

**Maharah for Human Resources Company and its Subsidiaries
(A Saudi Joint Stock Company)**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended 30 September 2020

Maharah for Human Resources Company and its Subsidiaries
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Financial Statements
For the three-month and nine-month periods ended 30 September 2020

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Ernst & Young & Co. (Certified Public Accountants) Registration No. 45/11/323
General Partnership C.R. No. 1010383821
Head Office
Al Faisaliah Office Tower, 14th Floor
King Fahad Road
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia
Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730
ey.ksa@sa.ey.com
ey.com/mena

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF MAHARAH FOR HUMAN RESOURCES COMPANY
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Maharah for Human Resources Company (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (together with the Company, referred to as the "Group") as at 30 September 2020, and the related interim condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2020, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.


Scope of Review

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

Conclusion

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

for Ernst & Young


Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 16 Rabi Awal 1442H
(2 November 2020)



Maharah for Human Resources Company and its Subsidiaries
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of financial position
As at 30 September 2020

		30 September 2020	31 December 2019
	Note	SR	SR
Assets			
Current assets			
Cash and cash equivalents		144,684,806	188,704,375
Murabaha time deposits		140,000,000	110,000,000
Accounts receivable	4	200,809,046	230,639,631
Contract assets	4	57,338,093	31,012,672
Available visas		25,234,000	29,558,000
Prepayments and other current assets		193,467,826	219,830,250
Total current assets		761,533,771	809,744,928
Non-current assets			
Property and equipment		173,013,751	178,723,769
Right-of-use assets		30,138,511	36,262,288
Intangible assets		7,115,197	7,635,205
Equity investments at fair value through profit or loss ("FVTPL")		33,334,701	32,885,619
Investment in an associate		16,497,877	16,330,373
Other non-current assets		3,276,642	21,528,002
Total non-current assets		263,376,679	293,365,256
Total assets		1,024,910,450	1,103,110,184
Liabilities and equity			
Liabilities			
Current liabilities			
Accounts payable, accruals and other current liabilities		216,314,436	195,412,747
Contract liabilities		87,335,277	97,440,652
Retained deposits		90,366,231	119,079,009
Zakat payable	6	16,171,603	26,670,770
Total current liabilities		410,187,547	438,603,178
Non-current liabilities			
Lease liabilities – non-current		19,686,010	27,976,379
Employees' end-of-service benefits		60,061,644	51,077,674
Total non-current liabilities		79,747,654	79,054,053
Total liabilities		489,935,201	517,657,231
Equity			
Share capital	7	375,000,000	375,000,000
Statutory reserve		49,780,945	49,780,945
Other reserves		(7,688,161)	(4,994,161)
Retained earnings		121,193,068	170,778,768
Equity attributable to the Shareholders of the Parent Company		538,285,852	590,565,552
Non-controlling interests		(3,310,603)	(5,112,599)
Total equity		534,975,249	585,452,953
Total liabilities and equity		1,024,910,450	1,103,110,184

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

Maharah for Human Resources Company and its Subsidiaries
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of income
For the three-month and nine-month periods ended 30 September 2020

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2020 SR	2019 SR	2020 SR	2019 SR
Revenue		342,069,235	386,372,021	1,084,312,325	1,126,471,824
Cost of revenue		(278,399,127)	(280,103,847)	(866,977,656)	(853,503,777)
Gross profit		63,670,108	106,268,174	217,334,669	272,968,047
General and administration expenses		(15,474,421)	(17,275,082)	(46,163,663)	(48,364,406)
Marketing expenses		(2,314,574)	(1,887,677)	(7,506,801)	(5,875,227)
Reversal (provision) for doubtful debts	4	1,588,598	(5,828,862)	(1,984,623)	(10,370,473)
Income from main operations		47,469,711	81,276,553	161,679,582	208,357,941
Other income, net		1,741,007	3,173,906	4,205,069	10,062,040
Share in net earnings (loss) of an associate		841,167	(832,645)	167,504	(1,672,141)
Net gain on equity investments at FVTPL		114,320	224,334	449,082	686,850
Income before zakat		50,166,205	83,842,148	166,501,237	217,434,690
Zakat	6	(2,166,949)	(4,855,341)	(9,909,941)	(13,674,684)
Net income for the period		47,999,256	78,986,807	156,591,296	203,760,006
Net income for the period attributable to:					
Shareholders of the Parent Company		48,113,569	80,126,438	154,789,300	206,132,374
Non-controlling interests		(114,313)	(1,139,631)	1,801,996	(2,372,368)
		47,999,256	78,986,807	156,591,296	203,760,006
Basic and diluted earnings per share:					
Income from main operations per share attributable to Shareholders of the Parent Company	9	1.27	2.17	4.32	5.56
Net income per share attributable to Shareholders of the Parent Company		1.29	2.14	4.13	5.50

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

Maharah for Human Resources Company and its Subsidiaries
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of comprehensive income
For the three-month and nine-month periods ended 30 September 2020

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2020	2019	2020	2019
	SR	SR	SR	SR
Net income for the period	47,999,256	78,986,807	156,591,296	203,760,006
Other comprehensive income (loss):				
<i>Item that will not be reclassified to consolidated statement of income:</i>				
Re-measurements of employees' end-of-service benefits	207,000	(1,721,705)	(2,694,000)	(4,436,849)
Other comprehensive income (loss) for the period	207,000	(1,721,705)	(2,694,000)	(4,436,849)
Total comprehensive income for the period	48,206,256	77,265,102	153,897,296	199,323,157
Total comprehensive income for the period attributable to:				
Shareholders of the Parent Company	48,320,569	78,404,733	152,095,300	201,695,525
Non-controlling interests	(114,313)	(1,139,631)	1,801,996	(2,372,368)
	48,206,256	77,265,102	153,897,296	199,323,157

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

Maharah for Human Resources Company and its Subsidiaries
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of changes in equity
For the nine-month period ended 30 September 2020

	Attributable to Shareholders of the Parent Company				Non-controlling interests	Total equity
	Share Capital SR	Statutory reserve SR	Other reserves SR	Retained earnings SR	SR	SR
Balance as at 31 December 2018	375,000,000	22,572,306	6,914,664	26,026,014	430,512,984	(1,094,008) 429,418,976
Net income (loss) for the period	-	-	-	206,132,374	206,132,374	(2,372,368) 203,760,006
Other comprehensive loss for the period	-	-	(4,436,849)	-	(4,436,849)	- (4,436,849)
Total comprehensive income for the period	-	-	(4,436,849)	206,132,374	201,695,525	(2,372,368) 199,323,157
Interim dividends (note 8)	-	-	-	(100,125,000)	(100,125,000)	- (100,125,000)
Balance as at 30 September 2019	375,000,000	22,572,306	2,477,815	132,033,388	532,083,509	(3,466,376) 528,617,133
Balance as at 31 December 2019	375,000,000	49,780,945	(4,994,161)	170,778,768	590,565,552	(5,112,599) 585,452,953
Net income for the period	-	-	-	154,789,300	154,789,300	1,801,996 156,591,296
Other comprehensive loss for the period	-	-	(2,694,000)	-	(2,694,000)	- (2,694,000)
Total comprehensive income for the period	-	-	(2,694,000)	154,789,300	152,095,300	1,801,996 153,897,296
Interim dividends (note 8)	-	-	-	(204,375,000)	(204,375,000)	- (204,375,000)
Balance as at 30 September 2020	375,000,000	49,780,945	(7,688,161)	121,193,068	538,285,852	(3,310,603) 534,975,249

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

Maharah for Human Resources Company and its Subsidiaries
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of cash flows
For the nine-month period ended 30 September 2020

		For the nine-month period ended 30 September	
		2020	2019
	Notes	SR	SR
Operating activities			
Income before zakat		166,501,237	217,434,690
Adjustments:			
Provision for employees' end-of-service benefits		16,175,270	18,247,345
Provision for doubtful debts	4	1,984,623	10,370,473
Depreciation of property and equipment		10,162,496	7,915,296
Depreciation of right-of-use assets		7,375,520	6,603,440
Amortization of intangible assets		520,008	1,653,947
Share in net (earnings) loss of an associate		(167,504)	1,672,141
Net gain on equity investments at FVTPL		(449,082)	(686,850)
Finance costs on lease liabilities		796,030	907,028
Earnings from Murabaha time deposits		(1,904,055)	(5,260,142)
Reversal of accrued salaries no longer payable		(843,100)	(5,487,382)
		200,151,443	253,369,986
Changes in working capital:			
Accounts receivable		27,924,836	(94,032,064)
Contract assets		(26,404,295)	(2,444,940)
Prepayments and other current assets		39,998,411	(98,919,402)
Available visas		4,324,000	966,000
Accounts payable, accruals and other current liabilities		25,507,138	(22,848,264)
Contract liabilities		(10,105,375)	6,001,846
Retained deposits		(28,712,778)	(5,538,813)
Cash generated from operations		232,683,380	36,554,349
Zakat paid	6	(20,409,108)	(10,987,701)
Employees' end-of-service benefits paid		(9,885,300)	(9,540,678)
Net cash from operating activities		202,388,972	16,025,970
Investing activities			
Movements in Murabaha time deposits, net		(28,095,945)	169,260,142
Purchase of property and equipment		(4,452,478)	(13,300,744)
Payment of deferred consideration related to acquisition of an associate	5	(3,762,349)	-
Additions to intangible assets		-	(325,734)
Net cash (used in) from investing activities		(36,310,772)	155,633,664
Financing activities			
Dividends paid	8	(204,375,000)	-
Payment of lease liabilities		(5,722,769)	(5,930,042)
Cash used in financing activities		(210,097,769)	(5,930,042)
Net (decrease) increase in cash and cash equivalents		(44,019,569)	165,729,592
Cash and cash equivalents at beginning of the period		188,704,375	81,693,843
Cash and cash equivalents at end of the period		144,684,806	247,423,435
Supplemental non-cash information			
- Right-of-use assets		3,255,731	46,970,012
- Lease liabilities		4,051,761	46,229,997
- Interim dividends declared	8	-	100,125,000

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

1 Corporate information and activities

Maharah for Human Resources Company (the "Company" or "Parent Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia ("KSA") under commercial registration numbered 1010364538 and dated 7 Rabi Thani 1434H (corresponding to 17 February 2013). The registered office is located at Al Olaya Road, Al Yasmeen District, Riyadh, KSA.

The Company and its subsidiaries (collectively the "Group") are engaged in providing recruitment services for public and private sectors.

The interim condensed consolidated financial statements were authorized for issue with the resolution of the Board of Directors on 16 Rabi Awal 1442H (corresponding to 2 November 2020).

2 Basis of preparation

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS"), "Interim Financial Reporting" ("IAS 34") as endorsed in KSA and other standards and pronouncements that are endorsed by the Saudi Organization for Certified Public Accountants ("SOCPA").

The interim condensed consolidated financial statements do not include all the information and disclosures required for a complete set of annual consolidated financial statements and therefore, should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2019.

An interim period is considered an integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

Certain prior periods' figures have been reclassified to conform to the current period's presentation.

Basis of measurement and functional currency

These interim condensed consolidated financial statements are prepared under the historical cost convention except for measurement of equity investments at FVTPL. These interim condensed consolidated financial statements are presented in Saudi Arabian Riyal (SR), which is the functional currency of the Parent Company.

3 Summary of significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective 1 January 2020. The Group has not early adopted any new standard, interpretation or amendment that have been issued but which are not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group. The nature and effect of these changes are disclosed below:

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the interim condensed consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those consolidated financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the interim condensed consolidated financial statements of, nor is there expected to be any future impact to the Group.

3 Summary of significant accounting policies (continued)

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 "Financial Instruments: Recognition and Measurement" provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the interim condensed consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the interim condensed consolidated financial statements of the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the interim condensed consolidated financial statements of the Group.

4 Accounts receivable and contract assets

Accounts receivable

	30 September 2020 SR	31 December 2019 SR
Accounts receivable	240,135,135	270,871,159
Amounts due from related parties (note 5)	25,485,610	22,750,826
	265,620,745	293,621,985
Less: provision for doubtful debts	(64,811,699)	(62,982,354)
Total	200,809,046	230,639,631

Movement in the provision for doubtful accounts receivable is shown below:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2020 SR	2019 SR	2020 SR	2019 SR
At the beginning of the period	66,470,694	49,959,335	62,982,354	44,556,080
(Reversal) Charge for the period	(1,623,821)	5,915,388	1,905,749	11,318,643
Written-off	(35,174)	-	(76,404)	-
At the end of the period	64,811,699	55,874,723	64,811,699	55,874,723

The ageing of unimpaired accounts receivable is shown below:

		Past due but not impaired				
	Total SR	Neither past due nor impaired SR	< 90 days SR	90 – 180 days SR	180 – 360 days SR	> 360 days SR
30 September 2020	200,809,046	135,451,699	23,941,524	10,205,287	3,688,166	27,522,370
31 December 2019	230,639,631	78,481,147	67,923,120	30,143,042	13,060,135	41,032,187

4 Accounts receivable and contract assets (continued)

Contract assets

Contract assets primarily related to the Group's right to consideration for services delivered but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

	30 September 2020	31 December 2019
	SR	SR
Contract assets	57,538,644	31,134,349
Less: provision for doubtful debts	(200,551)	(121,677)
Total	57,338,093	31,012,672

Movement in the provision for doubtful contract assets is shown below:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2020	2019	2020	2019
	SR	SR	SR	SR
At the beginning of the period	165,328	886,867	121,677	1,748,511
Charge (reversal) for the period	35,223	(86,526)	78,874	(948,170)
At the end of the period	200,551	800,341	200,551	800,341

5 Related party transactions and balances

The remuneration of directors and other key management personnel for the period are as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2020	2019	2020	2019
	SR	SR	SR	SR
Salaries and short-term benefits	3,430,340	3,801,578	9,904,740	10,841,663
End-of-service benefits	208,600	326,266	622,117	559,924
Total key management compensation	3,638,940	4,127,844	10,526,857	11,401,587

5 Related party transactions and balances (continued)

During the period, the Group transacted with its related parties. The transactions and balances for the period are as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transactions</i>	<i>For the nine-month period ended 30 September</i>		<i>Balance as at</i>	
			<i>2020</i>	<i>2019</i>	<i>30 September 2020</i>	<i>31 December 2019</i>
			<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<u>Amounts due from related parties (note 4)</u>						
Spectra Support Services	Affiliate	Manpower services	65,114,870	45,904,058		
		Collections	60,754,707	34,149,458	24,476,351	20,116,188
Maharah Holding Company	Affiliate	Collections	-	4,080,150	-	-
Key management personnel	Key management personnel	Settlement	-	1,207,951	-	-
Al Safi Danone Co. Ltd.	Affiliate	Manpower services	-	5,638,445		
		Collections	-	5,257,466	-	1,010,210
Others	Affiliate	Manpower services	2,083,184	10,450,141		
		Collections	2,698,353	10,544,763	1,009,259	1,624,428
					25,485,610	22,750,826

Maharah for Human Resources Company and its Subsidiaries
(A Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements (continued)
30 September 2020

5 Related party transactions and balances (continued)

Related party	Relationship	Nature of transactions	Transactions		Balance as at	
			For the nine-month period ended 30 September		30 September 2020	31 December 2019
			2020	2019		
			SR	SR	SR	SR
<u>Amounts due to related parties (*)</u>						
Bloovo Ltd.	Associate	Payments of deferred consideration	3,762,349	3,750,000	3,738,948	7,501,097
Maharah Travel and Tourism Company	Affiliate	Purchase of air tickets	4,271,462	14,896,045		
		Payments	4,406,846	15,727,552	123,818	259,201
					3,862,766	7,760,298
Directors (*)	BOD	Remuneration	2,517,084	1,500,000		
		Payments	2,623,000	2,400,000	2,089,027	2,194,943

(*) Amounts due to related parties are included under "Accounts payable, accruals and other current liabilities" in the interim condensed consolidated statement of financial position.

6 Zakat

The movement in the provision for zakat for the period is as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2020 SR	2019 SR	2020 SR	2019 SR
At the beginning of the period	26,960,661	9,905,371	26,670,770	12,073,729
Provision for the period	2,166,949	4,855,341	9,909,941	13,674,684
Paid during the period	(12,956,007)	-	(20,409,108)	(10,987,701)
At the end of the period	16,171,603	14,760,712	16,171,603	14,760,712

Status of assessments

On 9 May 2019, the Company received zakat assessments from the General Authority of Zakat and Tax (the "GAZT") for the years 2014 to 2017 with additional zakat liability of approximately SR 25 million and made an appeal during the year ended 31 December 2019. During the nine-month period ended 30 September 2020, the Company received the final assessment amounting to SR 7.5 million for which the corresponding provision has already been recorded during the year ended 31 December 2019 and later settled it during the nine-month period ended 30 September 2020. The zakat returns for 2018 and 2019 are still under review by the GAZT.

7 Share capital

Authorized and issued share capital is divided into 37.5 million shares (31 December 2019: 37.5 million shares) of SR 10 each.

The following are the major shareholders of the Group as of 30 September 2020 and 31 December 2019:

Name	Place of incorporation/residen ce	Ownership %	
		30 September 2020	31 December 2019
Alahlia International Real Estate Investment Company	KSA	19.4%	19.4%
Architectural Experience Company(**)	KSA	16.0%	16.0%
Dr. Abdullah Bin Sulaiman Alamro	KSA	12.2%	12.2%
Dr. Sulaiman Alhabib Trading Commercial Investment Company	KSA	7.0%	7.0%
Al Faisaliah Group Holding Company (*)	KSA	0%	14.0%
Other	KSA	45.4%	31.4%

(*) During the nine-month period ended 30 September 2020, Al Faisaliah Group Holding Company sold its entire shares in the Company.

(**) Subsequent to 30 September 2020, the shareholder sold portion of his shares resulting to an ownership to be 11.14%.

8 Dividends

The Company's Board of Directors, in their meeting held on 22 Muharram 1442H (corresponding to 10 September 2020), resolved to declare interim dividends for the first half of 2020 amounting to SR 84.3 million (SR 2.25 per share) which was paid on 5 Safar 1442H (corresponding to 22 September 2020). The Board of Directors will present it to the shareholders in the upcoming Annual General Meeting.

The Company's Board of Directors, in their meeting held on 22 Sha'aban 1441H (corresponding to 17 March 2020), resolved to declare interim dividends for the second half of 2019 amounting to SR 120 million (SR 3.20 per share) which was paid on 8 Sha'aban 1441H (corresponding to 1 April 2020). The Board of Directors presented it to the shareholders in their Annual General meeting held on 13 Ramadan 1441H (corresponding to 6 May 2020).

The Company's Board of Directors, in their meeting held on 16 Muharram 1441H (corresponding to 15 September 2019), resolved to declare interim dividends for the last quarter of 2018 and first half of 2019 amounting to SR 100.1 million (SR 2.67 per share) which was paid on 17 Safar 1441H (corresponding to 16 October 2019). The Board of Directors presented it to the shareholders in their Annual General meeting held in their Annual General meeting held on 13 Ramadan 1441H (corresponding to 6 May 2020).

The dividends declared during 2020 and 2019 has been recognised in the interim condensed consolidated financial statements for the nine-month period ended 30 September 2020 and year ended 31 December 2019, respectively.

9 Earnings per share

Basic earnings per share attributable to the shareholders of the Parent Company is calculated based on the weighted average number of outstanding shares during the period.

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.

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2020	2019	2020	2019
Income from main operations for the period (SR)	47,676,711	81,276,553	161,886,582	208,357,941
Net income attributable to Shareholders of the Parent Company (SR)	48,113,569	80,126,438	154,789,300	206,132,374
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share (note 7)	37,500,000	37,500,000	37,500,000	37,500,000
Basic and diluted earnings per share of income from main operation for the period	1.27	2.17	4.32	5.56
Basic and diluted earnings per share of income attributable to shareholders of parent Company (SR)	1.29	2.14	4.13	5.50

There has been no item of dilution affecting the weighted average number of ordinary shares.

10 Segment information

The Group is organized into corporate and individual business segments.

The segments' financial details are shown below:

	For the three-month period ended 30 September 2020		
	Corporate SR	Individual SR	Total SR
Revenue	251,867,428	90,201,807	342,069,235
Cost of revenue	(207,539,130)	(70,859,997)	(278,399,127)
Gross profit	44,328,298	19,341,810	63,670,108
General and administration expenses	(10,659,061)	(4,815,360)	(15,474,421)
Marketing expenses	(1,505,891)	(808,683)	(2,314,574)
Reversal (provision) for doubtful debts	1,755,357	(166,759)	1,588,598
Income from main operations	33,918,703	13,551,008	47,469,711

	For the three-month period ended 30 September 2019		
	Corporate SR	Individual SR	Total SR
Revenue	283,462,656	102,909,365	386,372,021
Cost of revenue	(215,346,813)	(64,757,034)	(280,103,847)
Gross profit	68,115,843	38,152,331	106,268,174
General and administration expenses	(10,438,035)	(6,837,047)	(17,275,082)
Marketing expenses	(866,286)	(1,021,391)	(1,887,677)
Provision for doubtful debts	(5,156,407)	(672,455)	(5,828,862)
Income from main operations	51,655,115	29,621,438	81,276,553

10 Segment information (continued)

	For the nine-month period ended 30 September 2020		
	Corporate SR	Individual SR	Total SR
Revenue	791,641,539	292,670,786	1,084,312,325
Cost of revenue	(650,024,535)	(216,953,121)	(866,977,656)
Gross profit	141,617,004	75,717,665	217,334,669
General and administration expenses	(30,870,929)	(15,292,734)	(46,163,663)
Marketing expenses	(4,966,750)	(2,540,051)	(7,506,801)
Provision for doubtful debts	(1,770,584)	(214,039)	(1,984,623)
Income from main operations	104,008,741	57,670,841	161,679,582

	For the nine-month period ended 30 September 2019		
	Corporate SR	Individual SR	Total SR
Revenue	821,576,429	304,895,395	1,126,471,824
Cost of revenue	(642,322,000)	(211,181,777)	(853,503,777)
Gross profit	179,254,429	93,713,618	272,968,047
General and administration expenses	(28,901,481)	(19,462,925)	(48,364,406)
Marketing expenses	(3,765,565)	(2,109,662)	(5,875,227)
Provision for doubtful debts	(4,779,355)	(5,591,118)	(10,370,473)
Income from main operations	141,808,028	66,549,913	208,357,941

It is impracticable and also not informative to disclose information pertaining to net book value of property and equipment, total assets and total liabilities pertaining to business segments

The primary markets for the Group's products are KSA and United Arab Emirates ("UAE"). Following is the geographical segment analysis of the Group:

<u>For the three-month period ended 30 September 2020</u>	KSA SR	UAE SR	Total SR
Revenue	336,637,654	5,431,581	342,069,235
Cost of revenue	(274,080,789)	(4,318,338)	(278,399,127)
Gross profit	62,556,865	1,113,243	63,670,108
General and administration expenses	(14,054,560)	(1,419,861)	(15,474,421)
Marketing expenses	(2,095,548)	(219,026)	(2,314,574)
Reversal of provision for doubtful debts	1,588,598	-	1,588,598
Income (loss) from main operations	47,995,355	(525,644)	47,469,711

<u>For the three-month period ended 30 September 2019</u>	KSA SR	UAE SR	Total SR
Revenue	378,774,770	7,597,251	386,372,021
Cost of revenue	(273,152,836)	(6,951,011)	(280,103,847)
Gross profit	105,621,934	646,240	106,268,174
General and administration expenses	(14,352,054)	(2,923,028)	(17,275,082)
Marketing expenses	(1,762,598)	(125,079)	(1,887,677)
Provision for doubtful debts	(5,156,407)	(672,455)	(5,828,862)
Income (loss) from main operations	84,350,875	(3,074,322)	81,276,553

10 Segment information (continued)

<u>For the nine-month period ended</u> <u>30 September 2020</u>	KSA SR	UAE SR	Total SR
Revenue	1,060,220,073	24,092,252	1,084,312,325
Cost of revenue	(852,465,082)	(14,512,574)	(866,977,656)
Gross profit	207,754,991	9,579,678	217,334,669
General and administration expenses	(41,183,579)	(4,980,084)	(46,163,663)
Marketing expenses	(6,625,927)	(880,874)	(7,506,801)
Provision for doubtful debts	(1,925,868)	(58,755)	(1,984,623)
Income from main operations	158,019,617	3,659,965	161,679,582
<u>For the nine-month period ended</u> <u>30 September 2019</u>	KSA SR	UAE SR	Total SR
Revenue	1,095,454,729	31,017,095	1,126,471,824
Cost of revenue	(831,568,027)	(21,935,750)	(853,503,777)
Gross profit	263,886,702	9,081,345	272,968,047
General and administration expenses	(39,745,927)	(8,618,479)	(48,364,406)
Marketing expenses	(5,158,308)	(716,919)	(5,875,227)
Provision for doubtful debts	(4,779,355)	(5,591,118)	(10,370,473)
Income (loss) from main operations	214,203,112	(5,845,171)	208,357,941
<u>As at 30 September 2020</u>	KSA SR	UAE SR	Total SR
Net book value of property and equipment	168,836,048	4,177,703	173,013,751
Total assets	1,006,511,859	18,398,591	1,024,910,450
Total liabilities	468,075,004	21,860,197	489,935,201
<u>As at 31 December 2019</u>			
Net book value of property and equipment	174,147,335	4,576,434	178,723,769
Total assets	1,085,955,499	17,154,685	1,103,110,184
Total liabilities	495,389,949	22,267,282	517,657,231

11 Significant events during the period

A novel strain of coronavirus (COVID-19) was first identified at the end of December 2019, subsequently in March 2020 was declared as a pandemic by the World Health Organization (WHO). COVID-19 continues to spread throughout in nearly all regions around the world including the Kingdom of Saudi Arabia and resulted in travel restrictions and curfew in the cities which resulted in a slowdown of economic activities and shutdowns of many sectors at global and local levels.

The extent to which coronavirus pandemic impacts the Group's business, operations, and financial results, is uncertain and depends on many factors and future developments, that the Group may not be able to estimate reliably during the current period. These factors include the virus transmission rate, the duration of the outbreak, precautionary actions that may be taken by governmental authorities to reduce the spread of the epidemic and the impact of those actions on economic activity, the impact to the businesses of the Group's customers and partners and other factors.

As far and as of the date of preparation of the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2020, the Group's operations have not incurred significant impact from the COVID-19 outbreak. The Group will continue to evaluate the nature and extent of the impact on its business and financial results.

12 Contingent liabilities

The Group's bankers have issued, on its behalf, guarantees amounting to SR 7 million (31 December 2019: SR 10 million) in respect of contract performance, in the normal course of business.

13 Events subsequent to the reporting date

No other significant events have occurred subsequent to the balance sheet date which requires adjustment to, or disclosure, in these interim condensed consolidated financial statements, except for the change in shareholders ownership as disclosed in note 7.

14 Company's operations

During the nine-month period ended 30 September 2020, the Group opened the following new branches:

<i>Name</i>	<i>Commercial Registration Number</i>	<i>Commercial Registration Date</i>
Jeddah-Alfaiha	4030379272	16 Rajab 1441H
Jeddah-Alnuzhah	4030379270	16 Rajab 1441H
Al-Taif	4032241081	1 Rajab 1441H