**	--	--	**58,266**	**58,266**
Riyadh SR Diversified Trade Fund	**255,949,188**	**255,949,188**	--	--	**255,949,188**

	31 December 2023				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
FVTPL					
Al Jawhara Real Estate Fund	81,576	--	--	81,576	81,576
Riyadh SR Diversified Trade Fund	303,026,022	303,026,022	--	--	303,026,022

All amounts are presented in Saudi Riyals unless otherwise stated.

30. Financial instruments – fair values and risk management (continued)

B. Derivative designated as hedging instrument

The Group had Islamic Profit/commission Rate Swaps ("IRS") of a notional value of USD 80 million (equivalent to SR 300 million) in order to reduce its exposure to commission rate risks against long term financing. The hedging instrument expired on 31 May 2023 with net amount being settled between the parties. Total amount of cash flow hedge reserve has been reclassified to statement of profit or loss during the year ended December 31, 2023 amounting to **SR 7,124,755.**

C. Financial risk management

The Group has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk (including commission rate risk, real estate risk, currency risk and commodity risk)
- Capital management risk

The Group's principal financial liabilities are loans and borrowings. The main purpose of the Group's loans and borrowings is to finance the acquisition and development of the Group's investment properties portfolio. The Group has accounts receivable, amounts due to and from related parties, accounts payable and cash and bank balances that arise directly from its operations.

i. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from its leasing activities, including deposits with banks and financial institutions.

Credit risk is managed by requiring tenants to pay rentals in advance. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement. Outstanding tenants' receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Bank balances and deposits are held with local banks with sound external credit ratings.

<u>*Accounts Receivable*</u>
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and sector in which customers operate.

Each entity within the Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the entity's standard payment and delivery terms and conditions are offered. The review includes financial statements, industry information and in some cases bank references.

30. Financial instruments – fair values and risk management (continued)

C. Financial risk management(continued)

i. Credit risk (continued)

Accounts Receivable (continued)
Credits to each customer are reviewed periodically. The Group limits its exposure to credit risk by offering credit terms which are typically not longer than three months on average.

In monitoring customer credit risk, customers are grouped according to their credit characteristics trading history with the Group and existence of previous financial difficulties.

Loss rates are based on actual historic credit loss experience. These rates are multiplied by scalar factors to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual forecasts and gross domestic product growth.

The following table provides information about the exposure to credit risk and ECLs for accounts receivable from customers as at 31 December 2024 and 31 December 2023:

	31 December 2024		
	Gross carrying amount	**Weighted-average loss**	**Loss allowance (%)**
0–90 days	**88,875,756**	**10,810,219**	**12%**
91–180 days	**91,644,631**	**20,124,491**	**22%**
181–270 days	**71,444,907**	**20,180,788**	**28%**
271–360 days	**69,059,028**	**22,532,176**	**33%**
More than 360 days	**590,118,127**	**350,107,896**	**59%**
	911,142,449	**423,755,570**	

	31 December 2023		
	Gross carrying amount	Weighted-average loss	Loss allowance (%)
0–90 days	85,364,506	9,923,114	12%
91–180 days	96,858,407	21,261,842	22%
181–270 days	78,753,789	23,971,570	30%
271–360 days	80,635,255	27,635,387	34%
More than 360 days	427,051,486	202,719,438	47%
	768,663,443	285,511,351	

All amounts are presented in Saudi Riyals unless otherwise stated.

30. Financial instruments – fair values and risk management (continued)

C. Financial risk management (continued)

i. Credit risk (continued)

Due from related parties
An impairment analysis is performed at each reporting date on an individual basis for the major related parties. The maximum exposure to credit risk at the reporting date is the carrying value of the amounts due from related parties (please refer to note *14B*). The Group does not hold collateral as a security. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate. The Group evaluates the risk with respect to due from related parties as low, as the majority of the related parties are owned by the same shareholders. The evaluation is based on actual historical credit loss history, and the ongoing support from Shareholder to collection activities, with retentions on dividend pay-out of SAR 51 million in 2024.

Financial instruments and cash deposit
Credit risk from balances with banks and financial institutions is managed by Company's treasury in accordance with the Group's policy. Cash is substantially placed with national banks with sound credit ratings ranging BBB+ and above or in money market instruments from reputable managers associated with leading domestic banks. The Group does not consider itself exposed to a concentration of credit risk with respect to banks due to their strong financial background.

30. Financial instruments – fair values and risk management (continued)

C. Financial risk management (continued)

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the G that the Group is not exposed to significant risks in relation to liquidity and maintains different lines of credit. At reportir position amounting to SR 1.27 billion (Refer to note 1).

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted p

Contractual maturities of financial liabilities:	Carrying amount	Less than 6 months	Between 6 and 12 months	Between 1 and 2 years	Betweer and 5 yea
31 December 2024					
Accounts payable	**180,634,812**	**180,634,812**	**--**	**--**	
Other non-current liabilities	**22,464,724**	**--**	**--**	**17,240,970**	**5,223,7**
Other liabilities	**447,234,785**	**437,930,162**	**9,304,623**	**--**	
Due to related parties	**234,743,486**	**234,743,486**	**--**	**--**	
Lease liabilities	**3,130,322,427**	**365,791,038**	**135,883,976**	**332,874,763**	**788,303,5**
Loans and borrowings	**12,172,309,092**	**1,208,079,447**	**419,629,501**	**4,140,448,470**	**5,383,698,3**
	16,187,709,326	**2,427,178,945**	**564,818,100**	**4,490,564,203**	**6,177,225,6**
31 December 2023					
Accounts payable	223,255,947	223,255,947	--	--	
Other non-current liabilities	42,697,177	--	--	22,991,278	19,619,8
Other liabilities	479,852,148	479,852,148	--	--	
Due to related parties	102,087,353	102,087,353	--	--	
Lease liabilities	3,168,270,116	340,891,212	153,883,976	262,440,390	809,580,6
Loans and borrowings	8,986,704,156	1,254,349,593	2,185,961,624	5,002,159,747	1,169,005,1
	13,002,866,897	2,400,436,253	2,339,845,600	5,287,591,415	1,998,205,6

All amounts ar

30. Financial instruments – fair values and risk management (continued)

C. Financial risk management (continued)

iii. Market risk

Market risk is the risk that changes in market prices, such as currency rates and interest rates that will affect the Group's profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Commission rate risk
Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates. The Group has no significant commission bearing long-term assets, but has commission bearing liabilities at 31 December 2024 and at 31 December 2023. The Group manages its exposure to commission rate risk by continuously monitoring movements in commission rates.

The following table demonstrates the sensitivity of the Group to a reasonably possible change, with all other variables held constant, of the Groups profit before zakat (through the impact on floating rate borrowings):

(Loss)/gain through the consolidated statement of profit or loss	**31 December 2024**	31 December 2023
Floating rate debt:		
SIBOR/SOFR +100bps	**(63,427,473)**	(38,991,316)
SIBOR/SOFR -100bps	**63,427,473**	38,991,316

Real estate risk
The Group has identified the following risks associated with the real estate portfolio:

- The cost of the development projects may increase if there are delays in the planning process. The Group uses advisors who are experts in the specific planning requirements in the project's location in order to reduce the risks that may arise in the planning process.
- A major tenant may become insolvent causing a significant loss of rental income and a reduction in the value of the associated property. To reduce this risk, the Group reviews the financial status of all prospective tenants and decides on the appropriate level of security required via rental deposits or guarantees.

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises from recognized assets and liabilities which are denominated in currency that is not Group's functional currency. The Group has certain US Dollar denominated financial liabilities which are not exposed to significant currency risk as Group's functional currency is pegged to US Dollar.

All amounts are presented in Saudi Riyals unless otherwise stated.

30. Financial instruments – fair values and risk management (continued)

C. Financial risk management (continued)

iv. Capital management risk

The Board's policy is to maintain an efficient capital base as to maintain investor, creditor and market confidence and to sustain future development of its business.

The Group's objectives when managing capital are:

iii. to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

iv. to provide an adequate return to shareholders

The Group monitors capital using a ratio of 'net debt' to 'equity'. Net debt is calculated as total liabilities less cash and cash equivalents and short-term investments held for trading. The Group's net debt to equity ratio at 31 December 2024 and 31 December 2023 was as follows.

	31 December 2024	31 December 2023
Total liabilities	**16,624,509,056**	13,439,259,317
Cash and cash equivalents	**(670,342,011)**	(84,995,834)
Other investments	**(255,949,188)**	(303,026,022)
Net debt	**15,698,217,857**	13,051,237,461
Total equity	**14,828,036,823**	14,311,968,103
Net debt to equity	**1.06**	0.91

31. Commitments and contingencies

	Note	**31 December 2024**	31 December 2023
Commitments			
Commitments for projects under construction	*(i)*	**4,376,754,571**	4,173,329,989
Outstanding bank guarantees		**11,164,208**	10,000,000

i. These commitments pertain to construction of shopping malls across the Kingdom of Saudi Arabia.

32. Standards new currently effective requirements and standards issued but not yet effective

In addition to note 6, the group has also applied the following standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2024. These amendments do not have significant impact in the Group's consolidated interim financial statements.

- Amendments to IFRS 16 – Lease Liability in a sale and leaseback
- Amendments to IAS 1 - Non-current liabilities with covenants and Classification of Liabilities as Current or Non-current Amendments
- Amendments to IAS 7 and IFRS 7 - Supplier finance arrangements

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted them in preparing these consolidated financial statements. These amendments are not expected to have a significant impact in the Group's consolidated financial statements.

- Amendments to IAS 21 - Lack of Exchangeability
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
- IFRS 18, Presentation and Disclosure in Financial Statements

All amounts are presented in Saudi Riyals unless otherwise stated.

33. Summarized financial information of material subsidiaries

The following are the summarized financial statements of material subsidiaries consolidated within the Group financial statements:

	Al-Qasseem Company for Entertainment and Commercial Projects Owned by Abdulmohsin AlHokair and Company	**Riyadh Real Estate Development Funds Jawharat Jeddah**	**Riyadh Real Estate Development Funds Jawharat Riyadh**	**Derayah Destination Arabia Diversified Fund(i)**
31 December 2024				
Assets				
Investment properties	**153,678,756**	**2,783,011,705**	**3,848,078,294**	--
Cash and cash equivalents	--	**27,615,276**	**88,418,919**	--
Other assets	**21,890,234**	**170,635,320**	**413,800,940**	
	175,568,990	**2,981,262,301**	**4,350,298,153**	--
Liabilities				
Loans and borrowings	--	**458,970,644**	**621,575,075**	--
Lease liabilities	**54,041,050**	--	--	--
Other liabilities	**10,836,574**	**34,071,378**	**24,869,622**	--
	64,877,624	**493,042,022**	**646,444,697**	--
Net assets	**110,691,366**	**2,488,220,279**	**3,703,853,456**	--
Non-controlling interest	**42,329,490**	--	--	--

	Al-Qasseem Company for Entertainment and Commercial Projects Owned by Abdulmohsin AlHokair and Company	Riyadh Real Estate Development Funds Jawharat Jeddah	Riyadh Real Estate Development Funds Jawharat Riyadh	Derayah Destination Arabia Diversified Fund
31 December 2023				
Assets				
Investment properties	160,141,662	1,764,951,091	2,627,238,354	--
Cash and cash equivalents	--	7,686,796	39,106,855	11,693,456
Other assets	16,290,634	6,337,855	341,634,976	--
	176,432,296	1,778,975,742	3,007,980,185	11,693,456
Liabilities				
Loans and borrowings	--	124,750,490	433,307,586	--
Lease liabilities	65,979,516	--	--	--
Other liabilities	8,007,260	6,898,538	14,139,402	10,335,250
	73,986,776	131,649,028	447,446,988	10,335,250
Net assets	102,445,520	1,647,326,714	2,560,533,197	1,358,206
Non-controlling interest	35,489,746	--	--	--

Year ended 31 December 2024				
Statement of profit or loss				
Revenue	**47,986,838**	--	--	--
Gross profit	**34,953,145**	--	--	--
Profit / (loss) for the year	**14,527,035**	**58,557,109**	**218,241,449**	**(8,152)**
Loss allocated to NCI	**7,263,517**	--	--	--

All amounts are presented in Saudi Riyals unless otherwise stated.

33. Summarized financial information of material subsidiaries (continued)

year ended 31 December 2023				
Statement of profit or loss				
Revenue	45,831,281	--	--	--
Gross profit	32,483,529	--	--	--
Profit / (loss) for the year	(27,986,073)	74,228,306	258,308,879	(5,656,881)
Profit allocated to NCI	(13,993,037)	--	--	--

(i) As of 31 December 2024, Derayah Destination Arabia Diversified Fund is under liquidation.

(ii) The carrying amount of the subsidiary's investment properties has been adjusted to reflect their fair value based on independent external valuations in order to comply with the Group Accounting Policy.

34. Subsequent events

- Subsequent to the year end, the Company has transferred the title deed of one of the property currently classified as "Assets held for sale".
- On 10 March 2025, the Board of Directors resolved to distribute dividends for the third quarter of the year ended 31 December 2024 amounting to SR 0.375 per share aggregating to SR 178,125,000.

35. Comparative financial information

- Comparative figure of SR 9,681,804 in the consolidated statement of financial position as at 31 December 2023 has been reclassified from Account receivables to Prepayments and other assets.
- Comparative figure of SR 88,214,078 in the consolidated statement of financial position as at 31 December 2023 has been reclassified from Account payable to other liabilities.

36. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors for issuance on 10 Ramadan 1446H (corresponding to 10 March 2025).

All amounts are presented in Saudi Riyals unless otherwise stated.