UNITED INTERNATIONAL TRANSPORTATION COMPANY (A SAUDI JOINT STOCK COMPANY) AND ITS SUBSIDIARY

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

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A SAUDI JOINT STOCK COMPANY) AND ITS SUBSIDIARY

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

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Building a better working world

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INDEPENDENT AUDITORS' REPORT
ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF
UNITED INTERNATIONAL TRANSPORTATION COMPANY (A SAUDI JOINT STOCK COMPANY)
AND ITS SUBSIDIARY

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of United International Transportation Company - A Saudi Joint Stock Company - ("the Company") and its subsidiary (collectively referred to as "the Group") as at 31 March 2019 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

for Ernst & Young

Ahmed I. Reda
Certified Public Accountant
Licence No. 356

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ترخيص مهني رقم ٤٥
PROFESSIONAL LICENCE No. 45
ERNST & YOUNG & Co. PUBLIC ACCOUNTANTS

20 Sha'ban 1440H
25 April 2019

Jeddah

18/34/AE

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A SAUDI JOINT STOCK COMPANY) AND ITS SUBSIDIARY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month period ended 31 March 2019

	Note	*Three-month period ended 31 March 2019 SR'000*	*Three-month period ended 31 March 2018 SR'000*
Revenue		**259,408**	270,232
Cost of revenue		**(187,869)**	(205,347)
GROSS PROFIT		**71,539**	64,885
Other operating income, net		**446**	781
Selling and marketing expenses		**(10,979)**	(9,085)
General and administrative expenses		**(17,160)**	(13,215)
OPERATING PROFIT		**43,846**	43,366
Finance costs, net		**(932)**	(1,984)
Share of results of associates		**(25)**	80
PROFIT BEFORE ZAKAT		**42,889**	41,462
Zakat	4	**(1,285)**	(1,869)
PROFIT FOR THE PERIOD		**41,604**	39,593
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Gains/(losses) on actuarial valuation		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**41,604**	39,593
EARNINGS PER SHARE (EPS):			
Basic and diluted, profit for the period attributable to ordinary equity holders of the parent (in Saudi Riyals)	5	**0.58**	0.56

Chairman

President & Group CEO

Group Chief Financial Officer

The attached notes from 1 to 16 form integral part of these interim condensed consolidated financial statements.

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A SAUDI JOINT STOCK COMPANY) AND ITS SUBSIDIARY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2019

	Note	*31 March 2019 SR'000*	*31 December 2018 SR'000*
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	**1,161,362**	1,207,898
Intangible assets		**614**	692
Right-of-use assets	7	**12,504**	-
Investments in associates		**1,308**	1,333
		1,175,788	1,209,923
CURRENT ASSETS			
Inventories		**9,774**	2,059
Trade receivables		**152,079**	184,997
Prepayments and other receivables		**12,684**	25,103
Cash and cash equivalents	8	**79,271**	14,302
		253,808	226,461
TOTAL ASSETS		**1,429,596**	1,436,384
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	**711,667**	711,667
Statutory reserve		**168,491**	164,331
Retained earnings		**287,801**	250,357
TOTAL EQUITY		**1,167,959**	1,126,355
LIABILITIES			
NON-CURRENT LIABILITIES			
Bank borrowings	10	**11,897**	15,851
Employee benefits		**44,551**	43,537
Lease liabilities	7	**8,683**	-
		65,131	59,388
Current liabilities			
Current portion of bank borrowings	10	**65,905**	89,610
Lease liabilities – current portion	7	**2,171**	-
Trade payables		**82,034**	117,985
Accrued expenses and other liabilities		**38,648**	36,583
Zakat payable	4	**7,748**	6,463
		196,506	250,641
TOTAL LIABILITIES		**261,637**	310,029
TOTAL EQUITY AND LIABILITIES		**1,429,596**	1,436,384

Chairman | President & Group CEO | Group Chief Financial Officer

The attached notes from 1 to 16 form integral part of these interim condensed consolidated financial statements.

UNITED INTERNATIONAL TRANSPORTATION COMPANY (A SAUDI JOINT STOCK COMPANY) AND ITS SUBSIDIARY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2019

	Share capital SR'000	*Statutory reserve SR'000*	*Retained earnings SR'000*	*Total equity SR'000*
Balance as at 1 January 2019	711,667	164,331	250,357	1,126,355
Profit for the period	-	-	41,604	41,604
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	41,604	41,604
Transfer to statutory reserve (Note 9)	-	4,160	(4,160)	-
Balance as at 31 March 2019	711,667	168,491	287,801	1,167,959
Balance as at 1 January 2018	711,667	147,332	211,348	1,070,347
Profit for the period	-	-	39,593	39,593
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	39,593	39,593
Transfer to statutory reserve (Note 9)	-	3,959	(3,959)	-
Balance as at 31 March 2018	**711,667**	**151,291**	**246,982**	**1,109,940**

Chairman

President & Group CEO

Group Chief Financial Officer

The attached notes from 1 to 16 form integral part of these interim condensed consolidated financial statements.

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A SAUDI JOINT STOCK COMPANY AND ITS SUBSIDIARY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three-month period ended 31 March 2019

	Note	*For the three-month period ended 31 March 2019 SR'000*	*For the three-month period ended 31 March 2018 SR'000*
OPERATING ACTIVITIES			
Profit before zakat		42,889	41,462
Adjustments to reconcile profit before zakat to net cash flows:			
Depreciation of property and equipment and right-to-use assets	6&7	115,395	114,985
Amortisation of intangible assets		78	62
Share of results of associates, net		25	(80)
Provision for employees' benefits		1,676	1,753
Provision for doubtful receivables		1,990	2,425
Finance costs		932	1,984
		162,985	162,591
Working capital adjustments:			
Inventories		26,719	47,408
Trade receivables		30,928	(56,650)
Prepayments and other receivables		10,632	7,786
Trade payables		(35,951)	(41,175)
Accrued expenses and other liabilities		2,065	6,617
Cash from operations		197,378	126,577
Purchase of vehicles		(102,070)	(57,698)
Finance costs paid		(932)	(1,984)
Employee benefits paid		(662)	(1,015)
Net cash from operating activities		93,714	65,880
INVESTING ACTIVITIES			
Purchase of property and equipment		(436)	(385)
Additions of intangible assets		-	(113)
Net cash used in investing activities		(436)	(498)
FINANCING ACTIVITIES			
Proceeds from borrowings		-	20,000
Repayment of borrowings		(27,659)	(70,920)
Payment of lease liabilities	7	(650)	-
Net cash used in financing activities		(28,309)	(50,920)
NET INCREASE IN CASH AND CASH EQUIVALENTS		64,969	14,462
Cash and cash equivalents at the beginning of the period		14,302	9,744
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		79,271	24,206
Supplemental non-cash information			
Transfers from property and equipment to inventories		34,434	48,022
Right-of-use assets and lease liability		11,501	-
Transfer of prepayment to right-of-use assets		1,790	-

Chairman | President & Group CEO | Group Chief Financial Officer

The attached notes from 1 to 16 form integral part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

United International Transportation Company ("the Parent Company"), is a Saudi Joint Stock Company registered in Jeddah, Kingdom of Saudi Arabia under Commercial Registration No. 4030017038 dated 7 Shabaan 1428H (corresponding to 20 August 2007).

The principal activities of the Parent Company are leasing and rental of vehicles under the commercial name of "Budget Rent a Car" as per the license No. 0202000400 issued by the Ministry of Transportation in the Kingdom of Saudi Arabia. The Parent Company was listed on Saudi Stock Exchange on 1 September 2007.

The Parent Company's registered office is located at the following address:

2421 Quraysh St. Al-Salamah Dist.
Jeddah, Saudi Arabia 23437-8115
Unit 1

As at the reporting date, the Parent Company owns 100% of the issued share capital of Aljozoor Alrasekha Trucking Company Limited - a Single Owner Company (the "subsidiary" or "Rahaal" and collectively with the Parent Company referred to as the "Group"). Rahaal is a limited liability company incorporated in Saudi Arabia and engaged in the business of leasing and rental of heavy vehicles and equipment and trading in heavy vehicles and equipment and spare parts as per commercial registration.

The following are the details of the associates:

Name	*Principal field of activity*	*% of capital held*	
		31 March 2019	*31 December 2018*
Tranzlease Holdings India Private Limited	Operating lease of motor vehicles	**32.96%**	**32.96%**
Unitrans Infotech Services India Private Limited	Providing information technology services	**49%**	**49%**

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

These interim condensed consolidated financial statements do not include all the information and disclosures required in full set of annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2018. In addition, results for the interim period ended 31 March 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

2.2 Basis of measurement

The interim condensed consolidated financial statements are prepared under the historical cost convention using the accruals basis of accounting and going concern concept.

2.3 Functional and presentation currency

The interim condensed consolidated financial statements are presented in Saudi Arabian Riyals (SR), which is the functional currency of the Group. All financial information presented in SR has been rounded off to the nearest thousand, unless otherwise indicated.

2 BASIS OF PREPARATION (continued)

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The significant judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the consolidated financial statements for the year ended 31 December 2018 except as mentioned below:

Leases - extension and termination options
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within control.

3 CHANGES TO THE GROUP'S ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 16 Leases. As required by IAS 34, the nature and effect of these changes are disclosed below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact or not applicable on the interim condensed consolidated financial statements of the Group.

3.1 IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, if any. As a result, comparatives of the year ended 31 December 2018 are not restated. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

3 CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

3.2 Nature of effect of adoption of IFRS 16

The effect of adoption of IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

	1 January 2019
Assets	
Right-of-use assets	**13,291**
Prepayments	**(1,790)**
Total assets	**11,501**
Liabilities	
Lease liabilities	**11,501**
Total adjustments on equity	-

The Group has lease contracts for various offices and locations. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease. In an operating lease, the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the implicit rate at the date of initial application. The weighted average lessee's implicit rate applied to the lease liabilities as at 1 January 2019 was 4.2%.

The Group has used the practical expedient of applying IFRS 16 to only those contracts that were previously identified as leases under IAS 17 and IFRIC 4. In adopting IFRS 16, the Group has applied the following practical expedients:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- accounting for operating leases in accordance with IAS 17 as short-term leases with a remaining lease term of less than 12 months as at 1 January 2019;
- exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- the election, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

3.3 Summary of new accounting policies

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

3 CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

3.3 Summary of new accounting policies (continued)

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the impicit rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
Short-term leases are leases with a lease term of 12 months or less. Low value assets are items that do not meet the Group's capitalisation threshold and are considered to be insignificant for the statement of financial position for the Group as a whole. Payments for short-term leases and leases of low value assets are recognised on a straight-line basis in the interim condensed consolidated statement of profit or loss.

4 ZAKAT

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

	For the three-month period ended 31 March 2019 SR'000	*For the year ended 31 December 2018 SR'000*
At the beginning of the period/year	**6,463**	10,437
Provided during the period/year	**1,285**	5,074
Paid during the period/year	**-**	(9,048)
At the end of the period/year	**7,748**	6,463

Status of assessments

The Parent Company
The Parent Company has filed the zakat return for all years up to the financial year ended 31 December 2017. All assessment proceedings of the General Authority of Zakat and Tax ("GAZT") up to the end of the financial year ended 31 December 2012 have been agreed with GAZT. The assessments for the financial years 2013 through 2017 are under process.

Subsidiary- Aljozoor Alrasekha Trucking Company Limited
The subsidiary has filed the zakat returns up to the financial year ended 31 December 2017. The assessments since inception for the financial years 2012 to 2017 are under process.

5 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. The calculation of diluted earnings per share ('EPS') is not applicable to the Group. Also, no separate earning per share calculation from continuing operations has been presented since there were no discontinued operations during the period.

The EPS calculation is given below:

	For the three-month period ended 31 March 2019	*For the three-month period ended 31 March 2018*
Profit attributable to ordinary equity holders of the Parent Company (*SR'000)*	**41,604**	39,593
Weighted average number of ordinary shares for basic and diluted EPS	**71,167**	71,167
Earnings per share (in Saudi Riyals)	**0.58**	0.56

6 PROPERTY AND EQUIPMENT

	For the three-month period ended 31 March 2019			*For the year ended 31 December 2018*		
	SR'000 Vehicles	***SR'000 Other***	***SR'000 Total***	*SR'000 Vehicles*	*SR'000 Other*	*SR'000 Total*
Opening net book value	**1,112,321**	**95,577**	**1,207,898**	1,191,590	97,497	1,289,087
Additions during the period/year	**102,070**	**436**	**102,506**	502,774	4,422	507,196
Transfer of vehicles to inventories	**(34,434)**	**-**	**(34,434)**	(134,785)	-	(134,785)
Depreciation for the period/year	**(112,941)**	**(1,667)**	**(114,608)**	(447,258)	(6,342)	(453,600)
Closing net book value	**1,067,016**	**94,346**	**1,161,362**	1,112,321	95,577	1,207,898

7 RIGHT-OF-USE ASSETS AND LEASE LIABILTIES

	Right-of-use assets SR'000	***Lease liabilities SR'000***
As at 1 January 2019	13,291	11,501
Depreciation expense	(787)	-
Interest expense	-	3
Payments	-	(650)
As at 31 March 2019	12,504	10,854

8 CASH AND CASH EQUIVALENTS

	31 March 2019 SR'000	*31 December 2018 SR'000*
Cash and bank balances	**24,271**	14,302
Time deposits (see note below)	**55,000**	-
	79,271	14,302

Time deposits represent short-term investments in Murabaha with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

9 SHARE CAPITAL

At 31 March 2019, the Parent Company's share capital of SR 711.67 million (31 December 2018: SR 711.67 million) consists of SR 711.67 million (31 December 2018: 71.167 million) fully paid shares of SR 10 each.

The Board of Directors in its meeting held on 31 January 2018, proposed final cash dividend of SR 106.75 million (representing SR 1.5 per share) for the year ended 31 December 2017. The shareholders in the General Assembly Meeting on 30 April 2018 approved the Board's proposal and authorised issuance of final dividend.

The Board of Directors in its meeting held on 31 January 2019, proposed final cash dividend of SR 106.75 million (representing SR 1.5 per share) for the year ended 31 December 2018 (note 15).

10 BANK BORROWINGS

	31 March 2019 SR'000	*31 December 2018 SR'000*
Murabaha sale agreements	**77,802**	105,461
Less: Current portion Murabaha sale agreements	**(65,905)**	(89,610)
Non-current portion	**11,897**	15,851

Long-term bank debts consist of Group's borrowings under Islamic Finance Products including Murabaha arrangements with commercial banks in Kingdom of Saudi Arabia. Such debts bear financing charges at the prevailing market rates at the time of entering into the debt contracts. These loans are secured by demand promissory notes. The loan agreements include covenants which, among other things, require certain financial ratios to be maintained. The instalments due within twelve months from the interim condensed consolidated statement of financial position date are shown as a current liability in the Interim Condensed Consolidated Statement of Financial Position. The bank borrowings are repayable in monthly variable instalments with the last instalment payable on 20 December 2020.

11 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. The transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions.

a) The significant transactions and the related amounts are as follows:

Related party	*Nature of relationship*	*Nature of transactions*	*Amounts of transactions*	
			For the three-month period ended 31 March 2019 SR'000	*For the three-month period ended 31 March 2018 SR'000*
Zahid Group (note b)	Shareholder	Car rentals	**24**	91
Abdulillah Abdullah Al Zahid Trading Establishment	Other related party	Services received	**-**	132
		Used car sale	-	3,777
Key management personnel	Employees	Short term benefits	**1,324**	1,293
		Long term benefits	**158**	100
		Board of Directors remuneration	**1,006**	450

b) Due from a related party as of period/year end represents the following:

	31 March 2019 SR'000	*31 December 2018 SR'000*
Zahid Group (included in trade receivables, net)	**62**	85

12 CONTINGENCIES AND COMMITMENTS

At 31 March 2019, the Group has outstanding letters of guarantee amounting to SR 7.8 million (31 December 2018: SR 6.2 million) issued by the banks in Saudi Arabia on behalf of Group in the ordinary course of business.

13 SEGMENTAL INFORMATION

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies. For each of the strategic business units, the Group's top management reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Lease segment – represents cars leased out to customers under medium to longer term rental arrangements
- Rental segment – represents cars leased out to customers under short term rental arrangements
- Others – represents inventories, other assets and liabilities and related income & expense for items not classified under lease and rental segments.

No operating segments have been aggregated to form the above reportable operating segments.

Segment results that are reported to the top management (Chairman, President & Group Chief Executive Officer (CEO), Director Corporate Affairs and Group Chief Financial Officer (CFO)) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

13 SEGMENTAL INFORMATION (continued)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment revenues, as included in the internal management reports that are reviewed by the top management. There are no inter segment revenue reported during the period. The following table presents segment information for the three-month period ended 31 March 2019:

Particulars	*Lease* For the three-month period ended		*Rental* For the three-month period ended		*Others* For the three-month period ended		*Total* For the three-month period ended	
	31 March 2019 SR'000	*31 March 2018 SR'000*	***31 March 2019 SR'000***	*31 March 2018 SR'000*	***31 March 2019 SR'000***	*31 March 2018 SR'000*	***31 March 2019 SR'000***	*31 March 2018 SR'000*
Revenue - external customers	**131,477**	139,468	**65,435**	52,662	**62,496**	78,102	**259,408**	270,232
Depreciation and amortization	**(84,574)**	(88,603)	**(30,068)**	(26,444)	-	-	**(114,642)**	(115,047)
Segment profit	**46,903**	50,865	**35,367**	26,218	**62,496**	78,102	**144,766**	155,185
Unallocated income/(expenses):								
Cost of revenue							**(73,227)**	(90,300)
Other operating income, net							**446**	781
Selling and marketing expenses							**(10,979)**	(9,085)
General and administrative expenses							**(17,160)**	(13,215)
Finance costs, net							**(932)**	(1,984)
Share of results of associates							**(25)**	80
Profit before zakat							**42,889**	41,462

Detail of segment assets and liabilities is given below:

Particulars	*Allocated*		*Unallocated*	
	Lease SR'000	***Rental SR'000***	***Others SR'000***	***Total SR'000***
31 March 2019				
Segment assets	**759,437**	**307,579**	**362,580**	**1,429,596**
Segment liabilities	**-**	**-**	**261,637**	**261,637**
31 December 2018				
Segment assets	791,909	320,416	324,059	1,436,384
Segment liabilities	-	-	310,029	310,029

14 FAIR VALUE OF ASSETS AND LIABILITIES

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:

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

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

14 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- 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 unobservable IFRS

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

As at 31 March 2019 and 31 December 2018, the fair values of the Group's financial instruments are estimated to approximate their carrying values and are classified under level 2 of the fair value hierarchy. No significant inputs were applied in the valuation of trade receivables as at 31 March 2019 and 31 December 2018.

Fair values of the Group's borrowings are determined by using DCF method using discount rate that reflects the borrowing rate as at the end of the reporting period. As at 31 March 2019 and 31 December 2018, the carrying amounts of borrowings were not materially different from their calculated fair values.

During the period ended 31 March 2019, there were no movements between the levels.

15 SUBSEQUENT EVENTS

On 18 April 2019, subsequent to the period end, the General Assembly approved a distribution of cash dividend amounting to SR 106.75 million (SR 1.5 per share) for the year ended 31 December 2018 which represents 15% of the nominal value of the shares.

16 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These unaudited interim condensed consolidated financial statements have been approved by the Board of Directors on 25 April 2019, corresponding to 20 Sha'ban 1440H.