



**Taiba Investment Company
(A Saudi Joint Stock Company)**

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

For The Three-Month and Nine-Month Periods Ended 30 September 2021

Taiba Investment Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

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**INDEPENDENT AUDITOR'S REVIEW REPORT
ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF TAIBA INVESTMENT COMPANY
(SAUDI JOINT STOCK COMPANY)**

Introduction:

We have reviewed the accompanying interim condensed consolidated statement of financial position of Taiba Investment Company (A Saudi Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2021 and the related interim condensed consolidated statements of income and comprehensive income for the three-month and nine-month period ended 30 September 2021, changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

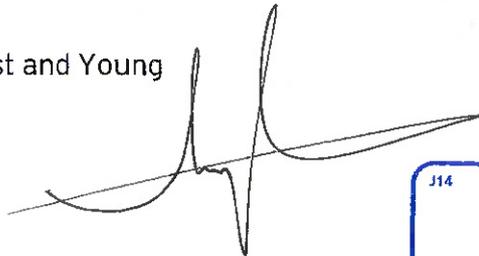
Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of interim financial 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.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For Ernst and Young



Abdullah Ali AlMakrami
Certified Public Accountant
License No. 476

4 Rabi ' II 1443 H
9 November 2021G
Jeddah



Taiba Investment Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2021

Saudi Riyals

	Note	<u>30 September 2021 (Unaudited)</u>	<u>31 December 2020 (Audited)</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,315,344,505	1,967,615,847
Intangible assets		2,527,862	2,908,204
Investments property	6	234,722,414	528,178,907
Right-of-use assets		5,173,515	2,362,867
Financial assets at FVOCI	7	1,616,541,642	932,108,261
Investment in associates	8	80,662,443	83,080,300
Other non-current assets		9,489,523	10,687,417
TOTAL NON-CURRENT ASSETS		<u>4,264,461,904</u>	<u>3,526,941,803</u>
CURRENT ASSETS			
Inventories		2,173,207	5,989,199
Biological assets		-	1,535,915
Trade receivables	9	19,447,610	18,942,512
Amounts due from related parties	10	19,237,231	19,237,231
Short term investments		-	220,000,000
Prepayments and other current assets		14,466,033	10,038,800
Cash and cash equivalents	11	284,647,167	124,030,113
TOTAL CURRENT ASSETS		<u>339,971,248</u>	<u>399,773,770</u>
TOTAL ASSETS		<u>4,604,433,152</u>	<u>3,926,715,573</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	1,604,574,830	1,604,574,830
Statutory reserve		1,000,000,000	1,000,000,000
Other reserve		208,791,276	208,791,276
Reserves		589,837,371	(199,202,305)
Retained earning		925,840,327	1,041,606,914
EQUITY Attributable to the equity holders of the parent		<u>4,329,043,804</u>	<u>3,655,770,715</u>
Non-controlling interests		38,596,090	41,892,559
TOTAL EQUITY		<u>4,367,639,894</u>	<u>3,697,663,274</u>
NON-CURRENT LIABILITIES			
Non-current portion of lease liabilities		-	1,116,507
Employees' defined benefits liabilities		13,869,408	14,781,625
TOTAL NON-CURRENT LIABILITIES		<u>13,869,408</u>	<u>15,898,132</u>
CURRENT LIABILITIES			
Current portion of lease liabilities		8,611,288	3,334,947
Trade accounts and other payables		83,911,746	76,005,580
Dividends payable	15	107,870,732	107,935,443
Amounts due to related parties	10	6,697,102	6,963,872
Zakat payable	12	15,832,982	18,914,325
TOTAL CURRENT LIABILITIES		<u>222,923,850</u>	<u>213,154,167</u>
TOTAL LIABILITIES		<u>236,793,258</u>	<u>229,052,299</u>
TOTAL EQUITY AND LIABILITIES		<u>4,604,433,152</u>	<u>3,926,715,573</u>

These interim condensed consolidated financial statements have been authorized for issue, including accompanying notes by the Board of Directors, and signed on behalf of the Board by:

Mr. Ahmad Mohanad Jaber
VP Finance

Eng. Saleh Bin Habdan Alhabdan
CEO

Dr. Walid Bin Mohammed Al- Issa
Chairman

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

Taiba Investment Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2021

Saudi Riyals

	Notes	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Revenues		30,697,219	61,386,776	97,531,838	177,812,889
Cost of revenues		(22,536,727)	(23,475,517)	(64,329,485)	(72,453,546)
GROSS PROFIT		8,160,492	37,911,259	33,202,353	105,359,343
General and administrative expenses		(12,994,034)	(10,956,418)	(35,552,380)	(32,754,865)
Selling and marketing expenses		(36,617)	(102,487)	(164,502)	(213,404)
Other operating expenses - net		(31,831,278)	(44,388,608)	(61,727,154)	(55,713,159)
Operational (losses) profits		(36,701,437)	(17,536,254)	(64,241,683)	16,677,915
Dividends from equity investment instruments designated at Fair Value through Other Comprehensive Income (FVOCI)		493,736	-	17,468,432	9,723,622
Group's share of results of associates	8	(2,189,416)	(977,218)	(2,417,857)	(2,989,312)
Gain from sale of investments		-	-	-	10,671,536
Other (expenses) income - net		(820,524)	(2,577,199)	(1,119,410)	72,949,209
(Loss) income before zakat from continued operations		(39,217,641)	(21,090,671)	(50,310,518)	107,032,970
Zakat	12	(2,145,031)	(3,667,391)	(6,153,771)	(9,195,127)
Net (loss) income for the period from continued operations		(41,362,672)	(24,758,062)	(56,464,289)	97,837,843
Discontinued operations					
Income after zakat for the period from discontinued operations		-	-	-	7,727,570
Net (Loss) Income for the period		(41,362,672)	(24,758,062)	(56,464,289)	105,565,413
Net (loss) income attributable to:					
Shareholders of the Parent Company		(38,380,985)	(23,480,369)	(53,172,065)	106,906,210
Non-Controlling interest		(2,981,687)	(1,277,693)	(3,292,224)	(1,340,797)
		(41,362,672)	(24,758,062)	(56,464,289)	105,565,413
(Loss) profit for the share (SR)					
Basic share	14	(0.24)	(0.15)	(0.33)	0.66
Diluted share	14	(0.24)	(0.15)	(0.33)	0.66

These interim condensed consolidated financial statements have been authorized for issue, including accompanying notes by the Board of Directors, and signed on behalf of the Board by:

Mr. Ahmad Mohanad Jaber
VP Finance

Eng. Saleh Bin Habdan Alhabdan
CEO

Dr. Walid Bin Mohammed Al- Issa
Chairman

The attached notes 1 to 18 form part of these Interim Condensed Consolidated financial statements.

Taiba Investment Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
(UNAUDITED)

For the three-month and nine-month periods ended 30 September 2021
Saudi Riyals

	Notes	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
<u>Net (loss) income attributable to:</u>					
Shareholders of the Parent Company		<u>(38,380,985)</u>	<u>(23,480,369)</u>	<u>(53,172,065)</u>	<u>106,906,210</u>
Non-Controlling interest		<u>(2,981,687)</u>	<u>(1,277,693)</u>	<u>(3,292,224)</u>	<u>(1,340,797)</u>
		<u>(41,362,672)</u>	<u>(24,758,062)</u>	<u>(56,464,289)</u>	<u>105,565,413</u>
Other Comprehensive Income:					
<i>Items that will not be reclassified to statement of income in subsequent periods:</i>					
Net unrealized gains on revaluation of equity investment instruments designed at Fair Value through Other Comprehensive Income (FVOCI)	7	<u>323,788,916</u>	<u>125,357,990</u>	<u>806,019,514</u>	<u>68,583,730</u>
Total other comprehensive Income		<u>323,788,916</u>	<u>125,357,990</u>	<u>806,019,514</u>	<u>68,583,730</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>282,426,244</u>	<u>100,599,928</u>	<u>749,555,225</u>	<u>174,149,143</u>
TOTAL COMPREHENSIVE INCOME (LOSS) attributable to:					
Shareholders of the Parent Company		<u>285,407,931</u>	<u>101,867,387</u>	<u>752,846,277</u>	<u>175,481,380</u>
Non-Controlling interest		<u>(2,981,687)</u>	<u>(1,267,459)</u>	<u>(3,291,052)</u>	<u>(1,332,237)</u>
		<u>282,426,244</u>	<u>100,599,928</u>	<u>749,555,225</u>	<u>174,149,143</u>

These interim condensed consolidated financial statements have been authorized for issue, including accompanying notes by the Board of Directors, and signed on behalf of the Board by:

Mr. Ahmad Mohanad Jaber
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CEO

Dr. Walid Bin Mohammed Al- Issa
Chairman

Taiba Investment Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine-month period ended 30 September 2021

Saudi Riyals

	<i>Equity attributable to the equity holders of the parent</i>					<i>Equity Attributable to the equity holders of the parent</i>	<i>Total non- controlling interests</i>	<i>Total equity</i>
	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Other reserve</i>	<i>Reserves</i>	<i>Retained earning</i>			
Balance at 1 January 2020	1,604,574,830	1,000,000,000	210,316,579	(229,372,398)	1,091,872,446	3,677,391,457	46,232,678	3,723,624,135
Net income for the period	-	-	-	-	106,906,210	106,906,210	(1,340,797)	105,565,413
Other comprehensive loss for the period	-	-	-	68,575,170	-	68,575,170	8,560	68,583,730
Total comprehensive (loss) income for the period	-	-	-	68,575,170	106,906,210	175,481,380	(1,332,237)	174,149,143
Dividends (note 15)	-	-	-	-	(152,434,609)	(152,434,609)	-	(152,434,609)
Sale of equity investment instruments at fair value	-	-	-	(3,397,003)	3,397,003	-	-	-
Change in non-controlling interest	-	-	-	-	-	-	(955,128)	(955,128)
Balance at 30 September 2020	<u>1,604,574,830</u>	<u>1,000,000,000</u>	<u>210,316,579</u>	<u>(164,194,231)</u>	<u>1,049,741,050</u>	<u>3,700,438,228</u>	<u>43,945,313</u>	<u>3,744,383,541</u>
Balance at 1 January 2021	1,604,574,830	1,000,000,000	208,791,276	(199,202,305)	1,041,606,914	3,655,770,715	41,892,559	3,697,663,274
Net Loss for the period	-	-	-	-	(53,172,065)	(53,172,065)	(3,292,224)	(56,464,289)
Other Comprehensive Income for the period	-	-	-	806,018,342	-	806,018,342	1,172	806,019,514
Total comprehensive income (loss) for the period	-	-	-	806,018,342	(53,172,065)	752,846,277	(3,291,052)	749,555,225
Dividends (note 15)	-	-	-	-	(80,228,742)	(80,228,742)	-	(80,228,742)
Sale of equity investment instruments at fair value	-	-	-	(17,634,220)	17,634,220	-	-	-
Write off provisions for measurement of employees' benefit	-	-	-	655,554	-	655,554	-	655,554
Change in non-controlling interest	-	-	-	-	-	-	(5,417)	(5,417)
Balance at 30 September 2021	<u>1,604,574,830</u>	<u>1,000,000,000</u>	<u>208,791,276</u>	<u>589,837,371</u>	<u>925,840,327</u>	<u>4,329,043,804</u>	<u>38,596,090</u>	<u>4,367,639,894</u>

These interim condensed consolidated financial statements have been authorized for issue, including accompanying notes by the Board of Directors, and signed on behalf of the Board by:

Mr. Ahmad Mohanad Jaber
VP Finance

Eng. Saleh Bin Habdan Alhabdan
CEO

Dr. Walid Bin Mohammed Al- Issa
Chairman

The attached notes 1 to 18 form part of these Interim Condensed Consolidated financial statements.

Taiba Investment Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

For the nine-month period ended 30 September 2021

Saudi Riyals

	Note	For The Nine-Month Period Ended 30 September	
		2021	2020
Profit before zakat from continued operations		(50,310,518)	107,032,970
Income before zakat from discontinued operations		-	7,727,570
		(50,310,518)	114,760,540
<i>Adjustments to reconcile income before zakat for the period to net cash flow:</i>			
Depreciation of property, plant and equipment	5	14,828,125	15,072,732
Depreciation of right-to-use asset		2,002,845	3,394,240
Depreciation on investment properties	6	3,415,976	4,915,094
Amortization of intangible assets		560,248	253,100
Gains on disposal of property, plant and equipment		(287,365)	(107,196)
Employees' benefits allowance charged to the period		2,217,495	2,313,519
Impairment losses of trade receivables		50,227,156	51,429,741
Impairment losses in due from related parties		-	3,259,267
Expense of allowance for impaired properties - land		-	234,056
Expense of allowance for impaired inventory		4,033,330	1,024,151
Gains from Investments in associates	8	2,417,857	2,989,312
Dividends declared in investees through OCI		(17,468,432)	(9,723,622)
Gains from compensation of discharging a land		-	(3,785,255)
Revenues from revaluation of other non-current assets		(802,106)	(248,655)
Income after zakat for the period from discontinued operations		-	(7,727,570)
Gains from sale of investments		-	(10,671,536)
Reversal of provision against financial guarantee		-	(67,824,000)
Allowance of losses of investment in associates	8	5,633,944	8,358,535
		16,468,555	107,916,453
<i>Working capital adjustments:</i>			
Trade receivables		(50,732,254)	(107,825,534)
Prepaid expenses and other receivables		(4,446,257)	7,632,877
Inventories		(217,338)	(3,942,031)
Trade accounts and other payables		7,906,166	(8,568,994)
Due from related parties		-	335,449
Due to related parties		(266,770)	-
Cash used in operations		(31,287,898)	(4,451,780)
Employees' benefits paid		(3,129,712)	(444,817)
Zakat paid	12	(9,235,114)	(18,969,140)
Net cash flows used in operating activities		(43,652,724)	(23,865,737)
Cash flows from investing activities			
Cash dividend collected		17,468,432	14,682,968
Short term investments		220,000,000	195,000,000
Additions to property, plant and equipment	5	(79,708,328)	(145,358,241)
Additions to investment property	6	(433,426)	(51,500)
Additions to intangible assets		(187,979)	(2,707,161)
Net movement in biological assets		1,535,915	2,338,091
Proceeds from sale of investment in equity instruments		121,586,133	-
Proceeds from compensation from discharging a land		-	4,656,505
Proceeds from sale of discontinued operation		-	18,487,500
Proceeds from sale of property, plant and equipment		431,433	308,684
Net cash flows generated from investing activities		280,692,180	87,356,846
Cash flows from financing activity			
Net change in non-controlling interests		(5,417)	(955,128)
Dividends paid	15	(80,293,453)	(151,075,805)
Net change in lease liabilities		3,876,468	(504,582)
Net cash flows used in financing activities		(76,422,402)	(152,535,515)
NET CHANGE IN CASH AND CASH EQUIVALENTS			
		160,617,054	(89,044,406)
Cash and cash equivalents at the beginning of the period		124,030,113	378,048,016
Cash and cash equivalents at the end of the period		284,647,167	289,003,610
MAJOR NON-CASH TRANSACTIONS			
Unrealised gains on revaluation of financial assets at FVOCI	7	806,019,514	68,583,730
Investment property transferred from discontinued operations		-	4,253,024
Additions to right of use of asset		2,810,648	6,814,386

These interim condensed consolidated financial statements have been authorized for issue, including accompanying notes by the Board of Directors, and signed on behalf of the Board by:

Mr. Ahmad Mohanad Jaber
VP Finance

Eng. Saleh Bin Habdan Alhabdan
CEO

Dr. Walid Bin Mohammed Al- Issa
Chairman

The attached notes 1 to 18 form part of these Interim Condensed Consolidated financial statements.

Taiba Investment Company (A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine-month period ended 30 September 2021

Saudi Riyals

1 CORPORATE INFORMATION

Taiba Investment Company (“Taiba”, “The Company” or “Parent Company”) has been formed as per the Royal Decree number M/41 dated 16, 06, 1408H. Its formation has been declared according to the decision of His Excellency the Minister of Commerce and Investment No. 134 dated Safar 13, 1409H, corresponding to September 24, 1988 and Commercial Register No. 4650012403. The Extraordinary General Assembly held on May 14, 2019 agreed to amend article (2) of the Company's By-laws regarding changing the name of Taiba Holding Company to Taiba Investment Company. The Company's articles of association were amended on 21 May 2019.

The Company's Head Office is located at AL Madinah AL Munawarah, P. O Box 7777, Post Code 41472 - Kingdom of Saudi Arabia

The Company's main activities are as follow (owning real estate, hotels, hospitals, entertainment and tourism facilities and investing in them by selling or buying, renting, managing and operating, operating management of cities, facilities, public facilities and contracting in architectural, civil, mechanical, electrical, agricultural, industrial, mining, credit and mortgage service).

The Company practices its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the concerned authorities, if any.

The Company may have an interest or participate in any way with bodies, companies or individuals that engage in similar activities or the company may assist in achieving its purpose as it may merge or incorporate or purchased and may invest funds that achieves its interests.

As at 30 September 2021, the share capital of the Company amounting to SR 1.605 million (31 December 2020: SR 1.605 million), consisting of 160,5 shares (31 December 2020: 160,5 shares) fully paid up, with a par value of SR 10 each.

At June 13, 2021 Taiba Investments Company announced the board of directors' resolution issued on June 12, 2021 in which the Board agreed to start start the initial discussions with Dur Hospitality Company to study the merger between the two Companies, noting that these discussions do not necessarily mean that merger will take place between the two parties. If agreement is made for merger, it will be subject to conditions and approvals of the concerned regulatory entities and consent of the extraordinary general assembly of both companies.

As at June 30, 2021 and December 31, 2020, the Company has investments in the following subsidiaries (collectively referred to as the “Group”):

(a) Companies subject to the control of Taiba Investment Company, which was consolidated in these financial statements

<i>Subsidiary</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Effective holding</i>	
			<i>30 September 2021</i>	<i>31 December 2020</i>
Al Aqeeq Real Estate Development Company	Kingdom of Saudi Arabia	Real estate development	100%	100%
Arab Resorts Areas Company (ARAC)	Kingdom of Saudi Arabia	Hospitality and tourism	99,96%	99,96%
Taiba Agriculture Development Company – TADEC	Kingdom of Saudi Arabia	Agriculture	54,80%	54,80%

* At Dhul Qidah 17, 1442 H corresponding to June 27, 2021, the 14th Extraordinary General Assembly of the shareholders of Arab Resorts Areas Company (ARAC) decided to approve the recommendation of the company's board of directors for voluntary liquidation, and accordingly, it was agreed to appoint Dr. Mohamed Al-Amri & Co. (BDO – Chartered and Public Accountants) in order to liquidate Arab Resorts Areas Company (ARAC) according to companies' law as of July 1, 2021. Tourism activity will continue to be managed by Al Aqeeq Real Estate Development Company, which is wholly owned by Taiba.

Taiba Investment Company
(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

For the nine-month period ended 30 September 2021
Saudi Riyals

1 CORPORATE INFORMATION (continued)

b) Subsidiaries controlled by subsidiaries

<i>Subsidiary</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Effective holding</i>	
			<i>30 September 2021</i>	<i>31 December 2020</i>
Tawd Real Estate Management and Marketing Company (Tawd)	Kingdom of Saudi Arabia	Real Estate Management and Marketing	100%	100%
Taiba Contracting and Maintenance Company Limited (TACOMA)*	Kingdom of Saudi Arabia	Contracting and maintenance	-	-

* On March 12, 2020, an agreement was signed to sell the full shares of Taiba Contracting and Maintenance Company Limited (TACOMA) (94% owned by Al Aqeeq Real Estate and 6% owned by Arab Resorts Areas Company (ARAC)) for a total amount of SR 20 million, the agreement also included the transfer of land owned by TACOMA and the buildings on it as well as its 10% share in Tawd for Al Aqeeq Real Estate. Accordingly, Tawd became fully owned by Al Aqeeq Real Estate. This transaction resulted in net profit of SR 7.7 million. The Group's share in other comprehensive income in an investee at an amount of SR 3.4 million has also been transferred to the retained earnings.

The interim condensed consolidated financial statements were authorized for issue by the Board Directors' on 2 Rabi' II 1443 H (corresponding to 7 November 2021).

2 BASIS OF PREPARATION

2-1 Statement of Compliance

The interim condensed consolidated financial statements for the nine month period ended 30 March 2021 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia as well as other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020 (see also note 2.5).

The CMA announced on December 30, 2019 that it obliges listed companies to continuously follow the cost model for measuring property (IAS 16) and investment properties (IAS 40) in financial statements prepared for financial periods within the financial years which begin before 2022. The CMA also requires listed companies to follow the cost model to measure equipment and intangible assets for five years starting from January 1, 2020. The Group complied with the requirements included in the accompanied interim condensed consolidated financial statements.

2-2 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2021 mentioned in Note 1.

Subsidiaries are entities that are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Taiba Investment Company
(A Saudi Joint Stock Company)

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2 BASIS OF PREPARATION (Continued)

2-3 Basis of measurement

The interim condensed consolidated financial statements have been prepared in accordance with the principle of historical cost, except for equity instruments designated at fair value through other comprehensive income and biological assets at fair value. Employee benefit obligation accruals prepared at the current value of future obligations are recognized using the expected actuarial credit unit method.

2-4 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals (SR), which is the functional and presentation currency of the Group.

2-5 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. The management's estimates in the application of accounting policies, calculation methods and main sources of estimates are the same applied in the financial statements for the year ended December 31, 2020. However, in the light of the current uncertainty regarding Covid-19, any future change in assumptions and estimates could lead to results that may require a significant adjustment in the carrying amount listed for assets and liabilities affected in future periods. As the situation continues to evolve with the future uncertainty, management will continue to assess the impact based on future developments (see note 17).

3 CHANGES IN ACCOUNTING POLICIES OF THE COMPANY

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards which are effective from 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

This amendments did not have any impact on the Company's interim condensed consolidated financial statements. The Group intends to use the practical expedient in future periods when they become effective.

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4 SEGMENT INFORMATION

For administrative purposes, the Group consists of business units based on products and services provided by it and it has several sectors for which the report is prepared as follows:

- Real estate sector - includes leasing services of commercial centers owned by the Group, which is the biggest one of the Group's sectors.
- Tourism sector - includes the operation and accommodation of hotels, hotel suites and tourist resorts.
- Agricultural sector - includes the activity of planting and selling dates and some other agricultural products.
- Management sector - includes management of real estate.
- Headquarter - includes the Company's Headquarter and the financial information regarding other investments owned by the Group.

The sectors' performance is assessed based on income or loss and measured based on fixed basis in accordance with profit or loss in the consolidated financial statements.

However, the group's financing (including financial burdens) are managed on the Group level basis and not distributed to the operating sectors and revenues.

The Group and its subsidiaries' activities are performed in KSA. The following is an analysis of the sector information:

	<i>Real Estate</i>	<i>Tourism</i>	<i>Agriculture</i>	<i>Management</i>	<i>Head Office</i>	<i>Elimination of inter segment operations</i>	<i>Total</i>
For the period ended 30 September 2021 (unaudited)							
Revenues	66,609,933	29,328,881	1,766,836	420,733	-	(594,545)	97,531,838
Cost of revenues (without depreciation)	(8,801,879)	(32,572,045)	(4,725,278)	(3,061,720)	-	594,545	(48,566,377)
Depreciation and amortization	(2,640,915)	(13,122,193)	-	-	-	-	(15,763,108)
Total profit / (loss) for the sector	55,167,139	(16,365,357)	(2,958,442)	(2,640,987)	-	-	33,202,353
Segment assets	393,076,384	1,125,026,201	86,625,661	2,033,623	3,179,482,295	(176,475,708)	4,609,768,456
Segment liabilities	31,833,070	25,374,921	1,262,046	114,949	354,683,980	(176,475,708)	236,793,258
For the period ended 30 September 2020 (unaudited)							
Revenues	136,922,021	38,793,042	2,232,960	1,540,756	-	(1,675,890)	177,812,889
Cost of revenues (without depreciation)	(11,515,076)	(39,272,637)	(2,919,535)	(2,770,673)	-	1,675,890	(54,802,031)
Depreciation and amortization	(5,024,454)	(12,627,061)	-	-	-	-	(17,651,515)
Total profit / (loss) for the sector	120,382,491	(13,106,656)	(686,575)	(1,229,917)	-	-	105,359,343
Segment assets	619,817,830	921,205,668	99,256,822	2,180,283	2,379,834,570	(14,032,665)	4,008,262,508
Segment liabilities	58,285,539	44,790,936	2,195,162	255,825	172,384,169	(14,032,665)	263,878,967
31 December 2020 (Audited)							
Segment assets	618,371,896	929,438,777	94,324,635	2,205,857	2,338,459,643	(56,085,235)	3,926,715,573
Segment liabilities	16,729,983	51,122,933	1,674,437	305,496	215,304,685	(56,085,235)	229,052,299

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5 PROPERTY, PLANT AND EQUIPMENT

For the purposes of preparing interim condensed consolidated of statement of cash flows, movement in properties, plants and equipments during the nine-month period ended 30 March are as follows:

	2021 (Unaudited)	2020 (Unaudited)
Balance at beginning of the period	1,967,615,847	1,827,705,896
Additions to property, plant and equipment	79,708,328	145,358,241
Depreciations during the period	(14,828,125)	(15,072,732)
Disposals during the period	(7,625,488)	(1,072,738)
Transferred from investment property (a)	290,473,943	-
Provision for impairment during the period	-	(234,056)
Balance at end of the period (b)	2,315,344,505	1,956,684,611

(a) At Dhul Qidah 10, 1442 corresponding to June 20, 2021, AlAqeeq Real Estate Development Company (a fully owned by Taiba) has signed a mutual termination agreement to terminate the lease agreement signed with Elaf Hotels Co. Ltd. for AlMajeedi Residential Center located in Madinah Central Area and owned by AlAqeeq Real Estate Development Company. The termination will be effective from Jamada l' 17, 1442H corresponding to January 1 2021, as the residential center will be operated directly by the management of AlAqeeq Real Estate Development Company, therefore, the book value of AlMajeedi Residential Center has been reclassified from investments property to property, plant and equipment, to the fair value of the the above-mentioned property is SR 678 million as at December 31,2020 according to the real estate assessment report (Value Strat).

(b) The property includes a plot of land owned by the Group, in Riyadh, with a book value of SR 96 million mortgaged to a local bank in exchange for a loan to carry out a business on.

6 INVESTMENTS PROPERTY

For the purposes of preparing interim consolidated of statement of cash flows, movement in investments properties during the the nine-month period ended 30 September are as follows:

	2021 (Unaudited)	2020 (Unaudited)
Balance at beginning of the period	528,178,907	530,012,836
Additions of investment property during the period	433,426	4,304,525
Depreciations during the period	(3,415,976)	(4,915,094)
Transfer to property and equipment (5-a)	(290,473,943)	-
Balance at end of the period	234,722,414	529,402,267

As at 31 December 2020, the fair value of investment property amounted to SR 4.28 billion, The fair value was determined by an independent external real estate valuer (Value Strat) accredited by the Saudi Authority for Accredited Valuers ("TAQEEM") and represents the properties for lease purpose, the fair value of properties was determined using the cost approach and income capitalization approach (net initial return). Any significant change in the assumptions used in the fair valuation of investment properties, such as the discount rate, return, rental growth, etc., will result in a significantly lower / higher fair value for these assets. The Group's management believes that there is no significant impact during the six-month period ended 30 September 2021 on the estimations above.

On 12 March 2020, through the sale agreement of TACOMA, the Group transferred the land and buildings on which it is located with a value of SR 4.3 million for the favor of the Group under the terms of the agreement, and therefore the land and buildings on which it is located have been reclassified as investment properties. The legal procedures to transfer the ownership of the land and buildings are still under process up to the date of the financial statements.

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7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI (“FVOCI”)

Represented in:

	<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>
Investments in listed companies shares (A)	1,496,183,963	845,224,234
Investments in shares and interests of unlisted companies (B)	120,357,679	86,884,027
	<u>1,616,541,642</u>	<u>932,108,261</u>

(A) Investments in listed companies shares

investee	<i>Direct ownership %</i>		<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>30 September 2021</i>	<i>31 December 2020</i>		
Sabic for Agri-Nutrients (a.1)	1,46%	1,91%	1,201,268,750	640,266,250
Makkah Construction and Development Company	0,72%	0,72%	86,620,413	75,941,184
Knowledge Economic City Company	3,20%	3,20%	208,294,800	129,016,800
			<u>1,496,183,963</u>	<u>845,224,234</u>

a.1) During period ended 30 September 2021, a million shares were sold out of the total owned by Taiba Company in SABIC AGRY-NUTRIENTS, This resulted a net profit of SR 17.6 million that was directly recognized in retained earnings.

(B) Investments in shares and interests of unlisted companies

Investee	<i>Direct ownership %</i>		<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>
	<i>30 September 2021</i>	<i>31 December 2020</i>		
Kinan International Real Estate Development Company	2,33%	2,33%	40,042,658	36,811,930
Development Company Knowledge Economic City	5,01%	5,01%	80,315,021	50,072,097
			<u>120,357,679</u>	<u>86,884,027</u>

The Group recorded unrealized gains on revaluation of investments in equity instruments designed at Fair Value through Other Comprehensive Income (FVOCI):

	<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>
Balance at beginning of the period / year	932,108,261	897,439,436
Unrealized gains	806,019,514	34,668,825
Disposals through sale	(121,586,133)	-
At the end of the period / year	<u>1,616,541,642</u>	<u>932,108,261</u>

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8 INVESTMENT IN ASSOCIATES

Details of the Group's investments in associates are as follows:

Name	Country of incorporation	Principal activities	Effective holding		30 September 2021 (Unaudited)	31 December 2020 (Audited)
			30 September 2021	31 December 2020		
Al-Seera City Company for Real Estate Development	Kingdom of Saudi Arabia	Real Estates	20%	20%	72,013,325	72,056,055
AL Madinah AL Munwarah Company For dates	Kingdom of Saudi Arabia	Industries	35%	35%	-	5,335,304
Saudi Heritage Hospitality Company (A)	Kingdom of Saudi Arabia	Hotels and tourism	30%	30%	8,649,118	5,688,941
AL Madinah AL Munwarah Airport Hotel Company (B)	Kingdom of Saudi Arabia	Hotel services	33,33%	33,33%	-	-
					80,662,443	83,080,300

Details of the Group's investments in associates are as follows:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Balance at the beginning of the period / year	83,080,300	91,588,117
Share of statutory reserve and losses	(2,417,857)	(8,507,817)
Balance at the end of the period / year	80,662,443	83,080,300

- a) The partners agreed to liquidate Saudi Heritage Hospitality Company during the extraordinary assembly meeting of the Company on August 21, 2019. The legal procedures for liquidation are under process to the date of preparing the financial statements.
- b) As at 30 September 2021, Al Madinah Al Munawwarah Airport Hotel Company has incurred accumulated losses that exceeded the book value of the investment, and the Group has continued to bear additional losses during the period amounting to SR 5.6 million (30 September 2020: SR 8.3 million), the total balance of loss provision provided as at 30 September 2021 amounted to SR 25.8 million (31 December 2020: SR 20.2 million) due to the legal and contractual obligations of financial support for that Company to meet its financial obligations as and when they fall due.

Taiba has a potential obligation of SR 37.3 million representing the value of the guarantee granted by the Company to Banque Saudi Fransi to secure the loan of Al Madinah Al Munawwarah Airport Hotel Company, and the Group has not registered any provision for this potential obligation, and the Group's management considers that there is a need to make any provisions for the potential obligation as a result of issuing an exception by the Saudi Central Bank to extend the repayment period of the bank obligations for 3 months.

During the year ended December 31, 2020, the sale of the Group's entire share in Oasis Fiberglass Company amounted to 29.5% with total amount of SR 15.5 million, resulting in a discounted realized profits of SR 10.7 million using the current value of future cash payments. An amount of SR 488 thousand was paid as a first installment, and the remaining amount to be paid on 15 quarterly equal installments starting as at June 30, 2022. Therefore, as at 30 September 2021, an amount of SR 2 million was recognized as current installments, while the amounts due from the sale transaction amounted to SR 9.5 million were recorded as other non-current assets after adding revaluation revenues.

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9 TRADE RECEIVABLES

	<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>
Trade receivables	159,444,374	97,868,417
Less: Provision for impairment of trade receivables	(139,996,764)	(78,925,905)
	19,447,610	18,942,512

The movement in provisions of impairment of trade receivables:

	<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>
Balance at 1 January	78,925,905	12,523,152
Charged for the period / year	83,666,078	66,824,965
Reversal of impairment of trade receivables provision	(20,612,918)	(1,120,837)
Balance transferred from provision of related parties	-	801,184
Write-off	(1,982,301)	(102,559)
	139,996,764	78,925,905

10 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent the shareholders, directors and key management personnel of the Company and entities under their control or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management. The significant transactions with related parties and its balances in the Company are as follows:

Amounts due from related parties

<i>Description</i>	<i>Relationship type</i>	<i>Nature of transactions</i>	<i>Amount of transactions</i>		<i>Closing balance</i>	
			<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>	<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>
AL Madinah AL Munwarah Airport Hotel Company	Associate	Finance	-	-	22,496,498	22,496,498
Less: Provision for impairment of related parties					(3,259,267)	(3,259,267)
					19,237,231	19,237,231

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10 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Amounts due to related parties

<i>Description</i>	<i>Relationship type</i>	<i>Nature of transactions</i>	<i>Amount of transactions</i>		<i>Closing balance</i>	
			<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>	<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>
Owners of Taiba Residential and Commercial Center	Associated foundation	Services Maintenance Operational expenses	1,217,043	5,587,752	6,697,102	6,963,872
			1,785,440	6,254,762	6,697,102	6,963,872

Compensation of key management personnel

	<i>30 September 2021 (Unaudited)</i>	<i>30 September 2020 (Unaudited)</i>
Allowances, tickets and company's directors remunerations	3,282,697	3,530,896
Allowances and subsidiary's directors remunerations	264,000	352,132
Salaries, allowances and senior executives remunerations	8,100,498	7,785,258
	11,647,195	11,668,286

11 CASH AND CASH EQUIVALENTS

	<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>
Murabaha deposits (a)	100,000,000	-
Cash at Banks (b)	184,647,167	124,030,113
	284,647,167	124,030,113

a) Represents investments in short-term Islamic murabaha with maturity less than 90 days (31 December 2020: Nil).

b) Balances at banks include restricted cash held by the Group that amounted to SR 94.3 million (31 December 2020: SR 94.7 million) related to dividends due to the Group's shareholders and this balance is not available for the general use of the Company.

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12 ZAKAT

As of 2019, the Company and its fully owned subsidiaries are submitting a consolidated Zakat declaration on a consolidated basis. For subsidiaries with less than 100% ownership, they must file separate Zakat declarations. Before 2019, subsidiaries used to file separate zakat declarations on an unconsolidated basis. The main components of the Zakat base for each Company according to the Zakat and income tax system consist of shareholders' equity, provisions at the beginning of the year and adjusted income less discounts for the adjusted net book value of property, equipment, investment properties and properties under development and investments.

Zakat charge for the period ended at 30 September comprise of the following:

	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
Current period	6,510,517	8,511,898
Prior periods	(356,746)	683,229
	6,153,771	9,195,127

Movement in zakat provision

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Balance at the beginning of the period / year	18,914,325	35,657,960
Charged on the period / year	6,153,771	2,225,505
Paid during the period/ year	(9,235,114)	(18,969,140)
Balance at the end of the period / year	15,832,982	18,914,325

Status of assessments

Company and its fully owned subsidiaries

A consolidated Zakat declaration was submitted for both to Taiba Investment Company and Al Aqeeq Real Estate Development Company for the year ended 31 December 2020 and the Company received a Zakat certificate valid until 30 April 2022.

During 2015, Taiba Investment Company received the zakat assessment issued by Zakat, Tax and Custom Authority (ZTCA) for the year 2013, according to which the ZTCA required additional zakat charge of SR 3.9 million, and the Company has objected to this assessment. However, the second preliminary tax objection committee in Riyadh supported Taiba Company in terms of form, and the ZTCA in terms of content. Accordingly, the Company appealed against the committee's decision on 6/10/2016 after it submitted a bank guarantee of the amount of the assessment, The appeals committee's decision was issued partially in favor of the Company, where the assessment amount was amended to SR 1.5 million and was repaid in January 2021, and letter of guarantee was canceled in March 2021. The Company submitted its Zakat returns for the years from 2014 to 2019 and a revised assessment was received from ZTCA during 2020 for the year 2014, claiming zakat differences of SR 44 thousand and was paid by the Company. During 2020 the Company received assessments of ZTCA for the years from 2015 to 2018 claiming a total zakat difference of SR 8.1 million. The assessment was examined by the Company and its Zakat advisor and thus submitted an objection to ZTCA during the statutory period. ZTCA issued the revised assessments for the above years at an amount of SR 7.9 million, and an objection was submitted to Tax Violations and Dispute Settlement Committee within the statutory period, and no date for the hearing session has been set to date.

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12 ZAKAT (continued)

Statues of assessment (continued)

Company and its fully owned subsidiaries (continued)

During 2020, Al-Theraa Almakeen Industrial Company (Branch of Taiba Investment Company) received the estimated zakat assessment from the ZTCA for the years 2017 and 2018 which showed an additional Zakat of SR 40 million for the year 2017 and SR 40 million for the year 2018, and the Company submitted an objection to Tax Violations and Dispute Settlement Committee . The Company's management does not believe it needs an additional provision as Al-Theraa Almakeen Industrial Company was transferred as a branch of Taiba Investment Company on 2014 and recorded under Zakat declaration for Taiba Investment Company.

ZTCA issued two assessments for the years 2014 and 2015 to Al-Aqeeq and claimed Zakat differences of SR 7.6 million and SR 1 million, respectively. The Company has made a provision with the total of these differences during 2018 and an objection was submitted to ZTCA against the stated assessments, then it was escalated to the Committee of Zakat and Tax Objection. The decision of the preliminary committee was issued, followed by the Company's appeal against the decision of the preliminary committee with a financial guarantee in the total amount. During 2020, the appeal was registered at the Appeals Committee for Tax Violations and Disputes, which issued its decision on 18/10/2020, under which the Company was supported in most of the disputed items, accordingly the amount of SR 7.9 million of zakat provision that was previously formed for this purpose was reversed. The letter of guarantee provided to ZTCA was canceled in April 2021.

Arab Resorts Areas Company (ARAC)

The Company submitted and paid the zakat return and obtained a Zakat certificate for the year ended 31 December 2020, valid till 30 April 2022.

The Company also paid zakat differences for the final assessment for the year 2013 amounting to SR 2.5 million during 2014 and filed an objection to the ZTCA on this assessment. The objection to the assessment for the year 2013 was escalated to the First Preliminary Tax Objection Committee in Jeddah, and the Committee issued its decision on the objection submitted by the Company. The Company appealed against the decision of Preliminary Committee and the appeal was registered with the General Secretariat of Tax Violations and Disputes Settlement Committees, which issued its decision in favor of the Company during 2020 and the amount was recorded as a debt on ZTCA.

During 2020, the Company settled and paid zakat assessments for the years 2016, 2017 and 2018 under the disclosing initiative for the years from ZTCA, which resulted in paying SR 246 thousand for all the years of settlement.

Taiba Agriculture Development Company – TADEC

Taiba Agricultural Development Company (TADC) submitted and paid the Zakat returns for the year ended 31 December 2020, and obtained Zakat certificate valid until 30 April 2022. ZATCA has issued the final assessments for the company until 2018.

Tawd Real Estate Management and Marketing Company (Tawd)

ZTCA issued the Company's final assessments until 2017. The Company submitted and paid the zakat returns for the years 2018 and 2019. The Company submitted and paid zakat returns for the year ended 31 December 2020 and obtained zakat certificate valid until 30 April 2022.

13 FINANCIAL INSTRUMENTS

The Group measures financial instruments at fair value as at the date of the consolidated financial statements. Fair value is the selling price of an asset or the transfer of a liability in an orderly transaction between two parties to the market at the measurement date. The fair value measurement is based on the assumption that selling an asset or transferring an obligation will take place either:

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants may use when pricing the asset or liability and assuming that the participants act for their best interest.

When measuring the fair value of a non-financial asset, the market participant's ability to generate economic benefits arising from the best use of the asset or its sale to another market participant who may be using the best use is taken into account.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair values are measured or disclosed in the interim condensed consolidated financial statements are classified within the fair value hierarchy, which is illustrated below, on the basis of the minimum inputs that are important to measure the fair values as a whole:

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

Level 2: Valuation techniques so that the minimum limit that can be determined for significant inputs to measure fair value can be observed directly or indirectly.

Level 3: Valuation techniques so that the minimum limit that can be determined for significant inputs to measure fair value cannot be observed.

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13 FINANCIAL INSTRUMENTS (continued)

The following table illustrates the book value and fair value of financial assets and liabilities, including their levels and hierarchy of fair value, the fair value information does not include financial assets and liabilities that are not measured at fair value if the book value is a reasonable approximated value of fair value.

	<i>30 September 2021</i>				<i>31 December 2020</i>			
	<i>Total</i>	<i>Amortised cost</i>	<i>fair value through statement of income</i>	<i>Fair value through OCI</i>	<i>Total</i>	<i>Amortised cost</i>	<i>fair value through statement of income</i>	<i>Fair value through OCI</i>
<i>Financial Assets</i>								
Financial asset at fair value	1,616,541,642	-	-	1,616,541,642	932,108,261	-	-	932,108,261
Trade receivables	19,447,610	19,447,610	-	-	18,942,512	18,942,512	-	-
Due from related parties	19,237,231	19,237,231	-	-	19,237,231	19,237,231	-	-
Cash and cash equivalent	284,647,167	284,647,167	-	-	124,030,113	124,030,113	-	-
Short-term Murabaha	-	-	-	-	220,000,000	220,000,000	-	-
TOTAL	1,939,873,650	323,332,008	-	1,616,541,642	1,314,318,117	382,209,856	-	932,108,261
<i>Financial liabilities</i>								
Trade accounts and other payables	22,480,696	22,480,696	-	-	29,729,549	29,729,549	-	-
Dividend payable	107,870,732	107,870,732	-	-	107,935,443	107,935,443	-	-
	130,351,428	130,351,428	-	-	137,664,992	137,664,992	-	-

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

For the nine-month period ended 30 September 2021
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14 EARNINGS (LOSS) PER SHARE

Basic earning (loss) per share

Basis earnings (loss) per share is calculated based on distributable profit to shareholders for ordinary shares and using weighted average number of ordinary shares at the date of the financial statement amounted SR 160.457.483 share (30 September 2020: SR 160.457.483 share).

Diluted earning (loss) per share

During the period, there are no transactions that reduce the earnings (loss) per share and therefore the earnings (loss) per diluted share is not different from earnings (loss) of basic shares.

15 DIVIDENDS PAYABLES

On 29 March 2021, the General Ordinary Association No. 39 approved the Board's recommendation dated 16 December 2020 to distribute dividends second half of 2020 equivalent to 5% of the capital of SR 80.2 million at SR 0.50 per share.

Following is the movement in dividends payable:

	<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>
Balance at 1 January	107,935,443	102,453,789
Dividends declared during the period / year	80,228,742	152,434,609
Dividends paid during the period / year	(80,293,453)	(146,952,955)
Balance at the end of the period / year	<u>107,870,732</u>	<u>107,935,443</u>

The cash restricted at an amount of SR 93.7 million as at September 30, 2021 is held in bank accounts separated from operating accounts and not available for general use by the Group (December 31, 2020: SAR 94.7 million).

16 SEASONAL CHANGES

The results of business for the nine-month period do not necessarily represent an accurate indicator of the actual results of the whole year operations, as the revenues from operating apartments and hotel rooms increase during the hajj and umrah seasons and during summer holidays, and decrease during the rest of the year and these changes are reflected in the group's financial results during the year. Therefore, the business results for this initial period may not be an accurate indication of the actual results of the whole year operations.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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17 COVID-19 IMPACT

The spread of the COVID-19 was confirmed across many geographical areas in early 2020, causing fundamental uncertainty about macroeconomics, disrupting business and economic activities. During March 2020, the Government of Saudi Arabia took several initiatives until beyond March 2020 to contain the spread of the virus, which included restrictions on travel, gatherings and curfews.

The extent of COVID-19 pandemic affects the group's business, operations and financial results is confirmed, but without knowing to what extent, which depends on many future factors and developments that the Group may not be able to reliably estimate during the current period. These factors include the rate of virus transmission, the duration of its outbreak and precautionary measures that government may take to reduce the spread of the epidemic, and the impact of these measures on the economic activity, as well as the group's customers business and other factors.

Although it is now difficult to predict the overall impact and to how extent on business and economy, the Group's management has made an assessment to the level of this impact on the Group's overall operations, and estimated liquidity requirements and business, including travel restrictions and demand on the Group's properties... etc. The Group cannot confirm that its used assumptions above in estimates will be correct due to these uncertain situations. In addition, the size, duration and speed of the global epidemic are uncertain, and therefore the management has taken several steps to mitigate the effects of the epidemic, including cost-cutting measures. The Group's management has recalculated the expected credit losses by introducing macroeconomic factors, therefore, as at 30 September 2021 ECL reached SR 140 million, as well as ceasing any record for lease revenues expected not to continue or to be collected. It also assessed the status of cash flows including banking facilities, the continuity of existing leases and the readiness of operational procedures when the situation improves.

In the light of the current uncertainty, any future changes in assumptions and estimates could lead to results that may require substantial adjustments to the book values listed for assets or liabilities affected by these results in future periods. Group management will continue to assess the impact based on foreseen developments, and will keep shareholders updated as more information becomes available. Based on financial position and assessing potential scenarios, management does not believe that there are any significant risks related to the going concern basis.

18 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation in the current period.