

Arabian Centres Company

(A Saudi Joint Stock Company)

Condensed consolidated interim financial statements
(Unaudited)

For the three-month and nine-month periods ended 31 December 2022
together with the

Independent Auditor's Review Report

Arabian Centres Company (A Saudi Joint Stock Company)

Condensed consolidated interim financial statements

For the three-month and nine-month periods ended 31 December 2022

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Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated interim financial statements

For the three-month and nine-month periods ended 31 December 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 Arabian Centres Company

Introduction

We have reviewed the accompanying 31 December 2022 condensed consolidated interim financial statements of **Arabian Centres Company** ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 31 December 2022;
- the condensed consolidated statement of profit or loss for the three-month and nine-month periods ended 31 December 2022;
- the condensed consolidated statement of comprehensive income for the three-month and nine-month periods ended 31 December 2022;
- the condensed consolidated statement of changes in equity for the nine-month period ended 31 December 2022;
- the condensed consolidated statement of cash flows for the nine-month period ended 31 December 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 information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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

To the Shareholders of Arabian Centres Company (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 December 2022 condensed consolidated interim financial statements of **Arabian Centres Company and its subsidiaries** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

Hani Hamzah A. Bedairi
License No: 460



Riyadh, on 24 Rajab 1444H
Corresponding to: 15 February 2023

Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of financial position

As at 31 December 2022

		31 December 2022	31 March 2022	1 April 2021
	Notes		Restated - Note 24	Restated - Note 24
Assets				
Investment properties	8	24,950,170,238	25,880,707,086	24,523,630,466
Right-of-use assets		--	--	1,259,122
Property and equipment		63,412,471	72,511,679	75,546,196
Accrued revenue – non-current portion		182,392,826	239,873,160	341,395,259
Investment in equity accounted investee and others	9	64,874,137	70,381,798	5,975,840
Other non-current assets		24,818,172	17,500,000	22,500,000
Non-current assets		25,285,667,844	26,280,973,723	24,970,306,883
Development properties		345,683,721	292,853,450	--
Accrued revenue		91,196,413	119,936,580	170,697,630
Accounts receivable		393,033,959	238,986,246	247,870,806
Amounts due from related parties	11	407,818,982	325,270,527	379,445,963
Prepayments and other assets		197,414,113	180,655,736	99,459,039
Cash and cash equivalents	10	610,445,796	556,127,750	635,669,921
Assets held for sale	8	405,880,057	--	4,674,647
Current assets		2,451,473,041	1,713,830,289	1,537,818,006
Total assets		27,737,140,885	27,994,804,012	26,508,124,889
Equity				
Share capital		4,750,000,000	4,750,000,000	4,750,000,000
Share premium		411,725,703	411,725,703	411,725,703
Statutory reserve		605,442,463	605,442,463	561,758,636
Other reserves		16,511,299	13,998,340	7,184,631
Retained earnings		10,112,023,837	9,687,158,725	9,151,976,285
Equity attributable to the shareholders of the Company		15,895,703,302	15,468,325,231	14,882,645,255
Non-controlling interest		49,482,783	25,897,258	23,119,848
Total equity		15,945,186,085	15,494,222,489	14,905,765,103
Liabilities				
Loans and borrowings	13	7,438,793,354	7,513,603,269	6,861,285,252
Lease liabilities		2,383,687,028	3,397,752,809	3,523,411,045
Employee benefits		28,486,108	25,437,575	21,673,040
Other non-current liabilities		47,571,467	53,583,832	69,448,668
Non-current liabilities		9,898,537,957	10,990,377,485	10,475,818,005
Loans and borrowings	13	903,315,625	277,570,313	119,375,000
Lease liabilities – current portion		255,589,354	406,454,763	337,122,007
Accounts payable and other liabilities		450,293,064	515,760,837	405,102,129
Amount due to related parties	11	1,163,114	--	162,319
Unearned revenue		239,109,599	269,230,403	240,501,793
Zakat liabilities		43,946,087	41,187,722	24,278,533
Current liabilities		1,893,416,843	1,510,204,038	1,126,541,781
Total liabilities		11,791,954,800	12,500,581,523	11,602,359,786
Total equity and liabilities		27,737,140,885	27,994,804,012	26,508,124,889

The attached notes from 1 to 26 are an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors and signed on its behalf by:

Walid Al-Rebdi
Chief Financial Officer

Alison Rehill-Erguven
Chief Executive Officer

Mohamad Mourad
Board Member

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of profit or loss

For the three-month and nine-month periods ended 31 December 2022

	Notes	Three-month period ended		Nine-month period ended	
		31 December 2022	31 December 2021 <i>Restated Note 24</i>	31 December 2022	31 December 2021 <i>Restated Note 24</i>
Revenue	14	550,837,084	510,596,441	1,687,534,280	1,518,317,628
Cost of revenue - Direct costs		(88,362,778)	(87,192,217)	(270,447,197)	(273,830,081)
Gross profit		462,474,306	423,404,224	1,417,087,083	1,244,487,547
Other operating income		5,525,515	2,138,412	12,829,076	7,407,717
Net fair value gain on investment properties	8	220,529,827	129,664,661	4,588,794	57,312,620
Advertisement and promotion expenses		(14,219,824)	(4,801,487)	(28,544,793)	(15,801,526)
General and administrative expenses	15	(93,277,482)	(56,106,988)	(207,062,415)	(173,788,624)
Impairment loss on accounts receivable and accrued revenue rentals		(36,876,465)	(41,711,778)	(83,315,372)	(73,222,259)
Other expenses		(1,426,587)	--	(24,783,276)	--
Operating profit		542,729,290	452,587,044	1,090,799,097	1,046,395,475
Finance costs over loans and borrowings		(51,409,852)	(35,362,455)	(146,848,717)	(126,065,291)
Finance costs over lease liabilities		(26,995,157)	(37,096,344)	(102,262,967)	(121,847,884)
Net finance costs		(78,405,009)	(72,458,799)	(249,111,684)	(247,913,175)
Share of loss of equity-accounted investee	9	(3,172,746)	(4,000,000)	(7,159,334)	(4,000,000)
Profit before zakat		461,151,535	376,128,245	834,528,079	794,482,300
Zakat charge		(5,411,426)	(3,292,940)	(29,827,442)	(8,366,222)
Profit for the period		455,740,109	372,835,305	804,700,637	786,116,078
Profit for the period is attributable to:					
- Shareholders of the Company		459,101,950	355,669,736	781,115,112	764,517,112
- Non-controlling interest		(3,361,841)	17,165,569	23,585,525	21,598,966
		455,740,109	372,835,305	804,700,637	786,116,078
Earnings per share					
Basic and diluted earnings per share	16	0.97	0.75	1.64	1.61

The attached notes from 1 to 26 are an integral part of these condensed consolidated interim financial statements.





Waleed Al-Rebdi
Chief Financial Officer

Alison Remil-Erguyen
Chief Executive Officer

Mohamad Mourad
Board Member

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of comprehensive income

For the three-month and nine-month periods ended 31 December 2022

	Three-month period ended		Nine-month period ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
		Restated		Restated
Notes		Note 24		Note 24
Profit for the period	455,740,109	372,835,305	804,700,637	786,116,078
Other comprehensive income / (loss)				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
- Cash flow hedges – effective portion of change in fair value	(1,444,965)	1,969,227	1,962,835	2,048,882
- Foreign currency translation difference of equity accounted investee	9 499,822	--	(923,491)	--
<i>Items that will not be reclassified to profit or loss:</i>				
- Remeasurement of end of service liability	(455,083)	--	1,473,615	(1,154,774)
Total comprehensive income for the period	454,339,883	374,804,532	807,213,596	787,010,186
Total comprehensive income for the period attributable to:				
- Shareholders of the Company	457,701,724	357,638,963	783,628,071	765,411,220
- Non-controlling interests	(3,361,841)	17,165,569	23,585,525	21,598,966
	454,339,883	374,804,532	807,213,596	787,010,186

The attached notes from 1 to 26 are an integral part of these condensed consolidated interim financial statements.


Waleed Al-Rebdi
 Chief Financial Officer


Alison Rehill-Erguven
 Chief Executive Officer


Mohamad Mourad
 Board Member

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)

Condensed consolidated statement of changes in equity

For the nine-month period ended 31 December 2022

Notes	Attributable to shareholders of the Company						Non-Controlling interest	Total equity
	Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Total		
Balance at 1 April 2021 – As reported	4,750,000,000	411,725,703	561,758,636	7,184,631	320,429,968	6,051,098,938	1,319,575	6,052,418,513
Impact of restatement due to change in accounting policy (note 24)	--	--	--	--	8,831,546,317	8,831,546,317	21,800,273	8,853,346,590
Balance at 1 April 2021 – Restated	4,750,000,000	411,725,703	561,758,636	7,184,631	9,151,976,285	14,882,645,255	23,119,848	14,905,765,103
Total comprehensive income for the period								
Profit for the period	--	--	--	--	764,517,112	764,517,112	21,598,966	786,116,078
Other comprehensive income	--	--	--	894,108	--	894,108	--	894,108
Total comprehensive income for the period	--	--	--	894,108	764,517,112	765,411,220	21,598,966	787,010,186
Transactions with shareholders of the company								
Dividends	12	--	--	--	(356,250,000)	(356,250,000)	--	(356,250,000)
Balance at 31 December 2021 – restated (note 24)	4,750,000,000	411,725,703	561,758,636	8,078,739	9,560,243,397	15,291,806,475	44,718,814	15,336,525,289
Balance at 1 April 2022 – As reported	4,750,000,000	411,725,703	605,442,463	13,998,340	1,084,412	5,782,250,918	(1,669,853)	5,780,581,065
Impact of restatement due to change in accounting policy (note 24)	--	--	--	--	9,686,074,313	9,686,074,313	27,567,111	9,713,641,424
Balance at 1 April 2022 – Restated	4,750,000,000	411,725,703	605,442,463	13,998,340	9,687,158,725	15,468,325,231	25,897,258	15,494,222,489
Total comprehensive income for the period								
Profit for the period	--	--	--	--	781,115,112	781,115,112	23,585,525	804,700,637
Other comprehensive income	--	--	--	2,512,959	--	2,512,959	--	2,512,959
Total comprehensive income for the period	--	--	--	2,512,959	781,115,112	783,628,071	23,585,525	807,213,596
Transactions with shareholders of the company								
Dividends	12	--	--	--	(356,250,000)	(356,250,000)	--	(356,250,000)
Balance at 31 December 2022	4,750,000,000	411,725,703	605,442,463	16,511,299	10,112,023,837	15,895,703,302	49,482,783	15,945,186,085

The attached notes from 1 to 26 are an integral part of these condensed consolidated interim financial statements.

Waleed Al-Rehdi
Chief Financial Officer

Alison Rehill-Erguven
Chief Executive Officer

Mohamad Mourad
Board Member

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of cash flows

For the nine-month period ended 31 December 2022

	Notes	Nine-month period ended 31 December 2022	Nine-month period ended 31 December 2021 <i>Restated - Note 24</i>
Cash flows from operating activities:			
Profit before Zakat		834,528,079	794,482,300
Adjustments for:			
- Depreciation on property and equipment		13,468,735	13,163,939
- Depreciation on right-of-use assets		--	1,259,125
- Impairment loss on accounts receivable and accrued revenue rentals		83,315,372	73,222,259
- Provision for employee benefits		5,140,951	3,793,319
- Finance cost over loans and borrowings		146,848,717	126,065,291
- Finance cost over lease liabilities		102,262,967	121,847,884
- Advance to supplier written-off		3,000,000	--
- Share of loss of equity-accounted investee	9	7,159,334	4,000,000
- Loss on disposal of investment property	8	23,283,650	--
- Fair value gain of other investments	9	(561,442)	(529,584)
- Lease rental concession		(2,812,500)	--
- Gain from disposal of assets held for sale		--	(429,474)
- Gain on disposal of subsidiary	23	(10,100)	--
- Net fair value gain on investment properties	8	(4,588,794)	(57,312,620)
		1,211,034,969	1,079,562,439
Changes in:			
- Accounts receivable		(222,758,187)	(78,313,282)
- Amounts due from related parties, net		(83,161,557)	(26,361,441)
- Prepayments and other assets		(19,416,399)	(57,852,144)
- Accounts payable and other liabilities		(31,538,223)	1,423,828
- Accrued revenue		71,615,604	122,565,069
- Unearned revenue		(30,120,804)	(12,045,077)
Cash generated from operating activities		895,655,403	1,028,979,392
Employee benefits paid		(618,803)	(2,171,928)
Zakat paid		(27,069,077)	(14,350,700)
Net cash from operating activities		867,967,523	1,012,456,764
Cash flows from investing activities:			
Additions to development properties		(55,830,271)	(6,979,833)
Additions to investment properties, net		(512,653,838)	(611,794,065)
Acquisition of equity-accounted investee and others		(7,790,731)	(75,293,227)
Acquisition of property and equipment		(4,369,527)	(19,397,866)
Proceeds from disposal of investment property	8	230,528,350	--
Proceeds from disposal of other investment		6,000,000	--
Proceeds from disposal of assets held for sale		--	5,104,121
Net cash used in investing activities		(344,116,017)	(708,360,870)

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of cash flows (continued)

For the nine-month period ended 31 December 2022

	Notes	Nine-month period ended 31 December 2022	Nine-month period ended 31 December 2021 <i>Restated Note 24</i>
Cash flows from financing activities:			
Proceeds from loans and borrowings	13	638,308,994	3,321,328,125
Repayments of loans and borrowings	13	(102,563,584)	(2,656,577,603)
Transaction costs paid during the period	13	--	(49,747,258)
Payment of finance costs over loans and borrowings		(402,729,521)	(313,185,148)
Payment of dividend to shareholders		(356,250,000)	(356,250,000)
Payments of lease liabilities		(246,299,349)	(223,205,508)
Net cash used in financing activities		(469,533,460)	(277,637,392)
Net increase in cash and cash equivalents		54,318,046	26,458,502
Cash and cash equivalents at the beginning of period		556,127,750	635,669,921
Cash and cash equivalents at end of the period		610,445,796	662,128,423
Significant non-cash transactions:			
- Capitalized finance costs for projects under construction		193,388,790	169,003,025
- Capitalized arrangement fees for projects under construction		4,055,972	3,377,974
- Capitalized finance cost over lease liabilities for projects under construction		25,865,919	28,971,036
- Capitalized employee benefits for projects under construction and property and equipment		14,024,440	--
- Advances for acquisition of investment property by related party		--	25,000,000
- Disposal of subsidiaries		750,000	--
- Related parties settlement through advanced to contractor account		--	(13,648,298)
- Transfer of investment property from related party		--	85,039,100
- Transfer of land to development property from investment property		--	269,403,007
- Capitalized investment property paid by related party		1,300,000	--
- Investment in joint venture paid by related party		222,991	--

The attached notes from 1 to 26 are an integral part of these condensed consolidated interim financial statements.

 Waleed Al-Rebdi <i>Chief Financial Officer</i>	 Alison Rehill Erguven <i>Chief Executive Officer</i>	 Mohamad Mourad <i>Board Member</i>
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All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements

For the nine-month period ended 31 December 2022

1. Reporting entity

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

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

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

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

On 29 December 2022, the shareholders approved the change of the fiscal year of the Company to 31 December from 31 March. The change in fiscal year will not have any negative effects on the Company’s financial or operational performance.

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

1. Reporting entity (continued)

Following is the list of subsidiaries included in these condensed consolidated interim financial statements as at 31 December 2022 and 31 March 2022:

No	Subsidiaries	Country of incorporation	Direct ownership interest held by the Group as at:		Indirect ownership interest held by the Group as at:		Share Capital (SR)	Number of shares issued
			31 December 2022	31 March 2022	31 December 2022	31 March 2022		
1	Riyadh Centres Company Limited (Note 23)	Kingdom of Saudi Arabia	--	95%	--	5%	500,000	500
2	Al Bawarij International for Development & Real Estate Investment Company	Kingdom of Saudi Arabia	95%	95%	5%	5%	500,000	500
3	Al Makarem International for Real Estate Development Company	Kingdom of Saudi Arabia	95%	95%	5%	5%	500,000	500
4	Oyoun Al Raed Mall Trading	Kingdom of Saudi Arabia	95%	95%	5%	5%	100,000	100
5	Oyoun Al Basateen Company for Trading	Kingdom of Saudi Arabia	95%	95%	5%	5%	100,000	100
6	Al-Qasseem Company for Entertainment and Commercial Projects Owned by Abdulmohsin AlHokair and Company	Kingdom of Saudi Arabia	50%	50%	--	--	500,000	500
7	Yarmouk Mall Company Limited	Kingdom of Saudi Arabia	95%	95%	5%	5%	500,000	500
8	Mall of Arabia Company Limited	Kingdom of Saudi Arabia	95%	95%	5%	5%	500,000	500
9	Dhahran Mall Trading Company Limited	Kingdom of Saudi Arabia	95%	95%	5%	5%	500,000	500
10	Al Noor Mall Trading Company Limited	Kingdom of Saudi Arabia	95%	95%	5%	5%	500,000	500
11	Al Yasmeen Mall Trading Company Limited	Kingdom of Saudi Arabia	95%	95%	5%	5%	100,000	100
12	Al Dammam Mall Trading Company Limited (Note 23)	Kingdom of Saudi Arabia	--	95%	--	5%	100,000	100
13	Al Hamra Mall Trading Company Limited	Kingdom of Saudi Arabia	95%	95%	5%	5%	100,000	100
14	Al Erth Al Rasekh Trading Company Limited	Kingdom of Saudi Arabia	95%	95%	5%	5%	100,000	100
15	Derayah Destination Arabia Diversified Fund	Kingdom of Saudi Arabia	100%	100%	--	--	--	--
16	Riyad Real Estate Development Fund – Jawharat AlRiyadh (i)	Kingdom of Saudi Arabia	100%	--	--	--	--	--
17	Riyad Real Estate Development Fund – Jawharat Jeddah (ii)	Kingdom of Saudi Arabia	100%	--	--	--	--	--

- i) During the nine-month period ended 31 December 2022, the Group invested in a newly established private real estate fund named Riyadh Real Estate Development Fund – Jawharat AlRiyadh. The Group signed an agreement with Riyadh Capital Company to manage the fund. The units were subscribed by transfer of a parcel of land, construction work in progress and advances to contractor to the fund with a carrying value of SR 2,796 million.
- ii) During the nine-month period ended 31 December 2022, the Group invested in a newly established private real estate fund named Riyadh Real Estate Development Fund – Jawharat Jeddah. The Group signed an agreement with Riyadh Capital Company to manage the fund. The units were subscribed by transfer of a parcel of land, construction work in progress and advances to contractor to the fund with a carrying value of SR 1,568 million.

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

2. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting that is endorsed in the 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 latest annual consolidated financial statements as at and for the year ended 31 March 2022 ("latest annual Consolidated Financial Statements"). They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia. However, selected accounting policies and explanatory notes are included to explain events and transactions that are significant to understand the changes in the Group's financial position and performance since the latest annual consolidated financial statements.

3. Basis of measurement

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

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

4. Functional and presentation currency

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

5. Significant accounting estimates, assumptions and judgements

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

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the latest annual consolidated financial statements, except as mentioned in note 6.

6. Changes in significant accounting policies

Except as explained below, the accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the latest annual consolidated financial statements as at and for the year ended 31 March 2022.

During the period ended 31 December 2022, the Group has adopted the fair value model for subsequent measurement of its investment properties under IAS 40 as this reflects more relevant information considering the variability and changes in the underlying value of investment properties, represented by land and buildings. As required under IAS 8, the change in accounting policy has been applied retrospectively. Accordingly, the comparative information presented for 31 March 2022 and 1 April 2021 (earliest period presented) has been restated. Refer to Note 24 for details of changes in comparatives due to the change in the accounting policy. The details of the changes in accounting policies are disclosed below.

Previously, the Group measured investment properties (including investment properties held under lease), subsequent to initial recognition at cost less accumulated depreciation and any impairment in value. Land and projects under construction were not depreciated. Due to change in accounting policy, investment property (including investment properties held under lease) will be measured at fair value with any change therein recognized in profit or loss. In case of property under construction, where the fair value is not reliably measurable, it is measured at cost less any impairment until either its fair value becomes reliably measurable or construction is substantially completed (whichever is earlier). Measurement of fair value of investment properties involves key unobservable inputs and assumptions underlying fair values which are summarized in note 8.

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

7. Standards issued but not yet effective

A number of new pronouncements are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these condensed consolidated interim financial statements:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Definition of accounting estimate (Amendments to IAS 8)
- Disclosure of Accounting policies (Amendments to IAS 1 and IFRS practice statement 2)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction -(Amendments to IAS 12)

These amended standards and interpretations are not expected to have a significant impact on the condensed consolidated interim financial statements.

8. Investment properties

		31 December 2022	31 March 2022 Restated – Note 24
Investment properties	Notes 8A	24,230,101,466	25,285,355,066
Advance payment for projects under construction	8B	720,068,772	595,352,020
		24,950,170,238	25,880,707,086

A. Investment properties

		31 December 2022	31 March 2022 Restated – Note 24
Balance at the beginning of the period / year		25,285,355,066	23,941,161,107
Additions during the period / year		625,272,207	1,217,168,833
Disposal during the period / year	(i)	(253,812,000)	--
Impact of reassessment of lease		(479,055,119)	--
Transferred to development properties		--	(269,403,007)
Transfers during the period / year from related party	(ii)	--	85,039,100
Disposal on sale of subsidiary	23	(546,367,425)	--
Assets held for sale	(v)	(405,880,057)	--
Increase on fair value		4,588,794	311,389,033
Balance at the end of the period / year	(vi)	24,230,101,466	25,285,355,066

- During the nine-month period ended 31 December 2022, the Group disposed off the Olaya land for a total consideration of **SR 230 million** resulting in a loss on disposal of **SR 23.3 million** which has been recorded under other expenses in the statement of profit or loss.
- During the year ended 31 March 2022, Saudi FAS Holding Company transferred lands and buildings worth **SR 85 million** to settle the outstanding receivables from FAS Holding Company for Hotels.
- On 15 May 2022, there was partial fire outbreak at the Mall of Dahrhan in the Eastern Province of Saudi Arabia. The mall was closed for a short period and reopened its doors on 7 June 2022, with an exception to some damaged area that is currently under restoration. The impact of the fire outbreak has been factored in by the valuers in the fair value of the mall as at 31 December 2022. Surveyors are in the process of assessing the extent of loss, following which the Group will file a claim for reimbursement with the insurers.
- All leasehold interests meet the definition of an investment property and, accordingly, the Group has accounted for the right-of-use assets as part of investment property as allowed by IFRS 16. The lands are restricted to be used for commercial purposes in relation to the Group's businesses and the right to renew the lease is based on mutual agreements between the parties. If the respective leases are not renewed the land and buildings will be transferred to the lessors at the end of the lease term.

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

8. Investment properties (continued)

A. Investment properties (continued)

- v. During the nine-month period ended 31 December 2022, the Group has entered into an agreement to sell a portion of the land to a potential buyer and is in the process of completing the pre-conditions to execute the sale. Accordingly, the carrying value of the portion of land has been classified as assets held for sale under current assets.
- vi. The carrying amount at reporting date includes the fair value / cost for following:

	31 December 2022 SR million	31 March 2022 SR million
Shopping malls at owned lands	11,199	11,290
Shopping malls at leasehold lands	6,529	7,201
Owned lands held as investment properties	3,355	4,858
Projects under construction (note a)	2,418	883
Right-of-use assets used for projects under construction	729	1,053
	24,230	25,285

- a) The carrying amount at the reporting date includes properties under construction measured at cost. These comprise malls under construction at early stages of development with significant uncertainty around the exact timing and impact of these developments. Based on its assessment, management has therefore concluded that the fair value of these properties cannot reliably be determined at this stage. These properties have thus been measured at cost.
- vii. Fair value of investment properties
- a) *Fair value hierarchy*

The fair value measurement for investment property of **SR 24,230 million** (31 March 2022: SR 25,285 million) has been categorized as a level 3 fair value based on the significant unobservable inputs adopted by the valuer in the valuation technique used which are future retail rental payment terms; discount rates; and capitalization rate (yields).

The fair value of investment properties as at the reporting dates for all properties, whether owned or leased, except properties under construction which are measured at cost, is determined by independent external valuers with appropriate qualifications and experience in the valuation of properties. Due to the change in accounting policy for the subsequent measurement of the investment properties, the effective dates of the valuations are 1 April 2021, 31 March 2022 and 31 December 2022 and are prepared in accordance with Royal Institution of Chartered Surveyors ("RICS") Global Standards 2020 which comply with the international valuation standards and the RICS Professional Standards.

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

31 December 2022

Property	Fair value SR million	Valuation technique	Significant unobservable input	Range
Shopping Malls	17,728	Discounted cash flows	Occupancy (%) Future rent growth (%) Discount rate (%)	58% - 99% 2.25% - 2.5% 10.5% - 21%
Right-of-use assets used for properties under construction	729	Discounted cash flows	Average rent (SR /sqm) Future rent growth (%) Discount rate (%)	400 - 4,500 4% - 15% 10% - 12%
Owned land	3,355	Comparable transaction	Average price (SR /sqm)	210 - 8,834

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

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

8. Investment properties (continued)

A. Investment properties (continued)

vii. Fair value of investment properties (continued)

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

31 March 2022

Property	Fair value SR million	Valuation technique	Significant unobservable input	Range
Shopping Malls	18,491	Discounted cash flows	Occupancy (%) Future rent growth (%) Discount rate (%)	64% - 98% 2.25% 8% - 17.25%
Right-of-use assets used for properties under construction	1,053	Discounted cash flows	Average rent (SR /sqm) Future rent growth (%) Discount rate (%)	400 - 4,500 4% - 15% 10% - 12%
Owned land	3,656	Comparable transaction	Average price (SR /sqm)	210 - 14,313

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

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

	31 December 2022	31 March 2022
Fair value of land and buildings as per fair valuer	19,515,942,527	20,024,740,740
Less: Adjustment for accrued operating lease income	(273,589,240)	(359,811,571)
Add: carrying amount of lease liabilities	2,569,259,932	3,540,490,371
Net adjusted fair value	21,811,613,219	23,205,419,540
Add: Properties under construction (carried at cost as fair value not reliably determinable)	2,418,488,247	2,079,935,526
Total carrying amount of investment properties	24,230,101,466	25,285,355,066

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

	Three-month period ended		Nine-month period ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Revenue from investment property	550,837,084	510,596,441	1,687,534,280	1,518,317,628
Direct operating expenses on properties that generated rental income	88,362,778	87,192,217	270,447,197	273,830,081

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

8. Investment properties (continued)

B. Advance payments for projects under construction

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

Name of related party	Business status	Relationship	Construction work services received		Balances	
			Nine-month period ended 31 December 2022	Nine-month period ended 31 December 2021	31 December 2022	31 March 2022
Lynx Contracting Company	Limited Liability	Affiliate	275,070,858	488,898,485	720,068,772	595,352,020

With the consent of the shareholders of the Company, the Company has signed a framework agreement for the construction of all projects with the Lynx Contracting Company.

9. Investment in equity accounted investee and others

	Notes	31 December 2022	31 March 2022
Investment in a Joint venture	9A	63,714,723	63,783,826
Investment in real estate fund at FVTPL	9B	1,159,414	6,597,972
		64,874,137	70,381,798

A. Investment in a Joint venture

Name of an entity	31 December 2022	31 March 2022
FAS Lab Holding Company	63,714,723	63,783,826
	63,714,723	63,783,826

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

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)
For the nine-month period ended 31 December 2022

9. Investment in equity accounted investee and others (continued)

A. Investment in a Joint venture (continued)

i. Reconciliation of carrying amount

	Opening balance	Additions	Share in losses	Other comprehensive loss	Ending balance
31 December 2022	63,783,826	8,013,722	(7,159,334)	(923,491)	63,714,723
31 March 2022	--	78,828,227	(15,044,401)	--	63,783,826

ii. Summarized financial statements

	31 December 2022	31 March 2022
Assets	295,488,692	267,709,353
Liabilities	(135,405,772)	(133,385,334)
Net Assets	160,082,920	134,324,019
Revenue	389,720,819	133,145,330
Operating loss	(12,685,030)	(38,339,655)
Total comprehensive loss	(11,140,002)	(37,851,576)
Loss for the period / year attributable to shareholders of the company	(14,318,667)	(30,088,802)

B. Investment in a real estate fund at FVTPL

Name of the real estate fund	31 December 2022	31 March 2022
Al Jawhara Real Estate Fund	1,159,414	6,597,972
	1,159,414	6,597,972

This represents equity investment in Al Jawhara Real Estate Fund (formerly known as Digital City Fund) purchased for SR 6.8 million. During the period, the Group sold units in the fund and realized a gain on disposal of investment of **SR 180,000** in the condensed consolidated statement of profit or loss. As at 31 December 2022, the net asset value (NAV) of the investment amounted to **SR 1.2 million** (31 March 2022: SR 6.5 million). An unrealized gain amounting to **SR 0.56 million** has been recognized in the consolidated statement of profit or loss (31 March 2022: loss of SR 0.62 million).

10. Cash and cash equivalents

	31 December 2022	31 March 2022
Bank balances – current accounts	378,077,716	423,520,640
Cheques under collection	231,323,093	131,434,993
Cash in hand	1,044,987	1,172,117
	610,445,796	556,127,750

Arabian Centres Company (A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

11. Related party transactions and balances

For the purpose of these condensed consolidated interim financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, and vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or entities. Balances and transactions between the Company and its subsidiaries, which are related parties within the Group, have been eliminated on consolidation

A. Key management personnel compensation

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

	Nine-month period ended 31 December 2022	Nine-month period ended 31 December 2021
End of service benefits	3,398,489	2,761,086
Salaries and short-term benefits	10,673,287	11,731,000
Total key management compensation	14,071,776	14,492,086

B. Related party transactions and balances

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

	31 December 2022	31 March 2022
Amount due from related parties	407,818,982	325,270,527
Amount due to related parties	(1,163,114)	--
	406,655,868	325,270,527

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

11. Related party transactions and balances (continued)

B. Related party transactions and balances (continued)

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

Name of related party	Business status	Rental income and other fees / services	Security services received	Others	Total	Balance as at 31 December 2022
31 December 2022						
Transactions during the nine-month period ended 31 December 2022						
Transactions with ultimate shareholder						
Saudi FAS Holding Company	Closed Joint Stock Company	2,030,205	--	1,774,837	3,805,042	--
Transactions with fellow subsidiaries (subsidiaries of shareholder)						
Fawaz Abdulaziz Al Hokair Company and its subsidiaries	Joint Stock Company	279,668,063	--	--	279,668,063	153,377,166
Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries	Joint Stock Company	16,356,992	--	--	16,356,992	16,177,998
Salman & Sons Holding Co and its associates	Limited Liability Company	34,135,645	--	--	34,135,645	90,313,341
Majd Al Amal Co. Limited and its associates	Limited Liability Company	20,830,188	--	--	20,830,188	47,670,205
Tadaris Alnajd Security Company	Limited Liability Company	--	46,439,156	--	46,439,156	(1,163,114)
Ezdihar Holding Co and its subsidiaries	Limited Liability Company	37,129,171	--	--	37,129,171	96,457,649
Others, net	Limited Liability Company	4,472,060	--	(1,300,000)	3,172,060	3,822,623
		394,622,324	46,439,156	474,837	441,536,317	406,655,868
31 March 2022						
Transactions during the nine-month period ended 31 December 2021						31 March 2022
Transactions with ultimate shareholder						
Saudi FAS Holding Company	Closed Joint Stock Company	1,486,477	--	20,698,971	22,185,448	47,146,009
Transactions with fellow subsidiaries (subsidiaries of shareholder)						
FAS Holding Company for Hotels and its subsidiaries	Limited Liability Company	--	--	152,687,398	152,687,398	--
Fawaz Abdulaziz Al Hokair Company and its subsidiaries	Joint Stock Company	280,537,042	--	39,757,632	320,294,674	129,377,038
Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries	Joint Stock Company	21,315,733	--	--	21,315,733	3,026,229
Salman & Sons Holding Co and its associates	Limited Liability Company	40,449,594	--	--	40,449,594	38,847,672
Majd Al Amal Co. Limited and its associates	Limited Liability Company	16,997,834	--	--	16,997,834	33,248,863
Tadaris Alnajd Security Company	Limited Liability Company	--	51,729,637	--	51,729,637	20,840,813
Ezdihar Holding Co and its subsidiaries	Limited Liability Company	31,522,425	--	--	31,522,425	43,892,560
Others, net	Limited Liability Company	3,774,828	--	--	3,774,828	8,891,343
		396,083,933	51,729,637	213,144,001	660,957,571	325,270,527

Arabian Centres Company (A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

12. Dividends distribution

31 December 2022

- i. On 2 July 2022, the Board of Directors resolved to distribute an interim dividend for the second half of the year ended 31 March 2022 amounting to **SR 0.75** per share aggregating to **SR 356,250,000**. The dividend was paid on 26 July 2022.

31 December 2021

- ii. On 27 April 2021, the Board of Directors resolved to distribute an interim dividend for the second half of the year ended 31 March 2021 amounting to **SR 0.75** per share, aggregating to **SR 356,250,000**. The dividend was paid on 15 July 2021.

13. Loans and borrowings

	Note	31 December 2022	31 March 2022
Islamic facility with banks (i)		3,211,961,677	2,669,952,315
Sukuk (ii)		5,130,147,302	5,121,221,267
	13 B	8,342,108,979	7,791,173,582
Loans and Borrowings - Current liabilities		903,315,625	277,570,313
Loans and Borrowings - Non Current liabilities		7,438,793,354	7,513,603,269
		8,342,108,979	7,791,173,582

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

A. Terms and repayment

i. Facility 1

The Group entered into a long-term Islamic facility arrangement amounting to **SR 5,250 million** (equivalent **USD 1,400 million**), with local and international banks. This facility is divided into a Murabaha facility up to **SR 500 million** (maturing in 12 years), Ijara facilities up to **SR 4,000 million** (maturing in 8 and 12 years), and Revolving Murabaha up to **SR 750 million** (maturing in 3 years). These facilities are fully utilized as at reporting date.

The long-term loan is repayable in unequal semi-annual instalments and are subject to commission rates based on SIBOR/LIBOR plus an agreed commission rate. In order to reduce its exposure to commission rate risks the Group has entered into an Islamic profit rate swap for portion of its long-term loan. For details refer *note 18*.

The facilities are secured by insurance policies, proceeds of rental income, and land and buildings of several malls.

During the nine-month period ended 31 December 2022, the Group borrowed an additional **SR 575 million** from the existing Revolving Murabaha Facility.

Facility 2

During the period ended 31 December 2022, the subsidiary of the Group has entered into a long term Islamic facility arrangement amounting to **SR 1,000 million** with local bank. The long-term loan is repayable in unequal semi-annual instalments and are subject to commission rates based on SIBOR/LIBOR plus an agreed commission rate. The facilities are secured by Land.

During the nine-month period ended 31 December 2022, the Group has drawn **SR 63 million** from the Facility.

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

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

13. Loans and borrowings (continued)

ii. Sukuk

- a) On 20 November 2019, Arabian Centres Sukuk Limited (a special purpose company established for the purpose of issuing Sukuk) completed the issuance of an International USD denominated Shari'ah compliant Sukuk "Sukuk Certificates" amounting to USD 500 million (equivalent SR 1,875 million), at a par value of USD 0.2 million each, annual yield of 5.375% payable semi-annually and a maturity of five years. Sukuk Certificates may be subject to early redemption at the option of the Company as per certain specified conditions mentioned in the Sukuk Certificate.
- b) On 7 April 2021, Arabian Centres Sukuk II Limited (a special purpose company established for the purpose of issuing Sukuk) completed the issuance of a Five and half year International USD denominated Shari'ah compliant Sukuk "Sukuk II Certificates" amounting to USD 650 million (equivalent SR 2,437.5 million), at a par value of USD 0.2 million each, annual yield of 5.625% payable semi-annually. On 28 July 2021, the Company issued additional Sukuk II certificates amounting to USD 225 million (equivalent SR 843.75 million), at a premium of 4.75%. Sukuk Certificates may be subject to early redemption at the option of the Company as per specified conditions mentioned in the Sukuk Certificate.

B. Reconciliation of carrying amount

	Notes	Islamic facility with banks	Sukuk	Total
Balance at 1 April 2021		5,204,993,272	1,874,950,000	7,079,943,272
Proceeds received during the year		175,000,000	3,281,250,000	3,456,250,000
Repayments made during the year		(2,656,577,603)	--	(2,656,577,603)
	(i)	2,723,415,669	5,156,200,000	7,879,615,669
Un-amortized transaction costs	(ii)	(53,463,354)	(67,890,041)	(121,353,395)
Deferred Sukuk premium	(iii)	--	32,911,308	32,911,308
Balance at 31 March 2022		2,669,952,315	5,121,221,267	7,791,173,582
Balance at 1 April 2022		2,723,415,669	5,156,200,000	7,879,615,669
Proceeds received during the period		638,308,994	--	638,308,994
Repayments made during the period		(102,563,584)	--	(102,563,584)
	(i)	3,259,161,079	5,156,200,000	8,415,361,079
Un-amortized transaction costs	(ii)	(47,199,402)	(53,478,788)	(100,678,190)
Deferred Sukuk premium	(iii)	--	27,426,090	27,426,090
Balance at 31 December 2022		3,211,961,677	5,130,147,302	8,342,108,979

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

	Islamic facility with banks	Sukuk	Total
31 March 2022			
Within one year	277,570,313	--	277,570,313
Between two to five years	585,190,625	1,874,950,000	2,460,140,625
More than five years	1,860,654,731	3,281,250,000	5,141,904,731
	2,723,415,669	5,156,200,000	7,879,615,669
31 December 2022			
Within one year	903,315,625	--	903,315,625
Between two to five years	1,312,147,537	5,156,200,000	6,468,347,537
More than five years	1,043,697,917	--	1,043,697,917
	3,259,161,079	5,156,200,000	8,415,361,079

Arabian Centres Company (A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

13. Loans and borrowings (continued)

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

	Islamic facility with banks	Sukuk	Total
Balance at 1 April 2021	61,815,290	37,467,730	99,283,020
Arrangement fees paid	--	48,857,946	48,857,946
Amortization for the year	(6,931,111)	(15,428,249)	(22,359,360)
Capitalized arrangement fees	(1,420,825)	(3,007,386)	(4,428,211)
Balance at 31 March 2022	53,463,354	67,890,041	121,353,395
Balance at 1 April 2022	53,463,354	67,890,041	121,353,395
Arrangement fees paid	--	--	--
Amortization for the period	(4,650,111)	(11,969,122)	(16,619,233)
Capitalized arrangement fees	(1,613,841)	(2,442,131)	(4,055,972)
Balance at 31 December 2022	47,199,402	53,478,788	100,678,190

iii. Deferred Sukuk premium

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

	Islamic facility with banks	Sukuk	Total
Balance at 1 April 2021	--	--	--
Addition during the year	--	40,078,125	40,078,125
Amortization for the year	--	(7,166,817)	(7,166,817)
Balance at 31 March 2022	--	32,911,308	32,911,308
Balance at 1 April 2022	--	32,911,308	32,911,308
Amortization for the period	--	(5,485,218)	(5,485,218)
Balance at 31 December 2022	--	27,426,090	27,426,090

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)
For the nine-month period ended 31 December 2022

14. Revenue

	<i>Note</i>	Nine-month period ended 31 December 2022	Nine-month period ended 31 December 2021
Rental income	(i)	1,551,320,415	1,404,376,320
Service and management fee income		93,827,737	66,673,452
Turnover rent		38,941,267	43,735,384
Commission income on provisions for utilities for heavy users, net		3,444,861	3,532,472
		1,687,534,280	1,518,317,628

- i. Rental income includes related maintenance and service charge of Malls premises charged to each of the tenants.

Group as a lessor:

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

	Nine-month period ended 31 December 2022	Nine-month period ended 31 December 2021
Within one year	1,684,089,141	1,725,539,367
After one year but not more than five years	1,922,109,097	1,001,183,616
More than five years	332,696,064	1,448,314,584
	3,938,894,302	4,175,037,567

15. General and administrative expenses

It includes funds management fees and related expenses of the fund for the nine month period ended 31 December 2022 amounted to **SR 34 million** (SR Nil for the nine month period ended 31 December 2021).

16. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the ordinary Shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period as all the Company's shares are ordinary shares. Diluted earnings per share is calculated by adjusting the basic earnings per share for the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	Three-month period ended		Nine-month period ended	
	31 December 2022	31 December 2021 <i>Restated</i>	31 December 2022	31 December 2021 <i>Restated</i>
Profit attributable to ordinary shareholders	459,101,950	355,669,736	781,115,112	764,517,112
Weighted average number of ordinary shares	475,000,000	475,000,000	475,000,000	475,000,000
Basic and diluted earnings per share	0.97	0.75	1.64	1.61

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

17. Operating segments

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

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

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

18. Financial instruments - fair values and risk management

A. Accounting classification and fair values

Financial instruments have been categorized as follows:

Financial Assets	Notes	31 December 2022	31 March 2022
Other investments	9	1,159,414	6,597,972
Other financial receivables		24,818,172	17,500,000
Amounts due from related parties	11	407,818,982	325,270,527
Accounts receivable		393,033,959	238,986,246
Profit rate swaps used for hedging		7,043,961	5,081,126
Cash and cash equivalents	10	610,445,796	556,127,750
		1,444,320,284	1,149,563,621
Financial Liabilities			
Loans and borrowings	13	8,342,108,979	7,791,173,582
Lease liabilities		2,639,276,382	3,804,207,572
Accounts payable		118,951,524	135,545,542
Other liabilities		220,239,901	263,265,623
Amount due to related party	11	1,163,114	--
Tenants' security deposits		158,673,106	146,958,481
		11,480,413,006	12,141,150,800

The following table presents the Group's financial instruments measured at fair value at 31 December 2022 and 31 March 2022:

	Carrying amount	31 December 2022			
		Level 1	Level 2	Level 3	Total
Financial assets					
FVTPL – equity instruments					
Al Jawhara Real Estate Fund	1,159,414	--	--	1,159,414	1,159,414
	Carrying amount	31 March 2022			
		Level 1	Level 2	Level 3	Total
Financial assets					
FVTPL – equity instruments					
Al Jawhara Real Estate Fund	6,597,972	--	--	6,597,972	6,597,972

18. Financial instruments - fair values and risk management (continued)

B. Derivatives designated as hedging instruments

The Group held Islamic Profit/commission Rate Swaps ("IRS") of a notional value of USD 80 million (equivalent to SR 300 million) in order to reduce its exposure to commission rate risks against long term financing. The table below shows the fair values of derivatives financial instruments, recorded as negative fair value. The notional amounts indicate the volume of transactions outstanding at the period end and are neither indicative of the market risk nor the credit risk.

Description of the hedged items	Hedging instrument	Fair Value	31 December 2022	31 March 2022
Profit rate swaps used for hedging	IRS	Positive	7,043,961	5,081,126

Derivatives often involve at their inception only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the rate underlying a derivative contract may have a significant impact on the income or equity component of the Group.

Fair values of cash flow hedge represent the mark to market values of the Islamic Profit rate swaps as at 31 December 2022. The cash flow hedge reserve included under other reserves represents the effective portion of cash flow hedge.

C. Financial risk management

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

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

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

i. Credit risk

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

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

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

Accounts Receivable

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

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

18. Financial instruments - fair values and risk management (continued)

C. Financial risk management (continued)

i. Credit risk (continued)

Accounts Receivable (continued)

Each entity within the group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the entity's standard payment and delivery terms and conditions are offered. The review includes financial statements, industry information and in some cases bank references. Credits to each customer are reviewed periodically. The Group limits its exposure to credit risk by offering credit terms which are typically not longer than three months on average.

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

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

The following table provides information about the exposure to credit risk and ECLs for accounts receivable from customers after adjusting with Loss given Default (LGD) ratio as at 31 December 2022.

	31 December 2022		
	Gross Carrying amount	Weighted-average loss	Loss Allowance (%)
0-90 days	114,992,900	13,707,754	11.9%
91-180 days	99,288,349	16,421,056	16.5%
181-270 days	86,585,249	15,381,037	17.8%
271-360 days	44,653,878	11,210,581	25.1%
361-450 days	44,176,668	13,460,611	30.5%
451-540 days	36,635,522	13,984,109	38.2%
541-630 days	33,821,347	14,963,099	44.2%
631-720 days	29,279,546	15,327,850	52.4%
More than 720 days	75,001,342	56,944,745	75.9%
	564,434,801	171,400,842	

	31 March 2022		
	Gross Carrying amount	Weighted-average loss	Loss Allowance (%)
0-90 days	57,043,842	9,781,339	17.1%
91-180 days	59,102,274	11,242,546	19.0%
181-270 days	54,157,620	11,215,120	20.7%
271-360 days	45,801,646	12,742,090	27.8%
361-450 days	37,627,522	13,228,561	35.2%
451-540 days	22,959,442	9,266,082	40.4%
541-630 days	24,675,270	12,051,280	48.8%
631-720 days	18,665,285	11,070,752	59.3%
More than 720 days	99,611,239	90,060,124	90.4%
	419,644,140	180,657,894	

During the nine-month period ended 31 December 2022, the Group has written off receivables amounting to **SR 77.9 million** (year ended 31 March 2022: SR 34.5 million).

18. Financial instruments - fair values and risk management (continued)

C. Financial risk management (continued)

i. Credit risk (continued)

Due from related parties

An impairment analysis is performed at each reporting date on an individual basis for the major related parties. The maximum exposure to credit risk at the reporting date is the carrying value of the amounts due from related parties (please refer to note 11B). The Group does not hold collateral as a security. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate. The Group evaluates the risk with respect to due from related parties as low, as majority of the related parties are owned by the same shareholders.

Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by Ultimate Parent Company's treasury in accordance with the Group's policy. Cash is substantially placed with national banks with sound credit ratings. The Group does not consider itself exposed to a concentration of credit risk with respect to banks due to their strong financial background.

Arabian Centres Company (a Saudi joint stock company)

Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

18. Financial instruments - fair values and risk management (continued)

C. Financial risk management (continued)

ii. Liquidity risk

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

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

Contractual maturities of financial liabilities:	Carrying amount	Less than 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
31 December 2022							
Accounts payable	118,951,524	118,951,524	--	--	--	--	118,951,524
Tenants' security deposits	158,673,106	93,131,320	17,970,317	29,753,414	17,383,624	434,429	158,673,104
Other liabilities	220,239,901	220,239,901	--	--	--	--	220,239,901
Due to related parties	1,163,114	1,163,114	--	--	--	--	1,163,114
Lease liabilities	2,639,276,382	195,135,113	175,129,382	254,286,890	678,466,712	3,045,417,085	4,348,435,182
Loans and borrowings	8,342,108,979	1,076,009,249	321,974,381	2,516,369,539	5,154,645,105	1,255,230,891	10,324,229,165
	11,480,413,006	1,704,630,221	515,074,080	2,800,409,843	5,850,495,441	4,301,082,405	15,171,691,990
31 March 2022							
Accounts payable	135,545,542	135,545,542	--	--	--	--	135,545,542
Tenants' security deposits	146,958,481	66,561,240	26,813,409	30,839,499	22,438,502	305,831	146,958,481
Other liabilities	263,265,623	263,265,623	--	--	--	--	263,265,623
Lease liabilities	3,804,207,572	433,492,347	167,789,014	355,693,657	982,828,792	4,139,897,350	6,079,701,160
Loans and borrowings	7,791,173,582	225,187,421	415,872,179	513,832,523	6,736,832,663	1,686,251,429	9,577,976,215
	12,141,150,800	1,124,052,173	610,474,602	900,365,679	7,742,099,957	5,826,454,610	16,203,447,021

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

18. Financial instruments - fair values and risk management (continued)

C. Financial risk management (continued)

iii. Market risk

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

Commission rate risk

Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates. The Group has no significant commission bearing long-term assets, but has commission bearing liabilities at 31 December 2022 and 31 March 2022. The Group manages its exposure to commission rate risk by continuously monitoring movements in commission rates.

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

Gain/(loss) through the condensed consolidated statement of profit or loss	Nine-month period ended 31 December 2022	Nine-month period ended 31 December 2021
Floating rate debt:		
SIBOR +100bps	(24,443,708)	(19,113,118)
SIBOR -100bps	24,443,708	19,113,118

Real estate risk

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

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

Currency risk

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

iv. Capital management risk

The Board's policy is to maintain an efficient capital base as to maintain investor, creditor and market confidence and to sustain future development of its business. The Board of Directors monitor the return on capital employed and the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are:

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

Arabian Centres Company (a Saudi joint stock company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

19. Commitments and contingencies

	<i>Note</i>	31 December 2022	31 March 2022
Commitments			
Commitments for projects under construction	(i)	3,421,007,700	3,513,755,880
Outstanding bank guarantees		13,000,000	91,076,025

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

20. Impact of covid-19

The COVID-19 pandemic, which commenced at the beginning of 2020 has caused significant disruption in the economic and commercial sectors in general at both the global and local levels. The government of the Kingdom of Saudi Arabia has taken stimulus measures and launched initiatives to support the economy to reduce the adverse effects of this pandemic. On May 21, 2020, Company announced rent relief and support packages, offered waiver of contractual base rent and service charge for all tenants from 16 March 2020 for a period of six weeks (45 days). For tenants whose stores were mandatorily closed by the government decision also benefited from the rent relief program starting the date of government closure until the earlier of (i) date of closure is lifted or (ii) 30 June 2020. Further, all escalations on the contracts were halted for the two years; 2020 and 2021.

Accordingly, as at 31 March 2021 management approved a total discount of **SR 579 million** which is amortized over the remaining period of leases with tenants. The impact of rent relief for the nine-month period ended 31 December 2022 is **SR 71.8 million** (nine-month period ended 31 December 2021: SR 136.6 million).

The Group's management continues to study and follow up all the variables that affect the Group's activities, however, due to the inability to determine the time period of this pandemic and the precautionary measures and procedures as to what will emerge in the future, it is currently difficult to determine the size and extent of any financial impact accurately on the results of the Group up to the date of issuance of these condensed consolidated interim financial statements. However, the Group does not anticipate any significant adverse implication in future related to the Group remaining as a going concern.

Arabian Centres Company (a Saudi joint stock company)
Notes to the condensed consolidated interim financial statements (continued)
For the nine-month period ended 31 December 2022

21. Summarized financial information of material subsidiaries

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

	Al-Qasseem Company for Entertainment and Commercial Projects Owned by Abdulmohsin AlHokair and Company	Riyadh Real Estate Development Funds Jawharat Jeddah	Riyadh Real Estate Development Funds Jawharat Riyadh	Derayah Destination Arabia Diversified Fund
31 December 2022				
Assets				
Investment properties	204,964,166	1,805,373,904	3,326,768,976	--
Cash and cash equivalents	--	7,536,666	--	40,488,162
Other assets	24,211,347	272,652	200,000	--
	229,175,513	1,813,183,222	3,326,968,976	40,488,162
Liabilities				
Loans and borrowings	--	63,308,994	--	--
Lease liabilities	77,301,026	--	--	--
Other liabilities	52,908,921	--	12,997,219	4,823,075
	130,209,947	63,308,994	12,997,219	4,823,075
Net assets	98,965,566	1,749,874,228	3,313,971,757	35,665,087
31 March 2022				
Assets				
Investment properties	176,607,106	--	--	253,812,000
Other assets	17,627,408	--	--	--
	194,234,514	--	--	253,812,000
Liabilities				
Loans and borrowings	--	--	--	--
Lease liabilities	89,155,122	--	--	--
Other liabilities	53,284,876	--	--	--
	142,439,998	--	--	--
Net assets	51,794,516	--	--	253,812,000
Nine-month period ended 31 December 2022				
Statement of profit or loss				
Revenue	32,188,958	--	--	--
Gross profit / (loss)	25,373,815	(5,670,661)	(8,997,219)	(12,863,262)
Profit / (loss) for the period	47,171,051	(5,670,661)	(8,997,219)	67,128,153
Nine-month period ended 31 December 2021				
Statement of profit or loss				
Revenue	27,873,119	--	--	--
Gross profit	18,394,311	--	--	--
Profit for the period	43,197,932	--	--	--

Arabian Centres Company (a Saudi joint stock company)
Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

22. Lease liability

During the nine-month period ended 31 December 2022, the Group decided to exercise the termination rights available under a land operating lease which allows the Group to cancel an operating lease with a prior notice of one year. As a result of the reassessment of the lease term of the land, lease liability and right-of-use asset (included under investment properties) have reduced by **SR 466.4 million**.

23. Disposal of subsidiaries

During the nine-month period ended 31 December 2022, the Group sold its 100% equity interest in two subsidiaries (note 1) to Saudi FAS Holding Company and accordingly these have been deconsolidated from the date of disposal, 14 August 2022. There were no operations of these subsidiaries. The subsidiaries were disposed off for a net consideration of **SR 750,000**. Gain on disposal of subsidiary of **SR 10,100** has been recorded under other income in the statement of profit or loss.

24. Effect of change in accounting policy

On 29 June 2022, the Board of Directors of the Company approved the change in accounting policy for the subsequent measurement of the Group's investment properties from the cost model to the fair value model. The impact of the change in accounting policy has been reflected by restating each of the affected financial statement line items for prior periods. The following table summarizes the impacts on the Group's condensed consolidated financial statements for the current period and prior periods presented (including the earliest presented period):

i) Condensed consolidated statement of financial position

1 April 2021	Impact of change in accounting policy			
	As previously reported	Adjustment	Reclassifications*	As restated
Investment properties	11,967,476,773	8,853,346,590	3,702,807,103	24,523,630,466
Right of use	3,121,596,866	--	(3,120,337,744)	1,259,122
Advances to contractors	582,469,359	--	(582,469,359)	--
Total assets	17,654,778,299	8,853,346,590	--	26,508,124,889
Total liabilities	11,602,359,786	--	--	11,602,359,786
Retained earnings	320,429,968	8,831,546,317	--	9,151,976,285
Non-controlling interest	1,319,575	21,800,273	--	23,119,848
Total equity	6,052,418,513	8,853,346,590	--	14,905,765,103

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Notes to the condensed consolidated interim financial statements (continued)
For the nine-month period ended 31 December 2022

24. Effect of change in accounting policy (continued)

i) Condensed consolidated statement of financial position (continued)

31 March 2022	Impact of change in accounting policy			
	As previously reported	Adjustment	Reclassifications*	As restated
Investment properties	12,671,172,262	9,713,641,424	3,495,893,400	25,880,707,086
Right of use	2,900,541,380	--	(2,900,541,380)	--
Advances to contractors	595,352,020	--	(595,352,020)	--
Total assets	18,281,162,588	9,713,641,424	--	27,994,804,012
Total liabilities	12,500,581,523	--	--	12,500,581,523
Retained earnings	1,084,412	9,686,074,313	--	9,687,158,725
Non-controlling interest	(1,669,853)	27,567,111	--	25,897,258
Total equity	5,780,581,065	9,713,641,424	--	15,494,222,489

31 December 2022	Impact of change in accounting policy			
	As per old accounting policy	Adjustment	Reclassifications*	As per new accounting policy
Investment properties	12,649,105,749	10,020,734,085	2,280,330,404	24,950,170,238
Assets held for sale	--	--	405,880,057	405,880,057
Right of use	1,966,141,689	--	(1,966,141,689)	--
Advances to contractors	720,068,772	--	(720,068,772)	--
Total assets	17,716,406,800	10,020,734,085	--	27,737,140,885
Total liabilities	11,791,954,800	--	--	11,791,954,800
Retained earnings	137,734,582	9,974,289,255	--	10,112,023,837
Non-controlling interest	3,037,953	46,444,830	--	49,482,783
Total equity	5,924,452,000	10,020,734,085	--	15,945,186,085

* Reclassifications represent reclassification of advances to contractor for projects and right of use assets to investment properties for better and consistent presentation in the financial statements.

ii) Condensed consolidated statement of profit or loss and condensed consolidated statement of comprehensive income

For the nine month period ended 31 December 2021	Impact of change in accounting policy		
	As previously reported	Adjustment	As restated
Depreciation of right-of-use assets	(149,964,542)	149,964,542	--
Depreciation of investment properties	(251,593,311)	251,593,311	--
Impairment of investment properties	--	--	--
Other operating income	7,407,717	--	7,407,717
Net fair value gain on investment properties	--	57,312,620	57,312,620
Profit for the period	327,245,605	458,870,473	786,116,078
Total comprehensive income for the period	328,139,713	458,870,473	787,010,186
Earnings per share – Basic and diluted	0.69	0.92	1.61

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Notes to the condensed consolidated interim financial statements (continued)

For the nine-month period ended 31 December 2022

24. Effect of change in accounting policy (continued)

ii) Condensed consolidated statement of profit or loss and condensed consolidated statement of comprehensive income (continued)

For the three month period ended 31 December 2021	Impact of change in accounting policy		
	As previously reported	Adjustment	As restated
Depreciation of right-of-use assets	(47,029,842)	47,029,842	--
Depreciation of investment properties	(85,996,469)	85,996,469	--
Impairment of investment properties	--	--	--
Other operating income	2,138,412	--	2,138,412
Net fair value gain on investment properties	--	129,664,661	129,664,661
Profit for the period	110,144,333	262,690,972	372,835,305
Total comprehensive income for the period	112,113,560	262,690,972	374,804,532
Earnings per share – Basic and diluted	0.24	0.51	0.75

For the nine month period ended 31 December 2022	Impact of change in accounting policy		
	As per old accounting policy	Adjustment	As per new accounting policy
Depreciation of right-of-use assets	(127,086,649)	127,086,649	--
Depreciation of investment properties	(261,831,806)	261,831,806	--
Impairment of investment properties	(25,038,548)	25,038,548	--
Other operating income	94,437,726	(81,608,650)	12,829,076
Other expenses	(1,438,792)	(23,344,484)	(24,783,276)
Net fair value gain on investment properties	--	4,588,794	4,588,794
Profit for the period	491,107,974	313,592,663	804,700,637
Total comprehensive income for the period	493,620,933	313,592,663	807,213,596
Earnings per share – Basic and diluted	1.02	0.62	1.64

For the three month period ended 31 December 2022	Impact of change in accounting policy		
	As per old accounting policy	Adjustment	As per new accounting policy
Depreciation of right-of-use assets	(32,809,555)	32,809,555	--
Depreciation of investment properties	(86,951,941)	86,951,941	--
Impairment of investment properties	--	--	--
Other operating income	7,130,548	(1,605,033)	5,525,515
Net fair value gain on investment properties	--	220,529,827	220,529,827
Profit for the period	117,053,819	338,686,290	455,740,109
Total comprehensive income for the period	115,653,593	338,686,290	454,339,883
Earnings per share – Basic and diluted	0.24	0.73	0.97

There is no impact on the total operating, investing or financing cash flows for the nine month period ended 31 December 2021.

25. Subsequent events

- On 1 January 2023, the Board of Directors resolved to distribute dividends for the period ended 30 September 2022 amounting to **SR 0.75** per share aggregating to **SR 356,250,000**. The expected date of payment is 12 February 2023.
- On 24 January 2023, the shareholders approved the establishment by the Company of a Shari'a compliant Sukuk Program up to **SR 4,500,000,000** for a period of two years from the establishment date, which may be issued from time to time domestically in a single or multiple issuances, in accordance with its long term policy to move the Company to more flexible, unsecured public markets financing.

26. Approval of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements were approved by the Board of Directors for issuance on 18 Rajab 1444H (corresponding to 9 February 2023).