

**Al-Andalus Property Company
(A Saudi Joint Stock Company)
Condensed Consolidated Interim Financial Statements (Unaudited)
FOR THE THREE MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE
2022**

**Together with
Independent Auditor's REVIEW REPORT**

Al-Andalus Property Company
(A Saudi Joint Stock Company)
Condensed Consolidated Interim Financial Statements (Unaudited)
and independent AUDITOR'S REVIEW REPORT
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2022

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كي بي إم جي للاستشارات المهنية

واجهة الرياض، 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 Al-Andalus Property Company (Saudi Joint stock Company)

Introduction

We have reviewed the accompanying 30 June 2022 condensed consolidated interim financial statements of Al-Andalus Property Company (the "Company") and its subsidiaries (the "Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2022,
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2022;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2022,
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2022, 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 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 the International Standards on Auditing as 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 (continued)

To the Shareholders of Al-Andalus Property Company (Saudi Joint stock Company)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2022 condensed consolidated interim financial statements of Al-Andalus Property 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.

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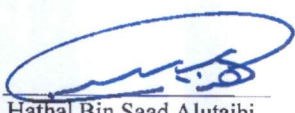
Khalil Ibrahim Al Sedais
License No. 371


Riyadh, 13 Muhurram 1444H
Corresponding to: 11 August 2022

Al-Andalus Property Company
(A Saudi Joint Stock Company)
Condensed Consolidated Interim Statement of Financial Position (Unaudited)
As at 30 June 2022
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
<u>ASSETS</u>			
Non-current assets			
Investment properties	6	994,476,103	976,765,133
Property and equipment	7	147,242,743	149,938,402
Right of use assets		79,881,293	82,957,021
Investment in equity accounted investees	8	526,347,692	521,004,741
Total non-current assets		1,747,947,831	1,730,665,297
Current assets			
Receivable from operating leases		96,941,666	59,541,690
Prepayments and other assets		11,751,286	8,085,396
Due from related parties	13	2,199,521	1,344,835
Financial instruments at fair value through profit or loss	10	30,000,000	40,031,246
Cash and cash equivalents	9	171,011,965	200,761,240
Total current assets		311,904,438	309,764,407
Total assets		2,059,852,269	2,040,429,704
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share capital		933,333,330	933,333,330
Statutory reserve		90,305,707	90,305,707
Retained earnings		51,335,302	39,416,221
Equity attributable to the Shareholders of the Company		1,074,974,339	1,063,055,258
Non-controlling interest		174,204,111	177,588,161
Total equity		1,249,178,450	1,240,643,419
<u>Liabilities</u>			
Non-current liabilities			
Employee benefits – defined benefit obligations		10,170,894	9,460,196
Lease liability on right-of-use assets		114,221,787	114,294,193
Islamic finance facilities	11	559,076,317	558,727,653
Total Non-current liabilities		683,468,998	682,482,042
Current Liabilities			
Advances from lessees and deferred revenue		53,694,756	45,930,885
Lease liability on right-of-use of assets – current portion		9,305,000	15,700,000
Due to related parties	13	29,270,808	14,487,886
Provision for Zakat		5,111,219	8,389,959
Accrued expenses and other liabilities		29,823,038	32,795,513
Total current liabilities		127,204,821	117,304,243
Total liabilities		810,673,819	799,786,285
Total equity and liabilities		2,059,852,269	2,040,429,704


Fawaz Abdulaziz bin Huwail
Chief Financial Officer


Hatha Bin Saad Alutaibi
Chief Executive Officer


Dr. Abdulrahman Mohammed Albarrak
Authorized board member

The notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.


Al-Andalus Property Company
(A Saudi Joint Stock Company)
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)**
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2022
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	<i>Note</i>	For the three month period ended 30 June		For the six month period ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Revenue	14	54,093,312	52,364,377	107,391,392	102,906,055
Cost of revenue	14	(16,597,836)	(16,848,127)	(33,207,132)	(33,776,082)
Gross Profit		37,495,476	35,516,250	74,184,260	69,129,973
General and administrative expenses		(12,560,754)	(10,764,575)	(22,642,058)	(20,884,809)
Marketing expenses		(1,004,320)	(928,500)	(1,075,913)	(1,001,555)
Share of income from equity- accounted investees	8	5,239,296	7,915,907	12,842,951	16,430,126
Other income		187,321	177,254	601,123	1,033,336
Operating profit		29,357,019	31,916,336	63,910,363	64,707,071
Interest expense on lease liability		(2,988,797)	(3,066,098)	(5,977,594)	(6,132,196)
Finance cost		(3,849,999)	(3,511,609)	(7,519,803)	(7,099,800)
Profit before Zakat		22,518,223	25,338,629	50,412,966	51,475,075
Zakat expense		(1,860,610)	(465,040)	(3,494,602)	(1,828,545)
Profit for the period		20,657,613	24,873,589	46,918,364	49,646,530
Attributable to:					
Shareholders of the Company		15,465,581	19,227,284	35,252,414	38,186,112
Non-controlling interest		5,192,032	5,646,305	11,665,950	11,460,418
		20,657,613	24,873,589	46,918,364	49,646,530
Other comprehensive income					
Items that will not be reclassified subsequently to statement of profit or loss:					
		-	-	-	-
Total comprehensive income		20,657,613	24,873,589	46,918,364	49,646,530
Total other comprehensive income attributable to:					
Shareholders of the Company		15,465,581	19,227,284	35,252,414	38,186,112
Non-controlling interests (NCI)		5,192,032	5,646,305	11,665,950	11,460,418
		20,657,613	24,873,589	46,918,364	49,646,530
Earnings per share:					
Basic and diluted earnings per share	12	0.17	0.21	0.38	0.41

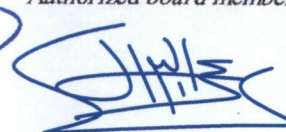
Fawaz Abdulaziz bin Huwail
Chief Financial Officer



Hathal Bin Saad Alutaibi
Chief Executive Officer



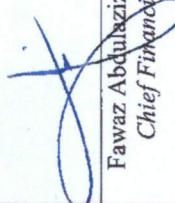
Dr. Abdulrahman Mohammed Albarrak
Authorized board member



The notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

Al-Andalus Property Company
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six month period ended 30 June 2022
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Equity attributable to the Company's Shareholders	Non-controlling interest "NCI"	Total
Balance as at 1 January 2022 - audited	933,333,330	90,305,707	39,416,221	1,063,055,258	177,588,161	1,240,643,419
Profit for the period	-	-	35,252,414	35,252,414	11,665,950	46,918,364
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	35,252,414	35,252,414	11,665,950	46,918,364
Dividend distributions during the period (Note 16)	-	-	(23,333,333)	(23,333,333)	(15,050,000)	(38,383,333)
Balance as at 30 June 2022 - unaudited	933,333,330	90,305,707	51,335,302	1,074,974,339	174,204,111	1,249,178,450
Balance as at 1 January 2021 - audited	700,000,000	96,841,478	256,335,553	1,053,177,031	182,939,218	1,236,116,249
Profit for the period	-	-	38,186,112	38,186,112	11,460,418	49,646,530
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	38,186,112	38,186,112	11,460,418	49,646,530
Dividend distribution during the period	-	-	(35,000,000)	(35,000,000)	(13,975,000)	(48,975,000)
Balance as at 30 June 2021 - unaudited	700,000,000	96,841,478	259,521,665	1,056,363,143	180,424,636	1,236,787,779


Fawaz Abdulaziz bin Huwail
Chief Financial Officer


Hatha Bin Saad Alutaibi
Chief Executive Officer


Dr. Abdulrahman Mohammed Albarrak
Authorized board member

The notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

Al-Andalus Property Company
(A Saudi Joint Stock Company)
Condensed Consolidated Interim Statement of Cash Flows (Unaudited)
For the six month period ended 30 June 2022
(All amounts are expressed in Saudi Riyal unless otherwise stated)

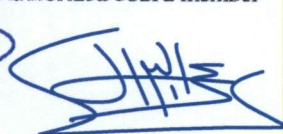
	For the six month period ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
<u>Operating activities</u>		
Profit before Zakat	50,412,966	51,475,075
Adjustments:		
Depreciation:		
- Investment properties	11,444,785	10,996,346
- Property and equipment	2,780,832	3,089,118
- Right of use assets	3,075,728	3,075,738
Interest on lease liabilities	5,977,594	6,132,196
Share of income from associates	(12,842,951)	(16,430,126)
Employee benefits – defined benefit obligations	722,022	639,505
Profit from investment in financial instruments at FVTPL	(26,378)	(17,819)
Finance costs	7,519,803	7,099,800
Changes in:		
Receivable from operating leases	(37,399,976)	(13,364,660)
Prepayments and other assets	(3,665,890)	8,730,868
Related parties balances, net	13,928,236	15,597,273
Advances from lessees and deferred revenue	7,763,871	13,289,356
Accrued expenses and other liabilities	(6,030,897)	(4,480,635)
Dividend received from equity accounted investees	7,500,000	13,750,000
	51,159,745	99,582,035
Employees' benefits – defined benefit obligation paid	(11,324)	-
Zakat paid	(6,773,343)	(5,281,262)
Net cash generated from operating activities	44,375,078	94,300,773
<u>Investing activities</u>		
Additions to property and equipment	(85,173)	(73,425)
Additions to investment properties	(29,155,755)	(2,892,127)
Purchase of investments in financial instruments at FVTPL	(30,000,000)	(48,000,000)
Proceeds from sale of investments in financial instruments at FVTPL	40,057,624	-
Additions to investments in equity accounted investees	-	(43,699,094)
Net cash used in investing activities	(19,183,304)	(94,664,646)
<u>Financing Activities</u>		
Proceeds from Islamic finance facilities	-	42,677,500
Payment for Islamic Finance Facilities	(4,112,716)	(3,343,886)
Payment of lease liability on right-of-use assets	(12,445,000)	(12,445,000)
Dividends paid	(38,383,333)	(48,975,000)
Net cash used in financing activities	(54,941,049)	(22,086,386)
Net change in cash and cash equivalents during the period	(29,749,275)	(22,450,259)
Cash and cash equivalents at beginning of the period	200,761,240	182,483,190
Cash and cash equivalents at closing of the period	171,011,965	160,032,931

Fawaz Abdulaziz bin Huwail
Chief Financial Officer

Hathal Bin Saad Alutaibi
Chief Executive Officer

Dr. Abdulrahman Mohammed Albarrak
Authorized board member





The notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

Al-Andalus Property Company
(A Saudi Joint Stock Company)
Notes to the Condensed consolidated interim financial statements (Unaudited)
For the six month period ended 30 June 2022
(All amounts are expressed in Saudi Riyal unless otherwise stated)

1 REPORTING ENTITY

Al-Andalus Property Company (the “Company”) is a Saudi joint stock company established pursuant to the Ministerial Resolution No. 2509 dated 03/09/1427H corresponding to 26/09/2006 approving the declaration of the establishment of the Company. The Company is registered in Riyadh under the Commercial Registration No. 1010224110 dated 17/09/1427H corresponding to 10/10/2006.

The main activities of the Company include construction, ownership and management of centers, commercial and residential complexes in addition to general contracting of residential, commercial buildings, educational, recreational, health institutions, roads, dams, water and sewage projects, electrical and mechanical works. The activities also include maintenance and operation of real estate properties, buildings and commercial complexes as well as ownership, development and investment of lands and real estate properties for the benefit of the Company and based on its purposes.

The Company’s share capital is SR 933,333,330 divided into 93,333,333 shares with a nominal value of SR 10 each.

The Head office of the Company is located in Riyadh - Al Wadi District - Northern Ring Road - Al-Andalus Property Company Building.

The Company’s financial year starts on 1 January and ends on 31 December of each Gregorian year.

Al-Andalus Property Company is referred to as (the “Company”) or collectively with its subsidiaries disclosed in Note 3 as (the “Group”).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements (the “Interim Financial Statements”) for the six-month period ended 30 June 2022 have been prepared in accordance with the requirements of IAS 34 “Interim Financial Reporting” that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2021.

These interim financial statements do not include all the information and disclosures required in the annual financial statements in accordance with requirements of IFRS endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”). However, these condensed interim financial statements include certain disclosures to explain some significant events and transactions to understand the changes in the Group’s financial position and performance since the last annual financial statements.

2.2 Basis of measurement

The interim financial statements have been prepared on a historical cost basis, except for defined benefit obligation - employees’ benefits which are measured at present value using the projected unit credit method.

As required by the Capital Market Authority (“CMA”) through its circular dated 16th October 2016 the Group needs to apply the cost model to measure the property and equipment, investment property, and intangible assets upon adopting the IFRS for three years period starting from the IFRS adoption date.

Al-Andalus Property Company
(A Saudi Joint Stock Company)
Notes to the Condensed consolidated interim financial statements (Unaudited)
For the six month period ended 30 June 2022
(All amounts are expressed in Saudi Riyal unless otherwise stated)

2. BASIS OF PREPARATION (continued)

2.2 Basis of measurement (Continued)

On 31 December 2019, CMA has examined the suitability of continuing to use the cost model or permitting the use of the fair value model or revaluation options and has made the following decisions:

- Obligor listed companies to continue to use the cost model to measure Properties (IAS 16) and Investment Properties (IAS 40) in the financial statements prepared for financial periods within fiscal years, which start before the calendar year 2022; and
- Allowing listed companies, the policy choice to use the fair value model for investment property subsequent to initial measurement or the policy choice to use the revaluation model for property (IAS 16) subsequent to initial recognition in the financial statements prepared for financial periods within fiscal years starting during the calendar year 2022 or thereafter.

2-3 Impact of coronavirus (COVID-19) outbreak

The Covid-19 pandemic, which has spread across various geographies globally, has caused disruption to business and economic activities. The fiscal and monetary authorities, both domestic and international, announced various support measures across the globe to counter possible adverse implications. The Government of Kingdom of Saudi Arabia ("the Government") however has managed to successfully control the outbreak to date, owing primarily to the unprecedented yet effective measures taken by the Government. As the COVID-19 pandemic outbreak continues to evolve, it is difficult to forecast its full extent and duration of the economic impact as of now. In addition, as at 30 June 2022, the management of the Group is monitoring the developments of the pandemic and the impact on the Group's operation, cash flows and financial position and has concluded that no adjustments are required to the amounts reported in these condensed consolidated interim financial statements. Moreover, the management believes, based on their assessment, that the Group has sufficient liquidity available to continue to meet its financial commitments in the future as and when they become due. The management did not find any indications of an impairment of the group's investment properties. Accordingly, there are no indications that there are any problems or doubts about the continuity of the Group's activities.

2.4 Presentational and functional currency

The presentational and functional currency of the Group is Saudi Riyals (SR).

3 BASIS OF CONSOLIDATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries listed below as of and for the period ended 30 June 2022:

<u>Name of subsidiary</u>	<u>Country of Incorporation</u>	<u>Percentage holding</u>	
		<u>2022</u>	<u>2021</u>
Al Ahli REIT Fund 1	Kingdom of Saudi Arabia	68.73 %	68.73 %
Manafea Al Andalus Company for Real Estate Development	Kingdom of Saudi Arabia	70%	70 %

Al-Andalus Property Company
(A Saudi Joint Stock Company)
Notes to the Condensed consolidated interim financial statements (Unaudited)
For the six month period ended 30 June 2022
(All amounts are expressed in Saudi Riyal unless otherwise stated)

3 BASIS OF CONSOLIDATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

The details of subsidiaries are as follows:

1) Al Ahli REIT Fund 1

Al Ahli REIT Fund 1 was formed in accordance with Capital Market Authority dated 11 Rabia Alawl 1438H (corresponding to 29 November 2017). The principal activities of the Fund are to make investments in investment properties. Currently, the Fund has made investments in the below properties:

<u>Name of property</u>	<u>Location</u>
Al-Andalus Mall	Jeddah
Al-Andalus Mall Hotel	Jeddah
Salama Tower	Jeddah
Qbic Plaza	Riyadh

2) Manafea Al Andalus Company for Real Estate Development

Manafea Al Andalus Company for Real Estate Development was formed as a limited liability company and registered in the Kingdom of Saudi Arabia under Commercial Registration No 1010700657 dated 22 Rajab 1438H (corresponding to 19 April 2017). The principal activities of Manafea includes; leasing, managing properties owned or leasing (residential and nonresidential), commission from properties management, developments activities and investment properties.

<u>Name of property</u>	<u>Location</u>
Al Marwah Plaza	Jeddah

4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies applied in the preparation of these interim financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2021 except for the adoption of any of the amendments to the standards and interpretations that have been issued. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but these do not have an impact on the condensed consolidated interim financial statements of the Group.

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management has made the following estimates and judgments, which are significant to the condensed consolidated interim financial statements:

- Fair value of the investment properties
- Impairment loss on receivable against operating leases
- Impairment of and useful lives of property and equipment and investment properties

There are no differences between the above estimate and the estimate used in the annual financial statements.

Al-Andalus Property Company
(A Saudi Joint Stock Company)
Notes to the Condensed consolidated interim financial statements (Unaudited)
For the six month period ended 30 June 2022
(All amounts are expressed in Saudi Riyal unless otherwise stated)

6 INVESTMENT PROPERTIES

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
<u>Cost:</u>		
Balance at the beginning of the period / year	1,146,590,982	1,140,476,842
Additions during the period / year	29,155,755	6,114,140
Balance at end of the period / year	1,175,746,737	1,146,590,982
<u>Accumulated depreciation and impairment:</u>		
Balance at the beginning of the period / year	(169,825,849)	(150,090,938)
Depreciation charged during the period / year	(11,444,785)	(21,683,695)
Reversal of impairment losses	-	1,948,784
Balance at end of the period / year	(181,270,634)	(169,825,849)
Net book value	994,476,103	976,765,133

The Group has pledged Al-Andalus Mall against Islamic financing facility obtained from Saudi National Bank (Note 11).

The lands and the buildings classified as investment properties, were assessed by external valuers to determine their fair value as at 31 December 2021. The fair values of the investment properties amounted to SR 1.8 billion as on that date. There have been no significant changes in the key assumptions used in determining the fair values of the investment properties. The valuation approaches used were income approach (discounted cash flows) and sales comparable method.

The evaluation was carried out by the external valuers accredited by the Saudi Authority for Accredited Values (TAQEEM). (ValuStart: TAQEEM record No. 1210001039), (Knight Frank: TAQEEM No. (1220001311)).

The management believes that the fair values of investment properties as at 30 June 2022 do not materially differ from the fair values determined as at 31 December 2021.

7 PROPERTY AND EQUIPMENT

As of 30 June 2022, the cost of property and equipment amounted to SR 210.7 million (31 December 2021: SR 210.6 million) and the accumulated depreciation amounted to SR 63.4 million (31 December 2021: SR 60.7 million).

Included in the cost of properties is Al-Andalus Mall Hotel that has been pledged against Islamic financing facility obtained from the Saudi National Bank (Note 11).

Al-Andalus Property Company
(A Saudi Joint Stock Company)
Notes to the Condensed consolidated interim financial statements (Unaudited)
For the six month period ended 30 June 2022
(All amounts are expressed in Saudi Riyal unless otherwise stated)

8 INVESTMENTS IN ASSOCIATES

Following is the details of the investments in equity-accounted investees:

		<u>Percentage holding</u>			
	<u>Country of Incorporation</u>	<u>30 June 2022</u>	<u>31 December 2021</u>	<u>30 June 2022 (Unaudited)</u>	<u>31 December 2021 (Audited)</u>
Al-Aswaq Al-Mutatawerah Company	Kingdom of Saudi Arabia	50%	50%	101,217,256	106,350,675
Hayat Real Estate Company	Kingdom of Saudi Arabia	25%	25%	200,419,573	187,981,136
Soroooh Centres Company *	Kingdom of Saudi Arabia	25%	25%	48,972,570	49,182,906
West Jeddah Hospital Company *	Kingdom of Saudi Arabia	50%	50%	65,442,937	66,059,333
Al-Jawhra Al-Kubra Company *	Kingdom of Saudi Arabia	25%	25%	66,803,239	67,924,864
Massat Property Company *	Kingdom of Saudi Arabia	25%	25%	43,492,117	43,505,827
				<u>526,347,692</u>	<u>521,004,741</u>

* These companies have not commenced commercial operations yet.

The movement in investments in equity-accounted investees is as follows:

	<u>30 June 2022 (Unaudited)</u>	<u>31 December 2021 (Audited)</u>
Balance at the beginning of the period/ year	521,004,741	481,482,965
Share of income from equity-accounted investees for the period/ year	12,842,951	27,246,776
Dividends received during the period/year	(7,500,000)	(31,250,000)
Additions in investments during the period/year	-	43,525,000
Balance at end of the period / year	<u>526,347,692</u>	<u>521,004,741</u>

The Group's share in the profit / (losses) of associates for the period is as follows:

	<u>For the six month period period ended</u>	
	<u>30 June 2022 (Unaudited)</u>	<u>30 June 2021 (Unaudited)</u>
Al-Aswaq Al-Mutatawerah Company	2,366,581	5,615,250
Hayat Real Estate Company	12,438,437	11,320,861
Soroooh Centers Company	(210,336)	(36,875)
West Jeddah Hospital Company	(616,396)	(281,728)
Al-Jawhra Al-Kubra Company	(1,121,625)	(187,382)
Massat Property Company	(13,710)	-
	<u>12,842,951</u>	<u>16,430,126</u>

The associates' financial information as of and for the period ended 30 June 2022, is derived from management reports of the companies.

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9 CASH AND CASH EQUIVALENTS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Cash at banks	<u>171,011,965</u>	<u>200,761,240</u>

10 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investment at fair value through profit or loss comprises of the following:

	30 June 2022		31 December 2021	
	Cost	Fair value	Cost	Fair Value
Yaqeen SAR Murabaha Fund	30,000,000	30,000,000	-	-
Al Ahli Saudi Riyal Trade Fund	-	-	40,000,000	40,031,246
	<u>30,000,000</u>	<u>30,000,000</u>	<u>40,000,000</u>	<u>40,031,246</u>

* These investments are presented in the Yaqeen Fund (formerly Falcom) to finance with Murabaha in the amount of SAR 30 million during the period and the cost of the investments does not differ from its fair value as of June 30, 2022.

**During February 2022, the Group disposed investment in AlAhli Trading Fund and made a profit during the period as a result of this exclusion in the amount of SAR 26,378.

11 ISLAMIC FINANCE FACILITIES

the Group obtained during the previous years an Islamic financing facility from Saudi National Bank, which includes certain conditions for financial covenants in favor of the bank. The Group transferred the title deed of Al-Andalus Mall and Hotel, in favor of Real Estate Development Company for Management and Ownership, a fully owned subsidiary of the SNB as a pledge against the Islamic financing facility. The Facility term is 15 years and carries 5 years grace period during which only profit payments are required to be made while the principal amount is payable over 10 years on a quarterly basis.

12 EARNINGS PER SHARE:

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

	Six-month period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Profit for the period (SR)	<u>35,252,414</u>	<u>38,186,112</u>
Weighted average number of outstanding ordinary shares*	<u>93,333,333</u>	<u>93,333,333</u>
Basic and diluted earnings per share (SR)	<u>0,38</u>	<u>0,41</u>

*The weighted average number of ordinary shares used as a denominator in calculating basic and diluted EPS for 30 June 2021 has been adjusted on account of issued the bonus shares as the Company's share capital has been increased during the second half of the previous year.

The diluted earnings per share is equal to the basic earnings per share for the period ended 30 June 2022 and 30 June 2021 as there are no instruments with lower impact on earnings per share.

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13 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties of the Group comprise of shareholders having control or significant influence, key management personnel and affiliates where shareholders have control or significant influence. The transactions with related parties are made on terms approved by the Board of the Directors of the Company. The Group and its related parties transact with each other in the ordinary course of business. The transactions and the balances between the company and its subsidiaries and those between the subsidiaries have been eliminated in preparing these condensed consolidated interim financial statements.

The details of transactions with other related parties are mentioned below:

Related party name	Relationship	Nature of transaction	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Hayat Real Estate Company	Equity-accounted investee	Expenses	4,016,173	6,843,122
Al-Jawhira Al-Kubra Company for Real Estate Development and Investments	Equity-accounted investee	Transferred to the Affiliate	-	6,250,000
Mohmmad Alrajhi Company	Other related party	Payment made on behalf	-	1,655,205
Imtiaz Al Arabia Company	Company Related to a board member	Lease income	1,467,100	1,574,500
GLOBAL HEALTHCARE COMPANY	Company Related to a board member	Lease income	515,000	515,000
Pharmacies Beauty Fourth Company	Company Related to a board member	Lease income	385,000	385,000
Key management and others	Other related party	Salaries and other benefits	1,126,846	3,017,641
Al-Ahli Capital	Fund manager of the subsidiary	Operating services	10,143,094	4,637,067

The details of balances with related parties are mentioned below:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Due from related parties		
Hayat Real Estate Company	2,025,427	1,170,741
Massat Property Company	174,094	174,094
	<u>2,199,521</u>	<u>1,344,835</u>
Due to related parties		
Mohmmad Alrajhi Company	40,821	40,821
Al-Ahli Capital	29,229,987	14,447,065
	<u>29,270,808</u>	<u>14,487,886</u>

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14 SEGMENT REPORTING

The Group's activities include a number of sectors as follows:

- Retail Sector: This includes rent for commercial units of investment properties such as malls and the operation of the malls.
- Hospitality Sector: This includes hospitality service entities (Al-Andalus Mall Hotel).
- Offices Sector: This includes rent for commercial units from investment properties (Salama Tower and QBIC Plaza).

	Retail and operation sector	Hospitality sector	Office sector	Others	Total
<u>For the six-month period ended 30 June 2022 (unaudited)</u>					
Revenue	77,553,293	7,115,866	22,722,233	-	107,391,392
Cost of revenue	(19,106,787)	(9,457,630)	(4,642,715)	-	(33,207,132)
Share of profit from equity-accounted investees	-	-	-	12,842,951	12,842,951
Expenses	(17,580,480)	-	(7,519,803)	(12,115,085)	(37,215,368)
Other income	-	-	-	601,123	601,123
Profit before Zakat	40,866,026	(2,341,764)	10,559,715	1,328,989	50,412,966
<u>As at 30 June 2022 (unaudited)</u>					
Total assets	689,861,963	126,732,827	491,162,067	752,095,412	2,059,852,269
Total liabilities	282,574,214	-	512,817,492	15,282,113	810,673,819
<u>For the six-month period ended 30 June 2021 (unaudited)</u>					
Revenue	75,676,354	4,507,468	22,722,233	-	102,906,055
Cost of revenue	(21,198,452)	(7,716,368)	(4,861,262)	-	(33,776,082)
Share of profit from equity-accounted investees	-	-	-	16,430,126	16,430,126
Expenses	(9,581,752)	-	(7,099,800)	(18,436,808)	(35,118,360)
Other income	-	-	-	1,033,336	1,033,336
Profit before Zakat	44,896,150	(3,208,900)	10,761,171	(973,346)	51,475,075
<u>As at 31 December 2021 - audited</u>					
Total assets	660,675,327	129,228,595	506,728,154	743,797,628	2,040,429,704
Total liabilities	269,437,145	-	512,498,983	17,850,157	799,786,285

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15 DETERMINATION OF FAIR VALUES, CLASSIFICATION

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 and at prevailing market conditions regardless if the price is directly identified or estimated using other valuation technique.

All assets and liabilities whether measured at fair value or their fair values are disclosed in the financial statements in accordance with the hierarchical levels of fair value measurements as stated below are classified into the lowest level of measuring input which is considered significant for measuring the fair value as a whole.

Level 1: Declared (unadjusted) and quoted market prices in active markets for identical assets or liabilities.

Level 2: Inputs that are directly or indirectly observable or tracked for an asset or a liability other than declared prices mentioned in level 1.

Level 3: Inputs that are unobservable or not tracked for an asset or a liability.

The Group is exposed to risks as a result of using financial instruments. The following explains the Group's objectives, policies and operations to manage these risks and methods used to measure them in addition to quantitative information related to these risks in the accompanying financial statements.

There were no significant changes that may expose the Group to financial instrument risks through its objectives, policies and operations to manage these risks and methods used that are different from what have been used in prior periods unless otherwise indicated.

Fair value of financial instruments

- The Group's management considers that the fair values of its financial instruments approximate to their carrying values because of the nature of the financial instruments.
- There were no transfers between level 1, 2 or 3 during the reporting period.

The valuation techniques used to determine the fair value of investment properties are classified as Level 3 fair value.

16 DIVIDENDS

On 10 March 2022, the Board of Directors have resolved to distribute interim dividends of SR 23,333,333 million and the dividends have been paid on 23 March 2022.

17 SUBSEQUENT EVENTS

There has been no significant subsequent event since the period-end date that might require disclosure or adjustment in these condensed consolidated interim financial statements of the Group.

18 APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements have been approved for issuance by the Board of Directors on 13 Muharram 1444 (corresponding to 11 August 2022).