ARABIAN CENTRES COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim financial statements
(Unaudited)
For the three-month period ended 31 March 2024
together with the
Independent Auditor's Review Report

Contents **Pages**

Notes to the Condensed consolidated interim financial statements index

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

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Arabian Centres Company

Introduction

We have reviewed the accompanying 31 March 2024 condensed consolidated interim financial statements of **Arabian Centres Company** ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 31 March 2024;
- the condensed consolidated statement of profit or loss for the three-month period ended 31 March 2024
- the condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2024;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2024;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2024; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Arabian Centres Company (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2024 condensed consolidated interim financial statements of **Arabian Centres Company and its subsidiaries** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

Hani Hamzah A. Bedairi
License No: 460

Riyadh, on 12 Dhu al-Qi'dah 1445H
Corresponding to: 20 May 2024

Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of financial position
As at 31 March 2024

	Notes	**31 March 2024 Unaudited**	31 December 2023 Unaudited
Assets			
Investment properties	*8*	**25,609,625,873**	25,333,791,089
Property and equipment		**57,104,757**	56,647,114
Accrued revenue – non-current portion		**182,196,175**	157,058,122
Investment in equity accounted investee	*9A*	**79,263,593**	78,634,195
Investment at FVTPL	*9B*	**81,576**	81,576
Other non-current assets		**18,272,712**	18,681,804
Non-current assets		**25,946,544,686**	25,644,893,900
Development properties		**353,531,069**	353,531,069
Accrued revenue		**94,164,794**	78,529,061
Accounts receivable and others		**497,420,238**	464,470,288
Amounts due from related parties	*11*	**523,361,355**	483,752,516
Prepayments and other assets		**166,273,103**	128,104,372
Other investments	*9C*	**303,026,022**	303,026,022
Cash and cash equivalents	*10*	**577,610,800**	84,995,834
		2,515,387,381	1,896,409,162
Asset held for sale	*8A*	**209,924,358**	209,924,358
Current assets		**2,725,311,739**	2,106,333,520
Total assets		**28,671,856,425**	27,751,227,420
Equity			
Share capital		**4,750,000,000**	4,750,000,000
Share premium		**411,725,703**	411,725,703
Statutory reserve		**873,992,101**	873,992,101
Other reserves		**5,245,193**	4,106,041
Retained earnings		**8,053,501,491**	8,231,652,970
Equity attributable to the shareholders of the Company		**14,094,464,488**	14,271,476,815
Non-controlling interest		**47,784,909**	40,491,288
Total equity		**14,142,249,397**	14,311,968,103
Liabilities			
Loans and borrowings	*13*	**9,453,086,897**	5,881,705,199
Lease liabilities		**2,775,788,389**	2,839,886,903
Employee benefits		**37,102,253**	35,809,551
Other non-current liabilities		**35,331,867**	42,697,177
Non-current liabilities		**12,301,309,406**	8,800,098,830
Loans and borrowings – current portion	*13*	**427,749,921**	3,104,998,958
Lease liabilities – current portion		**363,915,195**	328,383,213
Accounts payable and other liabilities		**1,108,503,303**	703,108,095
Provision		**--**	30,000,000
Amount due to related parties	*11*	**6,109,513**	102,087,353
Unearned revenue		**242,635,495**	302,198,673
Zakat liabilities		**79,384,195**	68,384,195
Current liabilities		**2,228,297,622**	4,639,160,487
Total liabilities		**14,529,607,028**	13,439,259,317
Total equity and liabilities		**28,671,856,425**	27,751,227,420

The attached notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors, on behalf of the Shareholders, on 7 Dhu al-Qi'dah 1445H (corresponding to 15 May 2024) and signed on its behalf by:

Frederik Foussat	**Alison Rehill-Erguven**	
Chief Financial Officer	*Chief Executive Officer*	*Board Member*

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of profit or loss
For the three-month period ended 31 March 2024

	Notes	**Three-month period ended 31 March 2024 Unaudited**	Three-month period ended 31 March 2023 Unaudited
Revenue	*14*	**585,756,381**	576,782,088
Cost of revenue - Direct costs		**(98,716,847)**	(89,094,807)
Gross profit		**487,039,534**	487,687,281
Other operating income	*15*	**1,515,649**	267,880,734
Net fair value gain/(loss) on investment properties	*8*	**50,680,322**	(51,741,101)
Advertisement and promotion expenses		**(11,861,161)**	(13,770,659)
General and administrative expenses		**(59,503,466)**	(85,357,495)
Impairment loss on accounts receivable and accrued revenue rentals		**(97,091,596)**	(114,616,471)
Other operating expenses		**(102,609)**	--
Operating profit		**370,676,673**	490,082,289
Finance costs over loans and borrowings		**(139,076,092)**	(60,331,122)
Finance costs over lease liabilities		**(34,334,425)**	(26,420,418)
Total finance costs		**(173,410,517)**	(86,751,540)
Share of loss of equity-accounted investee	*9A*	**(632,992)**	(2,945,484)
Profit before zakat		**196,633,164**	400,385,265
Zakat charge		**(11,000,000)**	(12,367,571)
Profit for the period		**185,633,164**	388,017,694
Profit for the period is attributable to:			
Shareholders of the Company		**178,339,543**	383,348,214
Non-controlling interest		**7,293,621**	4,669,480
		185,633,164	388,017,694
Earnings per share			
Basic and diluted earnings per share	*16*	0.38	0.81

The attached notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements.

Frederik Foussat
Chief Financial Officer

Alison Rehill-Erguven
Chief Executive Officer

Board Member

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of comprehensive income
For the three-month period ended 31 March 2024

		Three-month period ended	
	Notes	**31 March 2024 Unaudited**	31 March 2023 Unaudited
Profit for the period		**185,633,164**	388,017,694
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Cash flow hedges – effective portion of change in fair value		--	80,794
Foreign currency translation difference of equity accounted investee		**154,084**	--
Items that will not be reclassified to profit or loss:			
Remeasurement of end of service liability		--	--
Total comprehensive income for the period		**185,787,248**	388,098,488
Total comprehensive income for the period attributable to:			
Shareholders of the Company		**178,493,627**	383,429,008
Non-controlling interests		**7,293,621**	4,669,480
		185,787,248	388,098,488

The attached notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements.

Frederik Foussat
Chief Financial Officer

Alison Rehill-Erguven
Chief Executive Officer

Board Member

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of changes in equity
For the three-month period ended 31 March 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 January 2023 – Audited		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 for the period									
Profit for the period		--	--	--	--	383,348,214	383,348,214	4,669,480	388,017,694
Other comprehensive income		--	--	--	80,794	--	80,794	--	80,794
Total comprehensive income for the period		--	--	--	80,794	383,348,214	383,429,008	4,669,480	388,098,488
Transactions with shareholders of the company									
Dividends	*12*	--	--	--	--	(356,250,000)	(356,250,000)	--	(356,250,000)
Balance at 31 March 2023 – Unaudited		4,750,000,000	411,725,703	722,492,544	16,592,093	8,145,486,590	14,046,296,930	54,152,263	14,100,449,193
Balance at 1 January 2024 – Audited		**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 period									
Profit for the period		--	--	--	--	**178,339,543**	**178,339,543**	**7,293,621**	**185,633,164**
Other comprehensive income		--	--	--	**154,084**	--	**154,084**	--	**154,084**
Total comprehensive income for the period		--	--	--	**154,084**	**178,339,543**	**178,493,627**	**7,293,621**	**185,787,248**
Deficit on sale of treasury shares		--	--	--	--	**(241,022)**	**(241,022)**	--	**(241,022)**
Transactions with shareholders of the company									
Treasury shares acquired		--	--	--	**985,068**	--	**985,068**	--	**985,068**
Dividends	*12*	--	--	--	--	**(356,250,000)**	**(356,250,000)**	--	**(356,250,000)**
Balance at 31 March 2024 – Unaudited		**4,750,000,000**	**411,725,703**	**873,992,101**	**5,245,193**	**8,053,501,491**	**14,094,464,488**	**47,784,909**	**14,142,249,397**

The attached notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements.

Frederik Foussat
Chief Financial Officer

Alison Rehill-Erguven
Chief Executive Officer

Board Member

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of cash flows (continued)
For the three-month period ended 31 March 2024

	Notes	**Three-month period ended 31 March 2024 Unaudited**	Three-month period ended 31 March 2023 Unaudited
Cash flows from operating activities:			
Profit before Zakat		**196,633,164**	400,385,265
Adjustments for:			
- Depreciation on property and equipment		**3,647,412**	4,194,792
- Impairment loss on accounts receivable and accrued revenue rentals		**97,091,596**	114,616,471
- Provision for employee benefits		**2,421,451**	1,807,885
- Finance cost over loans and borrowings		**139,076,092**	60,331,122
- Finance cost over lease liabilities		**34,334,425**	26,420,418
- Share of loss of equity-accounted investee	*9A*	**632,992**	2,945,484
- Gain on disposal of investment property	*15*	**--**	(238,668,127)
- Gain on lease termination	*15*	**--**	(16,439,631)
- Lease rental concession		**(937,500)**	(937,500)
- Net fair value (gain) / loss on investment properties	*8*	**(50,680,322)**	51,741,101
		422,219,310	406,397,280
Changes in:			
- Accounts receivable		**(58,167,793)**	(87,510,412)
- Amounts due from related parties, net		**(179,990,161)**	3,414,082
- Prepayments and other assets		**(38,168,731)**	(22,301,776)
- Accounts payable and other liabilities		**(71,736,591)**	58,194,684
- Accrued revenue		**(67,834,966)**	5,936,171
- Unearned revenue		**(59,563,178)**	80,096,042
- Additions to development properties		**--**	(5,228,421)
- Short term bank deposit		**--**	(28,750,000)
Cash (used in) / generated from operating activities		**(53,242,110)**	410,247,650
Employee benefits paid		**(1,128,749)**	(476,153)
Zakat paid		**--**	(8,120,594)
Net cash (used in) / from operating activities		**(54,370,859)**	401,650,903
Cash flows from investing activities:			
Additions to investment properties, net		**(144,452,401)**	(621,951,401)
Acquisition of equity-accounted investee and others		**(1,108,306)**	(10,645,544)
Acquisition of property and equipment		**(4,105,055)**	(2,869,316)
Proceeds from disposal of investment property	8	**--**	644,548,184
Net cash (used in) / from investing activities		**(149,665,762)**	9,081,923
Cash flows from financing activities:			
Proceeds from loans and borrowings	*13*	**6,133,444,212**	207,260,289
Payments of loans and borrowings	*13*	**(5,202,421,869)**	--
Transaction costs paid during the period	*13*	**(88,521,938)**	(10,000,000)
Payment of finance costs over loans and borrowings		**(74,987,837)**	--
Payment of dividend to shareholders		**--**	(356,250,000)
Repurchase of treasury shares		**(310,048,840)**	--
Proceeds from sale of treasury shares		**310,792,886**	--
Payments of lease liabilities - principal portion		**(27,629,032)**	--
Payments of lease liabilities - interest portion		**(43,975,995)**	(23,163,261)
Net cash from / (used in) financing activities		**696,651,587**	(182,152,972)
Net increase in cash and cash equivalents		**492,614,966**	228,579,854
Cash and cash equivalents at the beginning of period		**84,995,834**	610,445,796
Cash and cash equivalents at end of the period		**577,610,800**	839,025,650

The attached notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements.

Frederik Foussat	**Alison Rehill-Erguven**	
Chief Financial Officer	*Chief Executive Officer*	*Board Member*

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 Muharram 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. For certain provisions of the New Law and the amended CMA implementing regulations, full compliance is expected not later than two years from 26/6/1444H (corresponding to January 19, 2023). The management is in process of assessing the impact of the New Law and will amend its By-laws with the amendments in the provisions required 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. Consequently, the Company shall present the amended By-laws to the shareholders in its Extraordinary General Assembly meeting for their ratification.

At 31 March 2024 the Group has net current assets of SR 0.5 billion (31 December 2023: net current liabilities SR 2.5 billion) The Group's liquidity position improved during the current period on account of restructuring of financing facilities. Refer note 13 for details.

1. REPORTING ENTITY (CONTINUED)

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

No	Subsidiaries	Country of incorporation	Direct ownership interest held by the Group as at:		ndirect ownership interest held by the Group as at:		Share Capital (SR)	Number of shares issued
			31 March 2024	31 December 2023	31 March 2024	31 December 2023		
1	Al Bawarij International for Development & Real Estate Investment Company	Kingdom of Saudi Arabia	**95%**	**95%**	--	--	500,000	500
2	Al Makarem International for Real Estate Development Company	Kingdom of Saudi Arabia	**95%**	**95%**	--	--	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%**	--	--	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%**	--	--	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%**	--	--	500,000	500
10	Al Yasmeen Mall Trading Company Limited	Kingdom of Saudi Arabia	**95%**	**95%**	--	--	100,000	100
11	Al Hamra Mall Trading Company Limited	Kingdom of Saudi Arabia	**95%**	**95%**	--	--	100,000	100
12	Al Erth Al Rasekh Trading Company Limited	Kingdom of Saudi Arabia	**95%**	**95%**	5%	5%	100,000	100
13	Derayah Destination Arabia Diversified Fund	Kingdom of Saudi Arabia	**100%**	**100%**	--	--	--	--
14	Riyad Real Estate Development Fund – Jawharat AlRiyadh *(i)*	Kingdom of Saudi Arabia	**100%**	**100%**	--	--	--	--
15	Riyad Real Estate Development Fund – Jawharat Jeddah *(ii)*	Kingdom of Saudi Arabia	**100%**	**100%**	--	--	--	--

i) The Group invested in a newly established 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 newly established 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.**

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim 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 these condensed consolidated interim financial statements in conformity with IFRS that are endorsed in the Kingdom of Saudi Arabia, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the latest annual consolidated financial statements.

6. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the latest annual consolidated financial statements as at and for the year ended 31 December 2023. A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning on 1 January 2024, however, they did not have any impact on the condensed consolidated interim financial statements.

Following are the new 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 condensed 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

7. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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 condensed consolidated interim financial statements. These amendments are not expected to have significant impact in the Group's condensed consolidated interim 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

8. INVESTMENT PROPERTIES

	Notes	**31 March 2024 Unaudited**	31 December 2023 Audited
Investment properties	*8A*	**24,665,307,293**	24,427,232,699
Advance payment for projects under construction	*8B*	**944,318,580**	906,558,390
		25,609,625,873	25,333,791,089

A. Investment properties

	Notes	**31 March 2024 Unaudited**	31 December 2023 Audited
Balance at the beginning of the period / year		**24,637,157,057**	22,751,694,378
Additions during the period / year		**187,394,272**	1,305,400,862
Lease addition during the period / year		--	534,208,206
Disposal during the period / year	*(i)*	--	(405,880,057)
Impact of reassessment of lease		--	81,804,409
Net fair value gain on investment properties	*(ii)*	**50,680,322**	369,929,259
Balance at the end of the period / year	*(vi)*	**24,875,231,651**	24,637,157,057
Presented in condensed consolidated statement of financial position as:			
Investment properties		**24,665,307,293**	24,427,232,699
Assets held for sale	*(iii)*	**209,924,358**	209,924,358
		24,875,231,651	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 condensed 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 ended 31 December 2023 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. 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 will file a claim for reimbursement with the insurers.

v. 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.

8. INVESTMENT PROPERTIES (CONTINUED)

A. Investment properties (continued)

vi. 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 period ended 31 March 2024, the Group capitalized finance costs amounting to SR 68 million (31 March 2023: SR 79 million).

vii. The carrying amount at reporting date includes the fair value for following:

	31 March 2024 Unaudited	31 December 2023 Audited
Shopping malls on owned lands	**11,892,810,941**	11,929,917,260
Shopping malls on leasehold lands	**6,424,916,759**	6,644,698,513
Owned lands/buildings held as investment properties	**339,113,254**	335,776;375
Projects under construction – Fair value	**6,218,390,697**	5,726,764,909
	24,875,231,651	24,637,157,057

viii. Fair value of investment properties

a) *Fair value hierarchy*

The fair value measurement for investment property of SR 24,875 million (31 December 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 2023 and 31 March 2024 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, ValuStart and NATA Real Estate Appraisal Company. As per the CMA regulations for annual reporting, 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 March 2024

Property	**Fair value SR million**	**Valuation technique**	**Significant unobservable input**	**Range**
Shopping Malls	**18,318**	Discounted cash flows	Occupancy (%) Future rent growth (%) Discount rate (%)	**66% - 100%** **2%-5%** **10% - 21%**
Properties under construction	**6,218**	Discounted cash flows	Occupancy (%) Future rent growth (%) Discount rate (%)	**90%-95%** **2%** **12% - 16%**
Owned land	**339**	Comparable transaction	Average price (SR /sqm)	**210 – 8,375**

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

8. INVESTMENT PROPERTIES (CONTINUED)

A. Investment properties (continued)

vi. Fair value of investment properties (continued)

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

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

c) *Reconciliation of 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 March 2024	31 December 2023
Fair value of land and buildings as per fair valuer	**22,231,113,253**	21,896,776,377
Less: Adjustment for accrued operating lease income	**(276,360,969)**	(235,587,183)
Add: carrying amount of lease liabilities	**2,920,479,367**	2,975,967,863
Total carrying amount of investment properties	**24,875,231,651**	24,637,157,057

vii. Amounts recognized in profit or loss for investment property that generated income.

	Three-month period ended	
	31 March 2024 Unaudited	31 March 2023 Unaudited
Revenue from investment property	**585,756,381**	576,782,088
Direct operating expenses on properties that generated rental income	**98,716,847**	89,094,807

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

Discounted cash flows	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.

8. INVESTMENT PROPERTIES (CONTINUED)

B. Advance payments for projects under construction

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

			Construction work services received		Balances	
Name of related party	Business status	Relationship	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023	31 March 2024 Unaudited	31 December 2023 Audited
Lynx Contracting Company	Limited Liability	Fellow Subsidiary	**212,395,158**	99,450,163	**943,086,238**	905,103,726
Others					**1,232,342**	1,454,664
					944,318,580	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 contracts 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.

9. INVESTMENT IN EQUITY ACCOUNTED INVESTEE AND OTHERS

	Note	31 March 2024	31 December 2023
Investment in joint venture and associate	*9A*	**79,263,593**	78,634,195
Investments at FVTPL	*9B*	**81,576**	81,576
Other investment	*9C*	**303,026,022**	303,026,022
		382,371,191	381,741,793

A. Investment in Joint venture and associate

Name of an entity	*Note*	31 March 2024 Unaudited	31 December 2023 Audited
FAS Lab Holding Company (Joint Venture)	*(i)*	**79,013,593**	78,384,195
Khozam Mall Real Estate Development Company (Joint venture)	**(ii)**	**250,000**	250,000
		79,263,593	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 March 2024	**78,384,195**	**1,108,306**	**(632,992)**	**154,084**	**79,013,593**
31 December 2023	63,714,723	24,978,845	(10,870,750)	561,377	78,384,195

9. INVESTMENT IN EQUITY ACCOUNTED INVESTEE AND OTHERS (CONTINUED)

A. Investment in Joint venture and associate (continued)

Summarized financial statements – FAS Lab Holding Company

	31 March 2024	31 December 2023
Assets	**337,587,123**	309,698,148
Liabilities	**(152,078,067)**	(129,448,843)
Net Assets	**185,509,056**	180,249,305
Net assets attributable to owners of investee	**146,267,758**	142,735,591
Share of net assets (50%)	**73,133,879**	71,367,796
Adjustments – Due to additional contribution	**5,879,714**	7,016,399
Carrying amount of investee	**79,013,593**	78,384,195

	31 March 2024	31 March 2023
Revenue	**169,640,516**	114,673,253
Profit / (Loss) from continuing operations	**1,047,907**	(3,712,196)
Total comprehensive income / (loss)	**1,047,907**	(3,229,493)
Loss for the period attributable to shareholders of the Company	**(1,265,984)**	(3,866,628)
Share of loss for the period	**(632,992)**	(2,945,484)

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 2023 and is yet to commence commercial operations.

B. Investment at FVTPL

Name of the real estate fund	**31 March 2024 Unaudited**	31 December 2023 Audited
Al Jawhara Real Estate Fund *(i)*	**81,576**	81,576

i. This represents 0.03% equity investment in Al Jawhara Real Estate Fund (formerly known as Digital City Fund) purchased for SR 6.8 million. As at 31 March 2024, the net asset value (NAV) of the investment amounted to SR 0.08 million (31 December 2023: SR 0.08 million) and no unrealized fair value loss is recognized in the condensed consolidated statement of profit or loss (31 March 2023: Nil). During the year ended 31 December 2023, the fund has divested its investment portfolio of SR 0.77 million.

C. Other investment

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

	31 March 2024	31 December 2023
Balance at beginning of the period / year	**303,026,022**	--
Additions	--	322,274,093
Disposals	--	(26,196,322)
Fair value change	--	6,948,251
Balance at end of the period / year	**303,026,022**	303,026,022

	31 March 2024	31 December 2023
Proceed	--	26,600,000
Carrying amount	--	(26,196,322)
Gain on disposal	--	403,678

10. CASH AND CASH EQUIVALENTS

	31 March 2024 Unaudited	31 December 2023 Audited
Bank balances – current accounts	**576,690,804**	84,125,834
Cash in hand	**919,996**	870,000
	577,610,800	84,995,834

11. RELATED PARTY TRANSACTIONS AND BALANCES

For the purpose of these consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, and vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or 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 remunerations of directors and other key management personnel ('KMP') during the three-month period ended 31 March are as follows:

	31 March 2024 Unaudited	31 March 2023 Unaudited
End of service benefits	**5,661,134**	4,575,597
Salaries and short-term benefits	**8,736,372**	3,526,989
Total key management compensation	**14,397,506**	8,102,586

B. Related party transactions and balances

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

	31 March 2024 Unaudited	31 December 2023 Audited
Amount due from related parties (i)	**523,361,355**	483,752,516
Amount due to related parties	**(6,109,513)**	(102,087,353)

(i) Amount due from related parties	**567,764,834**	483,752,516
Expected credit losses (Refer note 18C)	**(44,403,479)**	-
	523,361,355	483,752,516

11. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

B. Related party transactions and balances (continued)

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

			Transactions for year / period				Balance as at	
Name of related party	**Note**	**Business status**	**Rental income and other fees / services**	**Services received**	**Others**	**Total**	**Due from**	**Due to**
31 March 2024								
Transactions with ultimate parent								
Saudi FAS Holding Company	(i)	Closed Joint Stock Company	**823,359**	--	--	**823,359**	**10,097,495**	--
Transactions with fellow subsidiaries								
Fawaz Abdulaziz Al Hokair Company and its subsidiaries	(ii)	Joint Stock Company	**78,008,597**	--	--	**78,008,597**	**314,968,007**	--
Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries	(iii)	Joint Stock Company	**6,873,454**	--	--	**6,873,454**	**27,841,008**	--
Salman & Sons Holding Co and its associates	(iv)	Limited Liability Company	**6,259,368**	--	--	**6,259,368**	**50,791,719**	--
Majd Al Amal Co. Limited and its associates	(v)	Limited Liability Company	**4,823,973**	--	--	**4,823,973**	**12,162,853**	--
Tadaris Alnajd Security Company	(vi)	Limited Liability Company	--	**(15,451,599)**		**(15,451,599)**	**9,349,815**	--
Ezdihar Holding Co and its subsidiaries	(vii)	Limited Liability Company	**9,910,415**	--	--	**9,910,415**	**110,864,798**	--
Lynx Contracting Company	(xi)	Limited Liability Company	--	--	--	--	--	--
Others, net	(viii)	Limited Liability Companies	**2,066,593**	--	--	**2,066,593**	**31,689,139**	**(6,109,513)**
			108,765,759	**(15,451,599)**		**93,314,160**	**567,764,834**	**(6,109,513)**
31 December 2023								
Transactions with ultimate parent								
Saudi FAS Holding Company	(i)	Closed Joint Stock Company	822,676	--	--	822,676	8,401,207	--
Transactions with fellow subsidiaries								
Fawaz Abdulaziz Al Hokair Company and its subsidiaries	(ii)	Joint Stock Company	91,758,957	--	--	91,758,957	246,035,225	--
Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries	(iii)	Joint Stock Company	5,638,931	--	--	5,638,931	24,116,051	--
Salman & Sons Holding Co and its associates	(iv)	Limited Liability Company	14,975,335	--	--	14,975,335	71,048,857	--
Majd Al Amal Co. Limited and its associates	(v)	Limited Liability Company	5,853,487	--	--	5,853,487	5,244,635	--
Tadaris Alnajd Security Company	(vi)	Limited Liability Company	--	(15,527,830)	--	(15,527,830)	8,164,179	--
Ezdihar Holding Co and its subsidiaries	(vii)	Limited Liability Company	12,568,846			12,568,846	92,784,508	--
Lynx Contracting Company	(xi)	Limited Liability Company	--	--	--	--	--	(94,791,180)
Others, net	(viii)	Limited Liability Companies	1,615,969	(3,175,244)	(824,052)	(2,383,327)	27,957,854	(7,296,173)
			133,234,201	(18,703,074)	(824,052)	113,707,075	483,752,516	(102,087,353)

12. DIVIDENDS DISTRIBUTION

31 March 2024

i. On 25 March 2024, the Board of Directors resolved to distribute an interim dividend for the first half of period 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.

31 March 2023

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

13. LOANS AND BORROWINGS

	Note	**31 March 2024**	31 December 2023
Islamic facilities with banks			
- Facility 1	*(i)*	**3,815,507,945**	3,286,561,312
- Facility 2	*(ii)*	**563,752,360**	558,058,069
Sukuk	*(iii)*	**5,501,576,513**	5,142,084,776
	13 B	**9,880,836,818**	8,986,704,157
Loans and Borrowings - Current liabilities		**427,749,921**	3,104,998,958
Loans and Borrowings - Noncurrent liabilities		**9,453,086,897**	5,881,705,199
		9,880,836,818	8,986,704,157

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note *18*.

A. Terms and repayment

(i) *Facility 1*

During the period ended 31 March 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 4 years) These term Murabaha facilities are fully utilized and Revolving Murabaha facility is partially 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 pledges of insurance policies and proceeds of rental income as well as security over land and buildings of several malls with carrying amount of **SR 7.5 billion.**

(ii) *Facility 2*

During the period ended 31 March 2024, the Group has drawn-down SR 6 million (period ended 31 December 2023: SR 508 million) from the facilities. The facility is non-recourse to the Company. During the period ended 31 March 2024, a subsidiary of the Group has entered into a long-term facility arrangement amounting to SR 350 million from National Development Fund. 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.

13. LOANS AND BORROWINGS (CONTINUED)

(iii) Sukuk

During the period ended 31 March 2024, the Company issued Shari'ah compliant Sukuk amounting to **USD 600 million** (equivalent SR 2,250 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 period ended 31 March 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.

On 20 November 2019, Arabian Centres Sukuk Limited (a special purpose company established for the purpose of issuing Sukuk) issued an International USD denominated Shari'ah compliant Sukuk "Sukuk Certificates" amounting to USD 500 million (equivalent SR 1,875 million), at a par value of USD 0.2 million each, annual yield of 5.375% payable semi-annually and a maturity of five years. Sukuk Certificates may be subject to early redemption at the option of the Company as per certain specified conditions mentioned in the Sukuk Certificate. This Sukuk has been fully redeemed during the period ended 31 March 2024.

B. Reconciliation of carrying amount

		Islamic facility with banks			
		Facility 1	Facility 2	Sukuk	Total
Balance at 1 January 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 January 2024		**3,327,471,876**	**571,659,696**	**5,156,200,000**	**9,055,331,572**
Proceeds received during the period		**3,877,749,921**	**5,694,291**	**2,250,000,000**	**6,133,444,212**
Repayments made during the period		**(3,327,471,869)**	**--**	**(1,874,950,000)**	**(5,202,421,869)**
	(i)	**3,877,749,928**	**577,353,987**	**5,531,250,000**	**9,986,353,915**
Un-amortized transaction costs	*(ii)*	**(62,241,983)**	**(13,601,627)**	**(48,010,275)**	**(123,853,885)**
Deferred Sukuk premium	*(iii)*	**--**	**--**	**18,336,788**	**18,336,788**
Balance at 31 March 2024 (unaudited)		**3,815,507,945**	**563,752,360**	**5,501,576,513**	**9,880,836,818**

13. 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	Sukuk	Total
31 December 2023-Audited			
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 March 2024 -Unaudited			
Within one year	**427,749,921**	**--**	**427,749,921**
Between two to five years	**3,576,491,592**	**3,281,200,000**	**6,857,691,592**
More than five years	**450,862,402**	**2,250,050,000**	**2,700,912,402**
	4,455,103,915	**5,531,250,000**	**9,986,353,915**

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

	Islamic facilities with banks			
	Facility *1*	Facility *2*	Sukuk	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 (Unaudited)	**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	**62,878,125**	**--**	**25,643,813**	**88,521,938**
Amortization for the period	**(40,977,940)**	**--**	**(11,609,321)**	**(52,587,261)**
Capitalized arrangement fees	**(568,766)**	**--**	**(288,007)**	**(856,773)**
Balance at 31 March 2024 (Unaudited)	**62,241,983**	**13,601,627**	**48,010,275**	**123,853,885**

iii. Deferred Sukuk premium

This represents the premium received on further issuance of Sukuk II (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:

	Sukuk	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**
Amortization for the period	**(1,811,778)**	**(1,811,778)**
Balance at 31 March 2024	**18,336,788**	**18,336,788**

14. REVENUE

	Note	**Three-month period ended 31 March 2024 Unaudited**	Three-month period ended 31 March 2023 Unaudited
Income from leases			
Rental income	*(i)*	**536,771,813**	532,483,435
Turnover rent		**20,622,210**	18,754,858
Rental income from contracts with customers	*(i)*		
Service and management fee income		**27,337,246**	24,725,410
Commission income on provisions for utilities, net		**1,025,112**	818,385
		585,756,381	576,782,088

i. 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 period ended 31 March 2024 amount to SR 60 million (31 March 2023: SR 62 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:

	Three-month period ended 31 March 2024 Unaudited	Three-month period ended 31 March 2023 Unaudited
Within one year	**1,537,036,603**	1,672,335,372
After one year but not more than five years	**2,309,279,191**	2,010,763,675
More than five years	**1,096,666,199**	284,401,112
	4,942,981,993	3,967,500,159

15. OTHER OPERATING INCOME

	Three-month period ended 31 March 2024 Unaudited	Three-month period ended 31 March 2023 Unaudited
Gain on sale of investment property (Note 8A(i))	--	238,668,127
Gain on termination of lease	--	16,439,631
Recovery of written off receivables	--	10,776,469
Others	**1,515,649**	1,996,507
	1,515,649	267,880,734

16. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit 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. Diluted earnings per share is calculated by adjusting the basic earnings per share for the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	Three-month period ended	
	31 March 2024 Unaudited	31 March 2023 Unaudited
Profit attributable to ordinary shareholders	**178,339,543**	383,348,214
Weighted average number of ordinary shares	**474,941,661**	475,000,000
Basic and diluted earnings per share	**0.38**	0.81

17. 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 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 the consolidated statement of comprehensive income.

All of the Group's operations are conducted in KSA. Hence, geographical information is not applicable in this case.

18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

Financial instruments have been categorized as follows:

Financial Assets	*Notes*	**31 March 2024 Unaudited**	**31 December 2023 Audited**
Other investments	*9*	**303,107,598**	303,107,598
Other financial receivables		**28,361,387**	25,630,126
Amounts due from related parties	*11*	**523,361,355**	483,752,516
Accounts receivable		**497,420,238**	464,470,288
Accrued revenue		**276,360,969**	184,533,815
Cash and cash equivalents	*10*	**577,610,800**	84,995,834
		2,206,222,347	1,546,490,177
Financial Liabilities			
Loans and borrowings	*13*	**9,880,836,818**	8,986,704,157
Lease liabilities		**3,139,703,584**	3,168,270,116
Accounts payable		**276,587,439**	311,470,025
Other liabilities	*(i)*	**687,227,330**	253,333,655
Amount due to related party	*11*	**6,109,513**	102,087,353
Tenants' security deposits		**160,847,816**	167,062,790
		14,151,312,500	12,988,928,096

(i) This includes dividend payable to shareholders amounting to SAR 356.25 million.

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

	31 March 2024- Unaudited				
	Carrying amount	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets					
Investment at FVTPL)					
Al Jawhara Real Estate Fund	**81,576**	--	--	**81,576**	**81,576**
Other Investments					
Riyadh SR Diversified Trade Fund	**303,026,022**	**303,026,022**	--	--	**303,026,022**
Derivatives designated as hedging instruments (b)					

18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

A. Accounting classification and fair values (continued)

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

(a) The valuation is derived based on net asset value of the fund which is based on market multiples derived from comparable companies to the investee and adjusted for non-marketability of the investee.

B. 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 and currency 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, lease liability, 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.

Accounts Receivable

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. 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.

FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (continued)

i. Credit risk (continued)

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 and forecast gross domestic product growth.

The following table provides information about the exposure to credit risk and ECLs for accounts receivable from customers after adjusting with Loss given Default (LGD) ratio as at 31 March 2024 and 31 December 2023.

	31 March 2024-Unaudited		
	Gross Carrying amount	**Weighted-average loss**	**Loss Allowance (%)**
0–90 days	**88,793,560**	**9,493,032**	**10.7%**
91–180 days	**99,588,871**	**19,324,424**	**19.4%**
181–270 days	**91,404,563**	**27,165,883**	**29.7%**
271–360 days	**65,231,580**	**23,897,316**	**36.6%**
361 –450 days	**69,474,265**	**28,783,047**	**41.4%**
451 -540 days	**49,910,656**	**24,105,876**	**48.3%**
541 –630 days	**49,510,989**	**27,040,906**	**54.6%**
631 -720 days	**36,229,946**	**23,012,554**	**63.5%**
More than 720 days	**164,796,569**	**124,620,063**	**75.6%**
	714,940,999	**307,443,101**	

	31 December 2023-Audited		
	Gross Carrying amount	Weighted-average loss	Loss Allowance (%)
0–90 days	83,039,100	9,923,114	11.9%
91–180 days	96,459,059	21,261,842	22.0%
181–270 days	77,277,912	23,971,570	31.0%
271–360 days	76,584,474	27,635,387	36.1%
361 –450 days	56,940,741	24,900,250	43.7%
451 -540 days	60,238,746	28,250,452	46.9%
541 –630 days	37,169,284	21,824,918	58.7%
631 -720 days	25,229,159	16,091,064	63.8%
More than 720 days	148,125,417	111,652,754	75.4%
	661,063,892	285,511,351	

18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (continued)

i. Credit risk (continued)

Accounts Receivable (continued)
During the three-month period ended 31 March 2024, the Group has written off receivables amounting to **SAR 3.7 million** (31 March 2023: Nil million). In addition, the group has directly charged to profit or loss an amount of **SR 27.1 million** (31 March 2023: SR 39.5 million) on account of impairment of accrued revenue.

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. The Group does not hold collateral as a security. The Group evaluates the risk with respect to due from related parties as low, as 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 180 million in 2023. Expected credit losses on receivables from related parties have been assessed and resulting impairment loss of SR 44.4 million has been recognised in respect of these receivables.

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.

18. 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 liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The management believes that the Group is not exposed to significant risks in relation to liquidity and maintains different lines of credit. Upon careful comparison of the financial liabilities included within the current liabilities (excluding amounts due to related parties as these could be deferred during liquidity crunch situation) with the financial assets forming part of the current assets, there seems to be a reasonably hedging position between the two categories.

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

Contractual maturities of financial liabilities:	Carrying amount	Less than 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
31 March 2024-Unaudited							
Accounts payable	**276,587,439**	**276,587,439**	--	--	--	--	**276,587,439**
Tenants' security deposits	**160,847,816**	**100,076,921**	**25,439,027**	**22,294,623**	**12,951,225**	**86,020**	**160,847,816**
Other liabilities	**687,227,330**	**687,227,330**	--	--	--	--	**687,227,330**
Due to related parties	**6,109,513**	**6,109,513**	--	--	--	--	**6,109,513**
Lease liabilities	**3,139,703,584**	**450,951,013**	**141,713,308**	**256,036,890**	**796,296,091**	**4,038,101,710**	**5,683,099,012**
Loans and borrowings	**9,880,836,818**	**357,069,155**	**563,828,896**	**398,320,313**	**7,683,511,898**	**2,700,912,402**	**11,703,642,664**
	14,151,312,500	**1,878,021,371**	**730,981,231**	**676,651,826**	**8,492,759,214**	**6,739,100,132**	**18,517,513,774**
31 December 2023-Audited							
Accounts payable	311,470,025	311,470,025	--	--	--	--	311,470,025
Tenants' security deposits	167,062,790	96,996,647	27,368,966	22,991,278	19,619,879	86,020	167,062,790
Other liabilities	253,333,655	253,333,655	--	--	--	--	253,333,655
Due to related parties	102,087,353	102,087,353	--	--	--	--	102,087,353
Lease liabilities	3,168,270,116	340,891,212	153,883,976	262,440,390	809,580,672	4,096,274,563	5,663,070,813
Loans and borrowings	8,986,704,157	1,254,349,593	2,185,961,624	5,002,159,747	1,169,005,133	874,832,506	10,486,308,603
	12,988,928,096	2,359,128,485	2,367,214,566	5,287,591,415	1,998,205,684	4,971,193,089	16,983,333,239

18. 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 March 2024 and 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):

Gain/(loss) through the condensed consolidated statement of profit or loss	**Three-month period ended 31 March 2024 Unaudited**	Three-month period ended 31 March 2023 Unaudited
Floating rate debt:		
SIBOR +100bps	**(9,694,375)**	(8,666,053)
SIBOR -100bps	**9,694,375**	8,666,053

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.

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 Board of Directors monitor the return on capital employed and the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are:
i) 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
ii) 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 March 2024 was as follows.

19. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (continued)

iv. Capital management risk

	31 March 2024 Unaudited	31 December 2023 Audited
Total liabilities	**14,529,607,028**	13,439,259,317
Cash and cash equivalents	**(577,610,800)**	(84,995,834)
Other investments	**(303,026,022)**	(303,026,022)
Net debt	**13,648,970,206**	13,051,237,461
Total equity	**14,142,249,397**	14,311,968,103
Net debt to equity	**0.97**	0.91

19. COMMITMENTS AND CONTINGENCIES

	Note	31 March 2024 Unaudited	31 December 2023 Audited
Commitments			
Commitments for projects under construction	*(i)*	**5,543,927,028**	4,173,329,989
Outstanding bank guarantees		**10,000,000**	10,000,000

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

20. 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 March 2024				
Assets				
Investment properties	166,044,505	1,687,000,000	2,625,000,000	--
Cash and cash equivalents	--	2,877,388	29,325,612	205,443
Other assets	18,432,305	198,121,053	577,671,593	--
	184,476,810	1,887,998,441	3,231,997,205	205,443
Liabilities				
Loans and borrowings	--	124,750,490	439,001,878	--
Lease liabilities	66,775,622	--	--	--
Other liabilities	7,720,172	8,430,590	6,741,494	205,443
	74,495,794	133,181,080	445,743,372	205,443
Net assets	109,981,016	1,754,817,361	2,786,253,833	--
31 December 2023-Audited				
Assets				
Investment properties	160,141,662	1,701,842,319	2,784,022,624	--
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	1,715,866,970	3,164,764,455	11,693,456

20. SUMMARIZED FINANCIAL INFORMATION OF MATERIAL SUBSIDIARIES (CONTINUED)

	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)
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
Net assets	102,445,420	1,548,217,942	2,717,317,467	1,358,206
Three-month period ended 31 March 2024-Unaudited				
Statement of profit or loss				
Revenue	12,043,574	--	--	--
Gross profit / (loss)	8,766,271	--	--	--
Profit / (loss) for the period	14,590,919	(2,084,050)	(3,673,483)	--
Three-month period ended 31 March 2023-Unaudited				
Statement of profit or loss				
Revenue	10,387,207	--	--	--
Gross profit	8,791,198	(68,639)	(75,119)	--
Profit for the period	9,338,960	(1,235,757)	260,786,663	(9,005)

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

21. SUBSEQUENT EVENTS

On 15 May 2024, the Board of Directors resolved to distribute dividends for the first quarter of the year ended 31 December 2024 amounting to SR 0.375 per share aggregating to SR 178,125,000.

22. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved by the Board of Directors for issuance on 7 Dhu al-Qi`dah 1445H (corresponding to 15 May 2024).