MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
(A SAUDI JOINT-STOCK COMPANY)
MAKKAH – SAUDI ARABIA
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THREE-MONTH PERIOD ENDED 31 MARCH 2025

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
(A SAUDI JOINT-STOCK COMPANY)
MAKKAH – SAUDI ARABIA
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THREE-MONTH PERIOD ENDED 31 MARCH 2025

MOORE

El Sayed El Ayouty & Co.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS
Makkah Construction and Development Company
(A Saudi joint-stock company)
Makkah - Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Makkah Construction and Development Company (a Saudi joint-stock company) (the "Company") as of March 31, 2025, the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" 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 (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated 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 approved in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant mattes that might be identified in the 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 have not been prepared in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

FOR EL SAYED EL AYOUTY & CO.

A. Balamesh

Abdullah A. Balamesh
Certified Public Accountant
License No. (345)

المحاسبون والمراجعون القانونيون السيد العيوطي وشركاه
س.ت رقم ٤٠٣٠٢٩١٢٤٥
CERTIFIED PUBLIC ACCOUNTANTS
C.R. No. 4030291245
EL SAYED EL AYOUTY & CO.

Jeddah: Dhul-Qi'dah 06, 1446H
Corresponding to: May 04, 2025

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
(A SAUDI JOINT-STOCK COMPANY)
MAKKAH – SAUDI ARABIA
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 MARCH 2025
(EXPRESSED IN SAUDI RIYALS)

	Note	31 March 2025 (unaudited)	31 December 2024 (audited)
Assets			
Non-current assets			
Property, plant and equipment - net	5	1,334,193,356	1,335,532,446
Investment properties– net	6	209,356,594	210,590,192
Right-of-use assets, net		3,482,867	-
Financial assets at fair value through other comprehensive income	7	2,886,451,806	2,278,136,244
Investments in associates	8	368,792,505	368,792,505
Total non-current assets		**4,802,277,128**	**4,193,051,387**
Current assets			
Trade receivables - net	9	34,947,321	21,270,035
Inventory		2,361,453	2,014,370
Prepayments and other receivables - net		189,652,278	65,188,558
Financial assets at fair value through profit or loss (FVTPL)	10	160,934,274	111,483,839
Cash and cash equivalents		144,264,969	111,594,053
Total current assets		**532,160,295**	**311,550,855**
Total assets		**5,334,437,423**	**4,504,602,242**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	11	2,000,000,000	1,648,162,400
Statutory reserve	12	-	836,280,685
Revaluation gains of financial assets at fair value through other comprehensive income	7	1,607,744,930	999,429,368
Retained earnings		1,205,109,438	570,529,242
Total Shareholders' equity		**4,812,854,368**	**4,054,401,695**
Non-current Liabilities			
Long-term loan - non-current portion		62,498,850	74,998,850
Lease liabilities – non-current portion		2,663,914	-
Employees' defined benefit obligations		51,265,252	53,937,957
Total non-current liabilities		**116,428,016**	**128,936,807**
Current Liabilities			
Long-term loan - current portion		25,000,000	27,241,513
Lease liabilities - current portion		557,550	-
Deferred revenue		27,371,638	10,471,599
Trade payables		8,317,807	4,825,790
Accrued expenses and other payables		146,750,311	83,823,663
Dividends payable	14	185,255,266	186,848,378
Provision for zakat	15	11,902,467	8,052,797
Total current liabilities		**405,155,039**	**321,263,740**
Total liabilities		**521,583,055**	**450,200,547**
Total Shareholders' equity and liabilities		**5,334,437,423**	**4,504,602,242**

The accompanying notes from (1) to (23) form an integral part of these interim condensed consolidated financial statements

Hisham Bakr Hussein Mufti	Mohammed A. Al Nafea	Ahmad Mohanad Jaber
Board of Directors Member (delegated) and Chairman of Audit Committee	Chief Executive Officer	Chief Financial Officer

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
(A SAUDI JOINT-STOCK COMPANY)
MAKKAH – SAUDI ARABIA
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(EXPRESSED IN SAUDI RIYALS)

	Note	FOR THE THREE-MONTH PERIOD ENDED 31 March 2025 (unaudited)	FOR THE THREE-MONTH PERIOD ENDED 31 March 2024 (Unaudited) (adjusted)
Revenue		235,555,966	185,410,661
Cost of revenue		(65,763,365)	(58,524,402)
Gross profit		**169,792,601**	**126,886,259**
Selling and marketing expenses		(1,609,177)	(1,449,737)
General and administrative expenses		(23,214,695)	(13,360,594)
Profit from operations		**144,968,729**	**112,075,928**
Finance costs		(59,804)	-
Return on Islamic Murabaha deposit		-	4,236,186
Return of financial assets at fair value through profit or loss (FVTPL)	10	6,983,285	-
Other income		2,094,571	4,347
Net profit for the period before Zakat		**153,986,781**	**116,316,461**
Zakat	15	(3,849,670)	(2,907,912)
Net profit for the period		**150,137,111**	**113,408,549**
Other comprehensive income			
Items that will not be subsequently reclassified to statement of profit or loss			
Unrealized gain from revaluation of financial assets at fair value through other comprehensive income		608,315,562	462,684,076
Other comprehensive income for the period		**608,315,562**	**462,684,076**
Comprehensive income for the period		**758,452,673**	**576,092,625**
Earnings per share			
Basic and diluted earnings per share from net profit for the period	16	**0.75**	**0.57**

The accompanying notes from (1) to (23) form an integral part of these interim condensed consolidated financial statements

Hisham Bakr Hussein Mufti	**Mohammed A. Al Nafea**	**Ahmad Mohanad Jaber**
Board of Directors Member (delegated) and Chairman of Audit Committee	**Chief Executive Officer**	**Chief Financial Officer**

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
(A SAUDI JOINT-STOCK COMPANY)
MAKKAH – SAUDI ARABIA
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(EXPRESSED IN SAUDI RIYALS)

	Share capital	Statutory reserve	Revaluation gains of financial assets at fair value through other comprehensive income	Retained earnings	Total
Balance at January 01, 2024 (audited)	**1,648,162,400**	**836,280,685**	**1,190,279,326**	**416,815,311**	**4,091,537,722**
Net profit for the period (unaudited))	-	-	-	113,408,549	**113,408,549**
Other comprehensive income for the period (unaudited)	-	-	462,684,076	-	**462,684,076**
Comprehensive income for the period (unaudited)	-	-	462,684,076	113,408,549	**576,092,625**
Balance at 31 March 2024 (unaudited)	**1,648,162,400**	**836,280,685**	**1,652,963,402**	**530,223,860**	**4,667,630,347**
Balance at January 01, 2025 (audited)	**1,648,162,400**	**836,280,685**	**999,429,368**	**570,529,242**	**4,054,401,695**
Transferred from the statutory reserve	351,837,600	(836,280,685)	-	484,443,085	-
Net profit for the period (unaudited))	-	-	-	150,137,111	**150,137,111**
Other comprehensive income for the period (unaudited)	-	-	608,315,562	-	**608,315,562**
Comprehensive income for the period (unaudited)	-	-	**608,315,562**	**150,137,111**	**758,452,673**
Balance at 31 March 2025 (unaudited)	**2,000,000,000**	-	**1,607,744,930**	**1,205,109,438**	**4,812,854,368**

The accompanying notes from (1) to (23) form an integral part of these interim condensed consolidated financial statements

Hisham Bakr Hussein Mufti	**Mohammed A. Al Nafea**	**Ahmad Mohanad Jaber**
Board of Directors Member (delegated) and Chairman of Audit Committee	**Chief Executive Officer**	**Chief Financial Officer**

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
(A SAUDI JOINT-STOCK COMPANY)
MAKKAH – SAUDI ARABIA
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025
(EXPRESSED IN SAUDI RIYALS)

	Note	FOR THE THREE-MONTH PERIOD ENDED 31 March 2025 (unaudited)	FOR THE THREE-MONTH PERIOD ENDED 31 March 2024 (unaudited)
Cash flows from operating activities:			
Net profit for the period before Zakat		**153,986,781**	**116,316,461**
Adjustments:			
Depreciation on property, plant, and equipment	5	7,853,408	7,451,210
Depreciation on investment properties	6	1,336,098	1,291,766
Depreciation on right-of-use asset		116,293	-
Return on Islamic Murabaha deposit		-	(4,236,186)
Finance costs - right-of-use assets		59,804	-
Return of financial assets at fair value through profit or loss (FVTPL)		(6,983,285)	-
Employees' defined benefit obligations - formed		781,879	1,104,477
		157,150,978	**121,927,728**
Changes in:			
Trade receivables		(13,677,286)	(79,693,517)
Inventory		(347,083)	(2,050,230)
Prepayments and other receivables		(124,463,720)	(34,579,751)
Deferred revenue		16,900,039	84,534,942
Trade payables		3,492,017	3,823,374
Accrued expenses and other payables		62,926,648	44,546,191
Employees' defined benefit obligations paid		(3,454,584)	(1,032,285)
Provision for zakat paid		-	(16,587,884)
Net cash generated from operating activities		**98,527,009**	**120,888,568**
Cash flows from investing activities:			
Payments to property, plant, and equipment		(5,326,335)	(4,538,895)
Payments to investment properties		(102,500)	(961,880)
Payments for financial assets measured at fair value through profit or loss (FVTPL)		(64,467,150)	-
Proceeds from return on Islamic Murabaha deposit		-	4,236,186
Proceeds from return of financial assets at fair value through profit or loss (FVTPL)		338,746	-
Recovered from financial assets at fair value through profit or loss (FVTPL)		21,661,254	-
Net cash (used in) investing activities		**(47,895,985)**	**(1,264,589)**
Cash flows from financing activities:			
Settlement of a long-term loan		(12,500,000)	(12,500,000)
Lease liabilities paid		(437,500)	-
Finance costs paid		(3,429,496)	(4,635,856)
Dividends paid		(1,593,112)	(609,328)
Net cash (used in) financing activities		**(17,960,108)**	**(17,745,184)**
Net change in cash and cash equivalent		**32,670,916**	**101,878,795**
Cash and cash equivalents at beginning of the period		**111,594,053**	**525,726,172**
Cash and cash equivalents at end of the period		**144,264,969**	**627,604,967**
Other Non-cash transactions:			
Unrealized gain from revaluation of financial assets at fair value through other comprehensive income		608,315,562	462,684,076
Right-of-use assets and lease liabilities		3,599,160	-
Transferred from statutory reserve to share Capital and retained earnings		836,280,685	-

The accompanying notes from (1) to (23) form an integral part of these interim condensed consolidated financial statements

Hisham Bakr Hussein Mufti	Mohammed A. Al Nafea	Ahmad Mohanad Jaber
Board of Directors Member (delegated) and Chairman of Audit Committee	Chief Executive Officer	Chief Financial Officer

(Expressed in Saudi Riyals)

1. General

1.1 Corporate information

Makkah Construction and Development Company (A Saudi Joint Stock Company) (the "Company") was incorporated in accordance with the Companies' Law and as per Royal Decree no. (M/5) dated 13 Dhu Al-Qi'dah1408H. The incorporation was declared by the Minister of Commerce and Investment no. 859 dated 21 Dhu Al-Qi'dah1409 H (corresponding to 24 June 1989). The Company is registered in Makkah under Commercial Registration number 4031020101 dated 1 Dhu Al-Hijjah 1409 H (corresponding to 4 July 1989).

The main activity of the Company is the construction of the area near Al Masjid Al Haram, the ownership, development, management, investment, purchase, and lease of the properties near Al Masjid Al Haram. In addition to performing all necessary engineering works to perform building, constructing, repairing, and demolishing works.

The head office is located at Branch Third Ring Road, AlShawqiya District, Building 2779, Secondary 8860, postal code 24351.

Makkah – Saudi Arabia

Branches: The Company has the following branches:

S/N	City	CR No.	Date	Name of branch
1	Makkah	4031102134	18/3/1439H	Branch of Makkah Construction and Development Company for Omrah Services

These consolidated financial statements comprise the financial statements of the parent company and its subsidiaries As of 31 March 2025, the Parent Company owns the following subsidiaries:

Company Name	CR No.	Date	Shareholding	Principal activities
Hotel Towers Company Makkah Hotel Company	4031045190	18/9/1424 H (11/11/2003)	100%	The hotels provide services for Umrah performers, visitors to the Prophet's Mosque, and services for pilgrims coming from outside the Kingdom and domestic pilgrims.
Manafa Al-Barakah Investment Company	4031300209	19/10/1445H (28/04/2024)	100%	Other financial service activities, except insurance and pension funding.

On December 24, 2023, the Company transferred the branch of the Makkah Hotel and Towers, having a commercial registration number 403145190 dated 11/11/2003, including all rights, obligations, labor, classification, licenses, and all its financial, technical, and administrative components, to a single-owner limited liability company while retaining the name, number, and date of the commercial registration of the company's branch as the main center for the newly incorporated company named Hotel Towers Company Makkah Hotel Company with an unpaid capital of one million Saudi Riyals.

On April 28, 2024, Manafa Al Barakah Investment Company was established with Commercial Registration Number 4031300209 as a single-member limited liability company with an paid capital of five hundred thousand Saudi Riyals.

1.2 Fiscal year:

The Company's consolidated year begins on January 1st and ends on December 31st of each calendar year. The interim condensed consolidated presented financial statements are for the period from January 01, 2025 to March 31, 2025.

2. Basis of preparation and statement of compliance

2.1 Compliance with Accounting Standards Applied

These interim condensed financial statements (the "financial statements") have been prepared in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" approved in the Kingdom of Saudi Arabia (the International Financial Reporting Standard that specifies the minimum contents of an interim financial report) and other standards and pronouncements issued by the Saudi Organization for Auditors and Accountants.

The interim condensed financial statements do not include all the information and disclosures required for the complete set of financial statements prepared in accordance with International Financial Reporting Standards and must be read in accordance with the annual financial statements of the Company as of December 31, 2024 (the "last annual financial statements"). In addition, the results of the initial period ending on March 31, 2025 may not be considered an accurate indication of the expected results for the fiscal year ending on December 31, 2025.

2. Basis of preparation and statement of compliance (continued)

2.2 BASIS OF MEASUREMENT
The Consolidated interim condensed financial statements have been prepared on the historical cost basis using the principle of accounting accrual, with the exception of financial instruments that are measured at fair value.

2.3 Functional and presentation currency
The financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Company.

2.4 Going concern basis
The management of the company has assessed its ability to continue operating as a going concern while preparing the accompanying financial statements and is confident that the company has sufficient resources to sustain its operations in the foreseeable future. In addition, the management is not aware of any material uncertainty that may cast significant doubts about the Company's ability to continue as a going concern.

2.5 Basis for consolidation of financial statements
These consolidated financial statements consist of the financial statements of the parent company and its subsidiary. A subsidiary is an entity controlled by the Parent Company. Control is achieved when the parent company is exposed to risks or has the right to receive various returns from its relationship with the invested company and has the ability to influence those returns through its authority over the investee.
Specifically, the parent company controls the investee only when the parent has:

- Control over the investee (i.e., having rights that give the parent the ability to direct the related activities of the investee),
- Exposure to risks, or rights to receive different returns through its relationship with the investee.
- Generally, it is assumed that a majority of voting rights results in control. Supporting this assumption, when the parent company has less than a majority of voting rights or similar rights in the investee, the parent considers all relevant facts and circumstances to determine whether it exercises control over the investee, including:

  - Contractual arrangements with other voting rights holders,
  - Rights arising from other contractual arrangements,
  - The parent company's special voting rights and potential voting rights.

- The parent company re-evaluates whether it exercises control over the investee when facts and circumstances indicate a change in any of the three control elements. Consolidation of subsidiaries begins when the parent company controls the subsidiary and ceases when the parent relinquishes such control. Assets, liabilities, income, and expenses of acquired or disposed subsidiaries during the year are included in the consolidated financial statements from the date control is transferred to the parent until the parent relinquishes control over the subsidiary.
- Income or loss and each component of other comprehensive income relate to the shareholders of the parent company and non-controlling interests, even if this results in a deficit in non-controlling equity balances. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those adopted by the parent company. All intercompany assets, liabilities, equity, revenues, expenses, and cash flows related to transactions between the parent company and the subsidiary are completely eliminated during consolidation.
- Any change in equity interests in a subsidiary, without losing control, is treated as an equity transaction. If the parent company loses control over subsidiaries, it ceases to recognize related assets and liabilities (including goodwill), non-controlling interests, and other equity items, while profits or losses arising from this are recognized in the consolidated income statement. Any investment retained is recognized at fair value. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the equity of the parent company in these subsidiaries.

2.6 Significant accounting judgments and estimates

The preparation of these financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and disclosures. These estimates are based on underlying assumption related to historical experience and various other factors that are believed to be reasonable in these circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimate is modified if the modification affects current and future periods. The significant judgments and estimates have the most significant effect on the amounts recognized in the financial statements are as follows:

Fulfillment of performance obligations

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Company assessed that one performance obligations is related to maintenance services can be measured reliably.

Determination of transaction prices

The Company is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Company assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration, if any.

Classification of real estate properties

The Company exercises its judgment in the classification of real estate as property and equipment and investment properties. The Company considers recognition criteria as per the supporting accounting standard with the management's intention and effective plan. The Hotels are considered as occupied by the owner and held for use to provide services while commercial malls are classified as investment properties as they are held for a third-party leasing.

Operating lease classification – Company as lessor

The Company entered commercial leases for its investment property. Based on the assessment of the terms and conditions of the agreements, such as the lease term that does not constitute a significant part of the economic life of the property and the present value of the minimum lease payments that amount to substantially all the fair value of the commercial properties, the company has concluded that it retains all significant risks and rewards of ownership of these properties. Therefore, it accounts for the contracts as operating leases.

Impairment of financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds the recoverable amount, which is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is arrived based on available data from binding sales transactions at arm's length, for similar assets. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Useful lives and residual value of property, equipment and investment property

The Company's management estimates the useful lives of its property and equipment and investment properties for calculating depreciation. Such estimates are updated after considering the expected use of the assets, obsoleteness, and wear and tear. The management periodically reviews estimated useful lives, the residual values and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

2. Basis of preparation and statement of compliance (Continued)

2.6 Significant accounting judgments and estimates (Continued)

Lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the option to extend or terminate. The assessment is reviewed if a material event or a significant change in circumstances has occurred that affects this assessment. During the current financial period, there was no material financial impact of revising the terms of the lease contracts to reflect the impact of exercising extension or termination options.

Depreciation and amortization on non-current assets
Depreciation and amortization are recognized to write off the cost of assets less their residual value over their useful lives using the appropriate method. The Company's management estimates useful lives, residual values and depreciation method and reviews them at the end of each reporting period. The impact of any changes in estimate is calculated on a prospective basis.

ECL allowance for trade and other receivables
The Company uses a provision matrix to calculate expected credit losses on trade receivables and contract assets. Provision ratios are determined based on days past due for different groups of customer segments with similar loss patterns (i.e. geographic region, product type, customer type, price, coverage by letters of credit and other forms of credit guarantee).
Determining expected credit losses for trade and other receivables requires the Company to take into account certain estimates of forward-looking factors when calculating the probability of default. These estimates may differ from actual circumstances. The matrix is based on past default experience monitored by the Company. The company will calibrate the table in order to adjust the historical credit loss experience with forecast information, for example, if economic conditions (i.e. GDP) are expected to deteriorate over the next year which could lead to an increasing number of defaults in the tourism and services sector, then previous default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.
The company assessed the growth rate of the gross domestic product, a macroeconomic factor closely tied to future information, which has the potential to impact the credit risk of customers. Based on this assessment, the company made adjustments to the historical loss by considering the expected changes in this factor through various scenarios. An assessment of the relationship between historically observed rates of default, expected economic conditions and expected credit losses is an important estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's previous credit losses and expected economic conditions may not be an indication of the customer's actual default in the future. Information about expected credit losses on trade receivables and contract assets of the company has been disclosed in the related notes.

Provision for Zakat and VAT
When the amount of zakat is an uncertain liability or asset, the Company recognizes the provision that reflects management's best estimate as a more probable outcome based on facts known in the relevant period. Any differences between the zakat estimates and final zakat assessments are charged to the statement of profit or loss in the period in which they are incurred.

Impairment of financial assets
At the end of each reporting period, the Company estimates the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. in the event of this indication, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Contingent liabilities
By default, contingent liabilities will only be resolved upon the occurrence or non-occurrence of one or more future events. The assessment of such contingencies inherently involves exercise of significant judgment and estimates of the outcome of future events.

2. Basis of preparation and statement of compliance (continued)

2.6 Significant accounting judgments and estimates (continued)

Employees defined benefit obligations
The cost of employees' terminal benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employees' turnover (employment, termination, resignations). Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each period end. The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, Management considers the market yield on high quality corporate/government bonds. Future salary increases are based on the expected future inflation rates, seniority, promotion, demand, and supply in the employment market. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes.

Fair value measurement of financial instruments
The company measures some financial instruments and non-financial assets according to the fair value at the statement of financial position date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- Sale or transfer in the principal market for the asset or liability, or
- A sale or transfer in a market other than the principal, i.e. in the most advantageous market for the asset or liability.

The company must have access to the principal market or the most favorable market. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate for the circumstances and for which sufficient data is available to measure fair

value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Inputs are quoted prices asset markets for identical assets (unadjusted) of similar obligations,
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is not observable.

The Company's management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Company identified classes of assets and liabilities based on their nature, characteristics and risks of the asset or liabilities and the level of the fair value hierarchy, as described above.

3. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs), AMENDMENTS TO IFRS AND INTERPRETATION
No new accounting standards and interpretations were issued. However, a number of changes to the standards are effective as of January 1, 2025 which were explained in the financial statements of the Company. These standards and interpretations do not have a material impact on the interim condensed consolidated financial statements of the Company.

4. Summary of Material Accounting Policies
The applied accounting policies and methods of calculation are consistent with those used for the previous financial year.

Makkah Construction and Development Company
(A Saudi joint-stock company)
Makkah – Saudi Arabia
Notes to the interim condensed consolidated financial statements
For the three-month period ended 31 March 2025 (unaudited)
(Expressed in Saudi Riyals)

5. Property, plant and equipment - net

Cost	Lands	Buildings	Property and equipment	Furniture and Fixtures	Motor vehicles	Total
As at January 01, 2024 (audited)	**601,409,769**	**992,661,196**	**214,311,353**	**42,447,774**	**1,145,006**	**1,851,975,098**
Additions during the year	-	13,498,917	26,685,153	2,080,186	-	**42,264,256**
Disposals during the year	-	-	(24.304.106)	(1.504.336)	(199.000)	**(26.007.442)**
As at 31 December 2024 (audited)	**601,409,769**	**1,006,160,113**	**216,692,400**	**43,023,624**	**946,006**	**1,868,231,912**
As at January 01, 2025 (audited)	**601,409,769**	**1,006,160,113**	**216,692,400**	**43,023,624**	**946,006**	**1,868,231,912**
Additions during the period*	-	3,080,773	3,023,374	410,171	-	**6,514,318**
Disposals during the period	-	-	-	-	-	**-**
As at 31 March 2025 (unaudited)	**601,409,769**	**1,009,240,886**	**219,715,774**	**43,433,795**	**946,006**	**1,874,746,230**
Accumulated depreciation						
As at January 01, 2024 (audited)	**-**	**372,170,285**	**119,387,891**	**35,306,585**	**1,094,949**	**527,959,710**
Deprecation during the year	-	11,967,869	16,119,092	2,526,826	25,332	**30,639,119**
Disposals during the year	-	-	(24.235.918)	(1.464.447)	(198.998)	**(25,899,363)**
As at 31 December 2024 (audited)	**-**	**384,138,154**	**111,271,065**	**36,368,964**	**921,283**	**532,699,466**
As at January 01, 2025 (audited)	**-**	**384,138,154**	**111,271,065**	**36,368,964**	**921,283**	**532,699,466**
Depreciation during the period	-	2,978,869	4,246,272	622,038	6,229	**7,853,408**
Disposals during the period	-	-	-	-	-	**-**
As at 31 March 2025 (unaudited)	**-**	**387,117,023**	**115,517,337**	**36,991,002**	**927,512**	**540,552,874**
Net book value:						
As at 31 March 2025 (unaudited)	**601,409,769**	**622,123,863**	**104,198,437**	**6,442,793**	**18,494**	**1,334,193,356**
As at 31 December 2024 (audited)	**601,409,769**	**622,021,959**	**105,421,335**	**6,654,660**	**24,723**	**1,335,532,446**

* The additions to property, plant, and equipment for the period ended March 31, 2025, include financing costs of 1,187,983 Saudi Riyals (December 31, 2024, financing costs amounting to 7,175,387 Saudi Riyals).

(Expressed in Saudi Riyals)

6. Investment properties - net

	Lands	Buildings	Furniture & Furnishings	Total
Cost				
As at January 01, 2024 (audited)	66,082,344	221,116,068	54,696,846	341,895,258
Additions during the year	-	344,698	2,742,866	3,087,564
Disposals during the year	-	-	(13.204.433)	**(13.204.433)**
As at 31 December 2024 (audited)	66,082,344	221,460,766	44,235,279	331,778,389
As at January 01, 2025 (audited)	66,082,344	221,460,766	44,235,279	331,778,389
Additions during the period	-	-	102,500	102,500
Disposals during the period	-	-	-	-
As at 31 March 2025 (unaudited)	66,082,344	221,460,766	44,337,779	331,880,889
Accumulated depreciation				
As at January 01, 2024 (audited)	-	93,752,333	30,218,573	123,970,906
Depreciation during the year	-	2,753,565	2,490,285	5,243,850
Disposals during the year	-	-	(13.178.990)	**(13.178.990)**
As at 31 December 2024 (audited)	-	96,505,898	19,529,868	116,035,766
As at January 01, 2025 (audited)	-	96,505,898	19,529,868	116,035,766
Depreciation during the period	-	677,735	658,363	**1,336.098**
Disposals during the period	-	-	-	-
As at 31 March 2025 (unaudited)	-	**97,183,633**	**20,188,231**	**117,371,864**
Accumulated impairment				
As at January 01, 2024 (audited)	-	**5,152,431**	-	**5,152,431**
Impairment during the period / year	-	-	-	-
As at 31 December 2024 (audited)	-	**5,152,431**	-	**5,152,431**
As at January 01, 2025 (audited)	-	**5,152,431**	-	**5,152,431**
Impairment during the period	-	-	-	-
As at 31 March 2025 (unaudited)	-	**5,152,431**	-	**5,152,431**
Net book value:				
As at 31 March 2025 (unaudited)	**66,082,344**	**119,124,702**	**24,149,548**	**209,356,594**
As at 31 December 2024 (audited)	**66,082,344**	**119,802,437**	**24,705,411**	**210,590,192**

6.1 The Company's investment properties consist of a commercial center and other 4 properties that are leased to third parties.

6.2 As of March 31, 2025, the fair value measurement of all investment properties was classified under Level 3, based on the valuation method inputs. An external valuer, a member of the Saudi Arabian Valuers Association and specialized in investment property valuation, determined the total fair value. The fair value as of December 31, 2024, amounted to SR 3,926,765,591. Management believes there were no material changes in fair value during the three-month period from the valuation date on December 31, 2024, until the date of the condensed consolidated interim financial statements on March 31, 2025.

6.3 Deprecation charged for the period has been allocated to cost of revenue.

(Expressed in Saudi Riyals)

6. Investment properties - net (continued)

6.4 Amounts recognized in statement of profit or loss and other comprehensive income for investment properties are as follows:

	FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025 (UNAUDITED)	FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (UNAUDITED)
Rental income from operating leases	**65,489,701**	**55,352,690**
Direct operating expenses on property that generated rental income	**13,477,779**	**11,800,894**

There were no direct operating expenses on investment properties that did not generate rental income (under development) during period ended 31 March 2025 and 31 March 2024.

6.5 The table below shows the technical methods used in measuring the fair value of the investment properties, and the significant unobservable inputs used.

Valuation technique	**Unobservable input**
Income approach: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental, cap rates and occupancy rate.	
The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location and lease terms.	Please refer to table below

Management has determined the above approaches using the below key assumptions as follows:

Approach used to determine values	**Approach used to determine values**
Average daily rate	Based on the actual location, type and quality of the properties and supported by historic trends and approved room rents including impacts of expected inflations.
Estimated occupancy rate	Based on current, historic, and expected future market conditions.
Retail developed land value	Prices of residential and commercial land parcels per square meter in the neighboring districts.
Discount rates	Reflects current market assessments of the uncertainty in the amount and timing of cash flows.
Capitalization rate	It is based on actual location, size and quality of the properties and taking into account market data at the valuation date.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

(Expressed in Saudi Riyals)

7. Financial assets at fair value through other comprehensive income

The Company classified the investments below as financial assets at fair value through other comprehensive income. This is because these financial assets represent investments the Company intends to hold for a long term for strategic purposes. Details are below:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Jabal Omar Development Co. - investments in listed shares note (7.1)	2,886,451,806	2,278,136,244
	2,886,451,806	**2,278,136,244**

The table below shows unrealized gains on revaluation and investment movements in equity instruments designed at Fair Value through Other Comprehensive Income (FVTOCI):

	31 March 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	999,429,368	1,190,279,326
Unrealized profits /(losses) during the period/year	608,315,562	(190,621,063)
Realized gains transferred to retained earnings	-	(228.895)
Balance at end of the period/ year	**1,607,744,930**	**999,429,368**

The Company has investments in Jabal Omar Development Company "JODC" that represent investments in listed shares. The Company has a non-controlling interest of 9.29% of the issued shares. These investments have been irrevocably classified at fair value through other comprehensive income. The fair value of these shares determined by the quoted share price in an active market.

- The Company holds a total of 110,804,292 shares in JODC. The Company requested JODC to confirm the number of shares owned by the Company as at 31 March 2025. According to the confirmation received, JODC confirmed number of shares less by 1,198,571 shares as compared to the total number of shares recorded in the Company's books and records. These shares are undergoing reconciliation as a result of the difference in the measurement of the areas of lands compared to title deeds provided as in-kind capital from MCDC. The management of the Company sought a legal opinion from their external legal advisor. The Company has been advised by its legal advisor that:
- JODC may not make any adjustment to the number of shares of MCDC, by decreasing, modifying, or any other action, and thus, no amendment or change may occur to the value of the shares entered by MCDC as a shareholder in JODC. According to the Article (66) of the Companies' Law, the evaluation report of in-kind shares submitted by the Company is binding on JODC as long as it is not objected by the Constituent Assembly.
- Before adding the final amount of the area as per the deeds by the respective authorities and departments, the value of the contribution entered by the Company in JODC remains as it is and there is no modification or change to it until the total area of the deeds is added by the respective authorities. It is not permissible for JODC to enforce the Company to pay amounts in excess of the amount they committed when issuing the share.
- Accordingly, the balance of the in-kind shares owned by the Company at JODC is 110,804,292 shares, including the shares related to title deeds that have not yet been transferred to JODC to date, until the total area as per the deeds is added by the respective authorities, and JODC may not reduce the number of shares or reduce the value of the assessment of in-kind shares submitted upon subscription.

Based on the above legal opinion, the management has recorded the total number of shares at the fair value in the interim condensed consolidated financial statements.

Furthermore, out of the total JODC shares owned by the Company, there are 8,509,144 share that represent in-kind capital shares in exchange for land titles that the Company acquired from landowners in favor of JODC's project and the transfer of the titles have not yet been finalized. Accordingly, these shares are being registered under Makkah Company's portfolio and upon completion of transferring of the lands' titles to JODC, the Company will be able to access its rights over these shares like in the sale transactions. These shares are already recorded as part of JODC's capital.

(Expressed in Saudi Riyals)

8. Investment payments in associates

8.1 The details of the Company's investment in an associate are as follows:

			Effective ownership %			
Name	**Country of incorporation:**	**Principal Activity**	**31 March 2025 (unaudited)**	**31 December 2024 (audited)**	**31 March 2025 (unaudited)**	**31 December 2024 (audited)**
Jurhom for Development and Growth Company (closed joint-stock company)	KSA	Property development	18.79	18.79	18,250,751	18,250,751
Al-Jada AlOula Real Estate Development Company (Joint Stock Company)	Kingdom of Saudi Arabia	Property development	27.72	27.72	350,541,754	350,541,754
					368,792,505	**368,792,505**

8.2 The movement of the Company's investment in associates is as follows:

The period ended 31 March 2025 (unaudited)	**Jurhom for Development and Growth Company**	**Al-Jada AlOula Real Estate Development Company**	**Total**
Balance at January 01, 2025 (audited)	18,250,751	350,541,754	**368,792,505**
The Company's share in results of associates	-	-	**-**
Share of the Company in other comprehensive income of associates	-	-	**-**
Balance at 31 March 2025 (unaudited)	**18,250,751**	**350,541,754**	**368,792,505**

- The results of associates have not been included in the first quarter of 2025 as the associates' financial statements are not available for the first quarter of 2025.

For the year ended 31 December 2024 (audited)	**Jurhom for Development and Growth Company**	**Al-Jada AlOula Real Estate Development Company**	**Total**
Balance at 1 January 2024	16,231,613	-	**16,231,613**
Acquisition of investments	-	340,889,646	**340,889,646**
The Company's share in results of associates	(426.850)	8,620,222	**8,193,372**
Share of the Company in other comprehensive income of associates	5.700	1,031,886	**1,037,586**
Investment settlement in an associate	2,440,288	-	**2,440,288**
Balance at 31 December 2024	**18,250,751**	**350,541,754**	**368,792,505**

8.3 The Board of Directors unanimously resolved in its meeting no. 133 held on 25 Muharram 1435H (corresponding to 28 November 2013) to offer a cash contribution interest in the share capital of Jurhom for Development Company, which operates in the field of developing real state and which the main objective to develop Al-Sharashif mountain area. Based on this resolution million Company decided on 11 Jumada Al-Ula1435 H to pay the amount of SR 28.84 million, representing 27.5% of the Company's share capital amounting to SR 104.84 million.

In 2019, Jurhum Development and Investment Company reduced its capital by SAR 55 million to cover accumulated losses, bringing its capital to SAR 49.84 million. This reduction did not affect Makkah Construction and Development Company's ownership percentage in Jurhum's capital.

In 2024, Jurhum increased its capital to SAR 102.47 million, leading to an adjustment in Makkah Construction and Development Company's ownership percentage in Jurhum to 18.79%. However, this adjustment did not impact the significant influence of Makkah Construction and Development Company over Jurhum, and therefore, the investment in Jurhum continued to be classified as an investment in associates.

8.4 the Board of Directors of Makkah Construction and Development Company unanimously decided to invest in Al-Jada Aloula Real Estate Development Company, which also operates in the real estate development sector. Following this decision, the company entered into share purchase agreements on 23 Safar 1446 H (corresponding to August 27, 2024) with 57 shareholders of Al-Jada First Real Estate Development Company, as well as with the company itself, to acquire a 30.13% stake (representing 56,814,941 ordinary shares) in Al-Jada First Real Estate Development Company. The total value of the transaction amounted to SR 340,889,646.

On September 23, 2024, the final allocation for the capital increase of Al-Jadah AlOula Real Estate Development Company was announced, with the number of shares after the final allocation becoming 205,000,000 shares instead of 188,580,000 shares. Makkah Construction and Development Company did not subscribe to this increase, and therefore the company's stake after the final allocation became 27.72% of Al-Jadah AlOula Real Estate Development Company's shares.

(Expressed in Saudi Riyals)

9. Trade receivables - net

	31 March 2025 (unaudited)	31 December 2024 (audited)
Customers of Commercial Center	38,624,301	30,710,140
Customers of hotels and towers	15,943,128	10,693,818
Hajj and Umrah customers	5,928,869	5,415,054
Net due from the hotel operator and towers (Millennium)	8,860,763	8,860,763
Tenants of Jabal Omar Real State	3,650,000	3,650,000
	73,007,061	**59,329,775**
Less: Provision for the expected credit loss (note 9.2)	(38,059,740)	(38.059.740)
Balance at end of the period/ year	**34,947,321**	**21,270,035**

9.1 Trade receivables are non-derivative financial assets carried at amortized cost and are generally on terms of 90 to 180 days. The carrying value may be affected by changes in the credit risk of the counterparties. It is not the practice of the Company to obtain collateral over third party trade receivables and these are, therefore, unsecured. The company's trade receivables are concentrated in the Kingdom of Saudi Arabia. For short-term trade receivables, their book value is close to their fair values as of March 31, 2025 and December 31, 2024.

9.2 Movement in allowance for expected credit losses on trade receivables:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Balance at beginning of the period/year	38,059,740	38,000,445
Provision charged for the period/year	-	2,600,001
Trade receivables written off during the period/year	-	(153.555)
Reversal of provision during the period/year	-	(2.387.151)
Balance at end of the period/ year	**38,059,740**	**38,059,740**

10. Financial assets at fair value through profit or loss (FVTPL)

The company holds financial assets classified at fair value through profit or loss, which are highly liquid investments that can be converted to cash in a period of less than one year, detailed as follows:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Al Rajhi Awaeed (Returns) Fund	147,591,458	111,483,839
Investment in Umm Al-Qura Development and Construction Company	13,342,816	-
Balance at end of the period/ year	**160,934,274**	**111,483,839**

The movement of financial assets at fair value through profit or loss (FVTPL) as follows:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	111,483,839	-
Additions during the period/year	64,467,150	244,300,000
Disposals during the period/year	(22,000,000)	(135.000.000)
Returns during the period/year	6,983,285	2,183,839
Balance at end of the period/ year	**160,934,274**	**111,483,839**

(Expressed in Saudi Riyals)

11. Share capital

- As of March 31, 2025, the company's share capital amounted to 2,000,000,000 Saudi Riyals (December 31, 2024: 1,648,162,400 Saudi Riyals), consisting of 200,000,000 shares (December 31, 2024: 164,816,240 shares) fully paid with a nominal value of 10 Saudi Riyals per share.

On January 15, 2025, the company's Extraordinary General Assembly approved an increase in capital through granting bonus shares to the company's shareholders at a rate of 0.213 shares for each share owned by transferring SR 351,837,600 from the statutory reserve, bringing the share capital after the increase to SR 2,000,000,000, consisting of 200,000,000 shares. The Company's Articles of Association have been authenticated in February 2, 2025, and the Company's commercial registration is being amended.

12. STATUTORY RESERVE

On January 15, 2025, the Extraordinary General Assembly of the Company approved amendments to the company's articles of association in compliance with the new Companies Law. On the same date, the Extraordinary General Assembly also approved the full transfer of the statutory reserve, amounting to SR 351,837,600, and SR 484,443,085 to share capital and retained earnings, respectively, resulting in a zero statutory reserve balance.

13. RELATED PARTIES TRANSACTIONS AND BALANCES

Key Management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any director (whether executive or otherwise).

	FOR THE THREE-MONTH PERIOD ENDED 31 March 2025 (unaudited)	FOR THE THREE-MONTH PERIOD ENDED 31 March 2024 (unaudited)
Salaries, allowances and incentives	4,521,160	1,347,249
Rent	494,270	338,928
	5,015,430	**1,686,177**

14. Dividends payable

On March 06, 2025, the company announced the recommendation of its board of directors to distribute cash dividends to its shareholders for the Year ended December 31, 2024, with a total amount of SR300,000,000 (three hundred million Saudi riyals). The share of the dividend per share is 1.5 Saudi riyal, and the eligibility for profits will be for the registered shareholders with the deposit center at the end of the second trading day following the date of the company's general assembly (to be held on 21 Dhu al-Qidah 1446H corresponding to May 19, 2025) (2024: Dividends of SR247,224,360 were distributed, with a dividend per share of SR 1.5, based on the approval of the General Assembly meeting held on 21 Dhu al-Qidah 1445H corresponding to May 29, 2024).

Below is the breakdown of dividends payable:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	186,848,378	184,235,872
Dividends declared during the period / year	-	247,224,360
Dividend payments during the period/year	(1,593,112)	(244.611.854)
Balance at end of the period/ year	**185,255,266**	**186,848,378**

The dividends payable as of 31 March 2025 represent remaining balance related to dividends declared for the years from 1994 up to the period ended 31 March 2025, pending completion of necessary bank transfer procedures by certain shareholders before the payments can be made. The company maintains separate bank accounts amounting to SR 88.37 million (December 31, 2024: SR 90.25 million) specifically for the dividends payable to its shareholders.

(Expressed in Saudi Riyals)

15. Zakat provision

15.1. Movement in zakat provision

	31 March 2025 (unaudited)	31 December 2024 (audited)
Balance beginning of the period / year	8,052,797	48,447,225
Provided for during the period/year	3,849,670	12,176,558
Paid during the period/year	-	(52.570.986)
Balance at end of the period/ year	**11,902,467**	**8,052,797**

15.2. Zakat status

15.2.1. The Company submitted its zakat returns until the last year on 31 December 2024.
- The Company has finalized its Zakat status with the General Authority for Zakat and Tax until 1441 AH.
- During the year 2024, the Zakat, Tax and Customs Authority demanded zakat differences for the year 1431 H amounting to SR 16,587,884, which the company paid in full.
- In 2024, the General Authority of Zakat and Tax (GAZT) conducted a preliminary assessment of the company for the period from December 5, 2021, to December 31, 2022, which is still under review, with responses pending from the company.

15.2.2. Management believes that the provisions recorded are sufficient to cover future zakat obligations, according to the opinion of the company's zakat consultant.

16. Earnings per share

The basic earnings per share for the period ended March 31, 2025 and March 31, 2024 is calculated by dividing the profit for the period attributable to the company's shareholders by the number of outstanding shares during the period. The number of Company’s shares increased during the period from 164.816.240 shares to 200.000.000 shares in January 15, 2025, by granting free shares. The number of ordinary shares outstanding before January 15, 2025, was adjusted according to the proportional change in the number of outstanding shares as if the change in the number of shares had occurred at the beginning of the earliest period presented. As there are no diluted shares outstanding, basic, and diluted earnings per share are identical.

	FOR THE THREE MONTHS PERIOD ENDED March 31, 2025. (unaudited)	FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (unaudited)
Profit for the period attributable to shareholders of the Company	150,137,111	113,408,549
Weighted average number of shares outstanding	200,000,000	200,000,000
Basic and diluted earnings per share	0.75	0.57

Diluted earnings per share

During the period, there were no transactions resulting in diluting the earning of the shares, and thus, the diluted earning per share doesn’t differ from the basic earning per share.

(Expressed in Saudi Riyals)

17. Segment information

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025 (UNAUDITED)

	The Commercial Center	Hotels and towers	Hajj and Umrah	Investment sector	Other	Total
Revenue	65,489,701	169,887,229	179,036	-	-	**235,555,966**
Cost of revenue	(13,477,779)	(51,704,107)	(581,479)	-	-	**(65,763,365)**
Gross profit (loss) for the sector	**52,011,922**	**118,183,122**	**(402,443)**	**-**	**-**	**169,792,601**
Selling and marketing expenses	-	(1,609,177)	-	-	-	**(1,609,177)**
General and administrative expenses	-	(10,663,743)	-	-	(12,550,952)	**(23,214,695)**
Finance costs	-	-	-	-	(59,804)	**(59,804)**
Return of financial assets at fair value through profit or loss (FVTPL)	-	-	-	6,983,285	-	**6,983,285**
Other income	-	-	-	-	2,094,571	**2,094,571**
Zakat	-	-	-	-	(3,849,670)	**(3,849,670)**
Net Profit (loss) during the period	**52,011,922**	**105,910,202**	**(402,443)**	**6,983,285**	**(14,365,855)**	**150,137,111**
As at 31 March 2025 (unaudited)						
Segment assets	373,478,276	1,244,222,528	125,840,692	3,416,178,585	174,717,342	**5,334,437,423**
Segment liabilities	53,139,754	135,175,083	6,499,629	-	326,768,589	**521,583,055**

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (UNAUDITED)

	The Commercial Center	Hotels and towers	Hajj and Umrah	Investment sector	Other	Total
Revenue	55,352,690	129,982,211	38,260	-	37,500	**185,410,661**
Cost of revenue	(11,800,894)	(46,554,422)	(169,086)	-	-	**(58,524,402)**
Gross profit or (loss) for the sector	**43,551,796**	**83,427,789**	**(130,826)**	**-**	**37,500**	**126,886,259**
Selling and marketing expenses	-	(1,449,737)	-	-	-	**(1,449,737)**
General and administrative expenses	-	(7,854,928)	-	-	(5,505,666)	**(13,360,594)**
Return on Islamic Murabaha deposit	-	-	-	4,236,186	-	**4,236,186**
Other income	-	-	-	-	4,347	**4,347**
Zakat	-	-	-	-	(2,907,912)	**(2,907,912)**
Net Profit (loss) during the period	**43,551,796**	**74,123,124**	**(130,826)**	**4,236,186**	**(8,371,731)**	**113,408,549**
As at 31 March 2024 (unaudited)						
Segment assets	495,693,281	1,305,649,622	616,764	2,948,709,360	551,002،973	**5,301,672،000**
Segment liabilities	130,211,588	142,537,254	241,207	-	361,051،604	**634,041،653**

18. Contingencies and commitments

	31 March 2025 (unaudited)	31 December 2024 (audited)
Letters of guarantee	2,000,000	2,000,000
Capital commitments	34,499,689	40,024,297

(Expressed in Saudi Riyals)

19. Seasonality

The business results for the period do not necessarily represent an accurate indication of the actual results for the full year operations. The revenue of operating suits and hotel rooms increase during Hajj and Omrah seasons and during summer vacations. Revenue decreases during the rest of the year. Such changes are reflected on the financial results of the Company's operations during the period. Therefore, the operation results for this period may not be an accurate indication of the actual results of the full year.

20. Legal cases

20.1 Cases filed by the Company against others

There are legal claims filed by the company against others as of March 31, 2025, with their total value determined to be 15.96 million Saudi Riyals (December 31, 2024: 15.96 million Saudi Riyals).

The Company has filed a lawsuit against the previous hotel operator, "Millennium and Copthorne Middle East Holding Ltd.", for recovery of a receivable balance amounting to SR 39 million, representing the minimum guaranteed difference in accordance with the signed agreement with Makkah Construction and Development Company at the Economic Court. The judgment was not ruled in favor of the company. Accordingly, the company set aside a provision for the full amount based on the opinion of the company's management and its legal counsel.

A lawsuit raised by the Company against Makkah Region Development Authority ("the Authority") for the recovery of consultancy fees, designs, and models and various other costs that were incurred by the Company amounting to SR 17.36 million on the studies of the Western Parallel Road project under the supreme order no. 22589 dated 14 Jumada Al-Ula, 1424H. The Authority has appealed the case, however, the appeal ruling was issued in favor of Company and obligating the Authority to compensate the Company for the incurred cost. The Authority appealed against the case during the year ended 29 Rabi' II 1443 H (4 December 2021). The judgment was not ruled in favor of the company. Accordingly, the company set aside a provision for the full amount based on the opinion of the company's management and its legal counsel.

20.2 Cases filed by others against the Company

There are cases filed against the Company on 31 March 2025 amounting to SR1.57 million (31 December 2024: SR1.57 million).

21. Comparative figures

Certain comparative figures for the period from January 01, 2024 to March 31, 2024, have been reclassified to conform with the current period classification as follows:

	As reported previously	Reclassification	Restated
Statement of income			
Cost of revenue	56,427,284	2,097,118	58,524,402
Selling and marketing expenses	-	1,449,737	1,449,737
General and administrative expenses	16,907,449	(3,546,855)	13,360,594

22. SUBSEQUENT EVENTS

The Management believes there are no significant events as of the date of the interim condensed consolidated statement of financial position on March 31, 2025 and until the date of preparing these interim condensed consolidated financial statements that may have a significant impact on the Company's financial position reported.

23. Approval of financial statements:

The Board of Directors has delegated their authority for approval of the interim condensed consolidated financial statements to the Chairman of Audit Committee and accordingly these interim condensed consolidated financial statements were approved and authorized for issue by the Chairman of Audit Committee of the Company on Dhu al-Qi'dah 06, 1446H (corresponding to May 04, 2025).