

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
with

INDEPENDENT AUDITOR'S REPORT

For the three-month and nine-month periods ended 30 September 2023

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month and nine-month periods ended 30 September 2023

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Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص.ب 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792
المركز الرئيسي في الرياض

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

To the Shareholders of United International Transportation Company

Introduction

We have reviewed the accompanying 30 September 2023 condensed consolidated interim financial statements of United International Transportation Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2023;
- the condensed consolidated statement of financial position as at 30 September 2023;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2023;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2023; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated 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.


UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)**

For the nine-month period ended 30 September 2023

	<i>Notes</i>	<i>Three-month periods ended 30 September</i>		<i>Nine-month periods ended 30 September</i>	
		<u>2023</u> <i>SR'000</i>	<u>2022</u> <i>SR'000</i>	<u>2023</u> <i>SR'000</i>	<u>2022</u> <i>SR'000</i>
Revenue	12	369,072	295,400	1,008,330	774,945
Cost of revenue		(258,464)	(201,265)	(680,776)	(502,363)
Gross profit		110,608	94,135	327,554	272,582
Other operating income, net		10,637	7,716	23,749	19,725
Selling and marketing expenses		(12,030)	(12,204)	(41,412)	(35,941)
General and administrative expenses		(22,665)	(18,171)	(60,127)	(50,629)
Impairment loss on trade receivables		(2,825)	(1,728)	(5,909)	(4,978)
Operating profit		83,725	69,748	243,855	200,759
Finance costs, net		(10,396)	(2,906)	(27,341)	(6,052)
Net profit before zakat and tax		73,329	66,842	216,514	194,707
Zakat and tax	4	(1,828)	(2,673)	(5,411)	(7,786)
Net profit for the period		71,501	64,169	211,103	186,921
Other comprehensive income for the period		--	--	--	--
Total comprehensive income for the period		71,501	64,169	211,103	186,921
Earnings per share (EPS):					
Basic and diluted, net profit for the period attributable to equity holders of the Parent (in Saudi Riyals)	5	<u>1.00</u>	<u>0.90</u>	<u>2.97</u>	<u>2.63</u>

Chairman

President & Group CEO

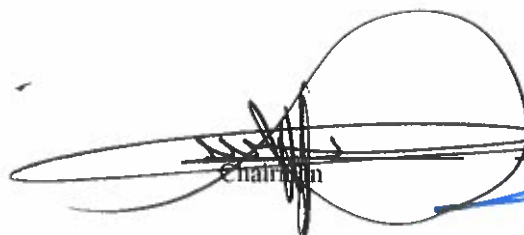
Group Chief Financial Officer


The accompanying notes from 1 to 18 form an integral part of these condensed consolidated interim financial statements.

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2023

	<i>Notes</i>	<i>30 September 2023 SR'000 (Unaudited)</i>	<i>31 December 2022 SR'000 (Audited)</i>
ASSETS			
Non-current assets			
Property and equipment	6	2,352,680	2,130,794
Right-of-use assets	7	98,033	81,141
Intangible assets		5,767	5,701
Financial assets at fair value through other comprehensive income		15,000	15,000
		<u>2,471,480</u>	<u>2,232,636</u>
Current assets			
Inventories		20,324	11,021
Trade receivables		267,867	193,854
Prepayments and other receivables		29,396	61,168
Cash and cash equivalents		35,465	21,428
		<u>353,052</u>	<u>287,471</u>
Total assets		<u>2,824,532</u>	<u>2,520,107</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	711,667	711,667
Statutory reserve		224,429	224,429
Retained earnings		857,285	788,606
Foreign currency translation reserve		(163)	(163)
Total equity		<u>1,793,218</u>	<u>1,724,539</u>
Liabilities			
Non-current liabilities			
Bank borrowings	9	339,199	162,186
Employee benefits		72,126	66,399
Lease liabilities	7	62,270	42,669
		<u>473,595</u>	<u>271,254</u>
Current liabilities			
Current portion of bank borrowings	9	260,709	209,858
Lease liabilities	7	24,417	29,609
Trade and other payables		95,299	128,186
Accrued expenses and other liabilities		170,872	148,674
Zakat payable	4	6,422	7,987
		<u>557,719</u>	<u>524,314</u>
Total liabilities		<u>1,031,314</u>	<u>795,568</u>
Total equity and liabilities		<u>2,824,532</u>	<u>2,520,107</u>


Chairman


President & Group CEO

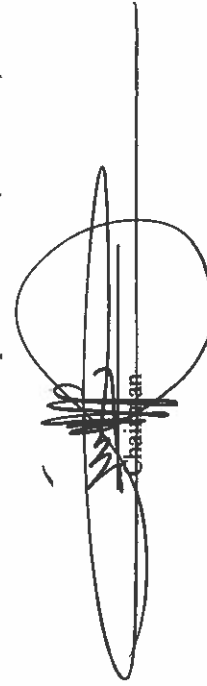

Group Chief Financial Officer

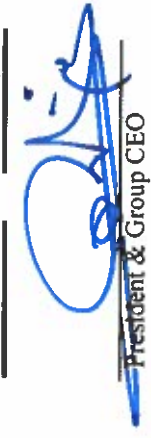
The accompanying notes from 1 to 18 form an integral part of these condensed consolidated interim financial statements.

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine-month period ended 30 September 2023

	Share capital SR '000	Statutory reserve SR '000	Retained earnings SR '000	Foreign currency translation reserve SR '000	Total equity SR '000
Balance as at 01 January 2022	711,667	224,429	662,516	(163)	1,598,449
Net profit for the period	--	--	186,921	--	186,921
Other comprehensive income for the period	--	--	--	--	--
Total comprehensive income for the period	--	--	186,921	--	186,921
<i>Transactions with the owners of the Company:</i>					
Dividend during the period (note 8)	--	--	(128,112)	--	(128,112)
Balance as at 30 September 2022 (unaudited)	711,667	224,429	721,325	(163)	1,657,258
Balance as at 01 January 2023	711,667	224,429	788,606	(163)	1,724,539
Net profit for the period	--	--	211,103	--	211,103
Other comprehensive income for the period	--	--	--	--	--
Total comprehensive income for the period	--	--	211,103	--	211,103
<i>Transactions with the owners of the Company:</i>					
Dividend during the period (note 8)	--	--	(142,424)	--	(142,424)
Balance as at 30 September 2023 (unaudited)	711,667	224,429	857,285	(163)	1,793,218


Chairman


President & Group CEO

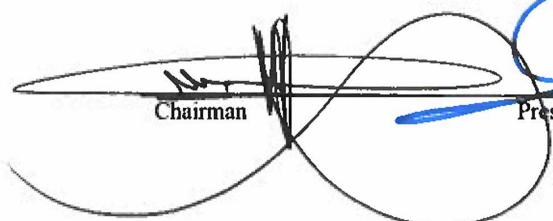

Group Chief Financial Officer


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UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the nine-month period ended 30 September 2023

	<u>Notes</u>	<u>30 September</u> <u>2023</u> <u>SR'000</u>	<u>30 September</u> <u>2022</u> <u>SR'000</u>
Cash flows from operating activities			
Profit before zakat and tax		216,514	194,707
Adjustments for:			
Depreciation of property and equipment	6	215,757	173,934
Depreciation of right-of-use assets	7	18,759	12,050
Amortisation of intangible assets		278	265
Provision for employees' benefits		8,233	10,800
(Gain) / loss on derecognition of right-of-use assets		(33)	323
Impairment loss on trade receivables		5,909	4,978
Finance costs-net		27,341	6,052
		<u>492,758</u>	<u>403,109</u>
Changes in working capital:			
Inventories		250,219	151,675
Trade receivables		(79,923)	(33,088)
Prepayments and other receivables		31,772	(32,301)
Trade payables		(32,887)	117,037
Accrued expenses and other liabilities		22,198	3,027
Cash generated from operating activities		<u>684,137</u>	<u>609,459</u>
Purchase of vehicles	6	(689,212)	(766,169)
Zakat paid		(6,976)	(6,872)
Finance costs paid		(25,812)	(6,052)
Employee benefits paid		(2,506)	(2,544)
Net cash used in operating activities		<u>(40,369)</u>	<u>(172,178)</u>
Cash flows from investing activities			
Purchase of property and equipment (excluding vehicles)	6	(7,953)	(3,859)
Purchase of intangible assets		(344)	(935)
Net cash used in investing activities		<u>(8,297)</u>	<u>(4,794)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings	9	445,000	275,000
Repayment of borrowings	9	(218,664)	(43,629)
Payment of lease liabilities	7	(21,209)	(18,556)
Dividends		(142,424)	(128,112)
Net cash generated from financing activities		<u>62,703</u>	<u>84,703</u>
Net increase / (decrease) in cash and cash equivalents		<u>14,037</u>	<u>(92,269)</u>
Cash and cash equivalents at the beginning of the period		<u>21,428</u>	<u>104,868</u>
Cash and cash equivalents at the end of the period		<u>35,465</u>	<u>12,599</u>
Supplemental non-cash information			
Transfers from property and equipment to inventories	6	259,522	157,042

 Chairman

 President & Group CEO

 Group Chief Financial Officer

The accompanying notes from 1 to 18 form an integral part of these condensed consolidated interim financial statements.

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2023

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, rental of vehicles and used car sales 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:

6695 King Abdul Aziz Road, Al Basatin Dist.
Unit No. 92
Jeddah 23719-4327,
Kingdom of Saudi Arabia.

As at the reporting date, the Parent Company has two subsidiaries, namely Aljozoor Alrasekha Trucking Company Limited - A Single Owner Company and Unitrans Infotech Services India Private Limited (the "subsidiaries" and collectively with the Parent Company referred to as the "Group").

As at the reporting date, the Parent Company owns 100% of the issued capital of;

- Aljozoor Alrasekha Trucking Company Limited - A Single Owner Company (the "subsidiary" or "Rahaal"). 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.
- Unitrans Infotech Services India Private Limited, a limited liability company incorporated in India and engaged in Software publishing, consultancy and supply software, operating systems software, business & other applications software, computer games software for all platforms. The subsidiary did not have any operations during 30 September 2023 and 31 December 2022.

The following are the details of the associate:

<u>Name</u>	<u>Principal field of activities</u>	<u>% of capital held</u>	
		<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
Tranzlease Holdings India Private Limited	Operating lease of motor vehicles	32.99%	32.99%

Tranzlease Holdings India Private Limited

As Tranzlease Holdings India Private Limited has incurred losses in previous years, the management has impaired the entire investment. As at 30 September 2023 the investment is carried at SR NIL (31 December 2022: SR NIL).

The associate had no contingent liabilities or capital commitments at 30 September 2023 or 31 December 2022. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies and reporting period in line with the Group's accounting policies.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2023

1 CORPORATE INFORMATION (continued)

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). Consequently, during the period the Group has presented the amended By-Laws to the shareholders in their extraordinary General Assembly meeting for their ratification.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the 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 Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

These condensed consolidated interim financial statements do not include all the information and disclosures required in the full set of annual consolidated financial statements. They should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. In addition, results for the interim period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

The condensed consolidated interim financial statements are presented in Saudi Arabian Riyals (SR), which is the Group's functional currency and Group's presentation currency. All financial information presented in SR has been rounded off to the nearest thousand (SR'000), unless otherwise stated.

2.4 Significant accounting judgements, estimates, and assumptions

The preparation of the Group's condensed consolidated interim 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.

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 2022, except regarding the useful lives of property and equipment.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2023

2 BASIS OF PREPARATION (continued)

2.4 Significant accounting judgements, estimates, and assumptions (continued)

Revision in useful lives of property and equipment

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

The Group conducted a technical evaluation to assess the useful lives and residual values of vehicles. As a result, the Group has made the below revisions:

	<u>Upto 31</u> <u>December 2022</u>	<u>Effective 1</u> <u>January 2023</u>
	<u>Years</u>	
Lease Vehicles	4.23	4.42
Rental Vehicles	2.78	2.92

The change in estimated useful lives has resulted in a decrease in depreciation expenses and an increase in the cost of sales of vehicles. The net impact of the adjustment amounts to SR 37.82 million on the cost of revenue for the period ended 30 September 2023. The effect of change in estimate in future periods is impracticable to determine.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of amendments and interpretations effective as of 1 January 2023, as mentioned in note 16. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

4 ZAKAT AND TAX

Zakat and tax expense for the period was SR 5.4 million. There was no change in the status of zakat and tax assessments of the Parent Company and its subsidiaries from the consolidated financial statements for the year ended 31 December 2022 except for the below:

The Parent Company

The Parent Company has filed its Zakat returns for all years up to December 31, 2022 and settled its zakat liabilities accordingly. Furthermore, the company has filed its Withholding tax (WHT) returns till September 2023 and settled its WHT liabilities accordingly.

The Zakat, Tax and Customs Authority (ZATCA) had issued a final assessment up to the year 2020.

Subsidiary- Aljozoor Alrasekha Trucking Company Limited (Rahaal)

The Company filed its zakat returns (self-assessment) for all the years starting from 31 December 2018, under the consolidated zakat return up to 31 December 2022. Prior to filing the consolidated zakat returns, Rahaal had filed the separate zakat returns up to the financial year ended 31 December 2017.

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2023

4 ZAKAT AND TAX (continued)

Subsidiary- Aljozoor Alrasekha Trucking Company Limited (Rahaal) (continued)

The Zakat, Tax and Customs Authority (ZATCA) had issued a final assessment up to the year ended December 31, 2016. ZATCA has so far not issued final assessment for the year ended 31 December 2017, filed under standalone zakat return.

Subsidiary- Unitrans Infotech Services India Private Limited

The subsidiary has filed an application for the settlement of all pending assessments up to 30 June 2020 with the Income Tax Department of India, and payment has also been made during 2020 in this regard. However, the final order from the Tax Authorities is still awaited.

The zakat and tax expense for the period is as follows

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Zakat expenses during the period	<u>1,828</u>	<u>2,673</u>	<u>5,411</u>	<u>7,786</u>

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

	<i>For the nine- month periods ended 30 September</i>	<i>For the year ended 31 December</i>
	<u>2023</u>	<u>2022</u>
	<i>SR '000</i>	<i>SR '000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
At the beginning of the period / year	7,987	7,932
Provided during the period / year	5,411	6,926
Paid during the period / year	<u>(6,976)</u>	<u>(6,871)</u>
At the end of the period / year	<u>6,422</u>	<u>7,987</u>

5 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to equity holders of the Parent Company by the weighted average number of 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.

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2023

5 EARNINGS PER SHARE (EPS) (continued)

The EPS calculation is given below:

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net profit attributable to equity holders of the Parent (SR '000)	<u>71,501</u>	<u>64,169</u>	<u>211,103</u>	<u>186,921</u>
Weighted average number of shares for basic and diluted EPS ('000)	<u>71,167</u>	<u>71,167</u>	<u>71,167</u>	<u>71,167</u>
Earnings per share (in Saudi Riyals)	<u>1.00</u>	<u>0.90</u>	<u>2.97</u>	<u>2.63</u>

6 PROPERTY AND EQUIPMENT

	<i>For the nine-month periods ended 30 September 2023</i>			<i>For the year ended 31 December 2022</i>		
	<i>(Unaudited)</i>			<i>(Audited)</i>		
	<u>Vehicles</u>	<u>Others</u>	<u>Total</u>	<u>Vehicles</u>	<u>Others</u>	<u>Total</u>
	<u>SR'000</u>	<u>SR'000</u>	<u>SR'000</u>	<u>SR'000</u>	<u>SR'000</u>	<u>SR'000</u>
Opening net book value	<u>1,982,607</u>	<u>148,187</u>	<u>2,130,794</u>	<u>1,387,938</u>	<u>143,183</u>	<u>1,531,121</u>
Additions during the period / year	<u>689,212</u>	<u>7,953</u>	<u>697,165</u>	<u>1,030,853</u>	<u>11,176</u>	<u>1,042,029</u>
Transfer of vehicles to inventories during the period / year	<u>(259,522)</u>	<u>--</u>	<u>(259,522)</u>	<u>(195,897)</u>	<u>--</u>	<u>(195,897)</u>
Depreciation charge for the period / year	<u>(209,237)</u>	<u>(6,520)</u>	<u>(215,757)</u>	<u>(240,287)</u>	<u>(6,172)</u>	<u>(246,459)</u>
Closing net book value	<u>2,203,060</u>	<u>149,620</u>	<u>2,352,680</u>	<u>1,982,607</u>	<u>148,187</u>	<u>2,130,794</u>

7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts (leases as a lessee) for leasehold buildings (i.e., workshops, accommodations, and locations). Leasehold buildings have lease terms between 2 to 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of accommodation buildings with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2023

7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

	<i>For the nine-month periods ended 30 September 2023 (Unaudited)</i>		<i>For the year ended 31 December 2022 (Audited)</i>	
	<i>Right-of-use assets SR'000</i>	<i>Lease liabilities SR'000</i>	<i>Right-of-use assets SR'000</i>	<i>Lease liabilities SR'000</i>
Opening balances	81,141	72,278	28,272	25,513
Additions made during the period / year	39,382	39,382	70,070	70,070
Terminations during the period / year	(3,731)	(3,764)	(447)	(450)
Depreciation expense for the period / year	(18,759)	--	(16,754)	--
Accretion of interest	--	2,549	--	2,295
Gross payments	--	(23,758)	--	(25,150)
Principal portion of payments	--	(21,209)	--	(22,855)
Closing balances	98,033	86,687	81,141	72,278

	<i>30 September 2023 SR'000 (Unaudited)</i>	<i>31 December 2022 SR'000 (Audited)</i>
Lease liabilities - current portion	24,417	29,609
Lease liabilities - non-current portion	62,270	42,669

8 SHARE CAPITAL

At 30 September 2023, the Parent Company's authorized, issued, and paid-up share capital of SR 711.67 million (31 December 2022: SR 711.67 million) consists of 71.167 million (31 December 2022: 71.167 million) fully paid shares of SR 10 each.

The Board of Directors, in its meeting held on 23 February 2023, proposed a final cash dividend of SR 106.75 million which was approved in the Ordinary General Assembly Meeting on 16 April 2023 (representing SR 1.50 per share) for the year ended 31 December 2022.

The Board of Directors, in its meeting held on 27 July 2023 approved a distribution of interim cash dividend of SR 35.58 million (representing SR 0.5 per share) for the year ending 31 December 2023.

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9 BANK BORROWINGS

	<i>For the nine- month periods ended 30 September 2023 SR'000 (Unaudited)</i>	<i>For the year ended 31 December 2022 SR'000 (Audited)</i>
Opening balance	372,044	--
Drawdown during the period/year	445,000	463,000
Interest accrued during the period / year	23,912	6,354
Repayment of interest portion during the period / year	(22,384)	(6,354)
Repayment of principal portion during the period / year	(218,664)	(90,956)
Closing balance	599,908	372,044
Gross debt	599,908	372,044
Less: current portion	(260,709)	(209,858)
Non-current portion	339,199	162,186

Group's bank borrowings consist of long-term bank debts under different Islamic Finance Product with commercial banks in the Kingdom of Saudi Arabia. Such debt bear financing charges at the prevailing market rates ranges from 4.11% to 6.78% 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 bank borrowings are repayable in monthly variable instalments, with the last instalment payable on 20 September 2026.

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10 RELATED PARTY TRANSACTIONS AND BALANCES

The Group, in the normal course of business, enters into transactions with other entities that fall within the definition of a related party contained in International Accounting Standard 24. 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 approved contractual terms.

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

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of transactions</u>	<u>Amounts of transactions</u>			
			<u>For the three-month</u>		<u>For the nine-month</u>	
			<u>period ended</u>		<u>period ended</u>	
			<u>30 September</u> <u>2023</u> <u>SR '000</u> <u>(Unaudited)</u>	<u>30 September</u> <u>2022</u> <u>SR '000</u> <u>(Unaudited)</u>	<u>30 September</u> <u>2023</u> <u>SR '000</u> <u>(Unaudited)</u>	<u>30 September</u> <u>2022</u> <u>SR '000</u> <u>(Unaudited)</u>
Key management personnel	Employees	Short term benefits	3,495	3,307	10,434	9,818
		Long term benefits	270	797	3,018	4,099
Board of Directors	Board of Directors	Board of Directors' remuneration	751	751	2,251	2,251

The balances due are included in accrued expenses and other liabilities in the condensed consolidated statement of the financial position.

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11 CONTINGENCIES AND COMMITMENTS

In addition to the contingencies disclosed in note 4, at 30 September 2023, the Group has outstanding letters of guarantee amounting to SR 29.76 million (31 December 2022: SR 27.9 million) issued by the banks in Saudi Arabia on behalf of the Group in the ordinary course of business.

12 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. The Group's Chairman, President and Group Chief Executive, Director of Corporate Affairs, Director of Operations (DOO), and Group Chief Financial Officer (GCFO) monitor the results of the Group's operations for the purpose of making decisions about resource allocation and performance assessment. They are collectively the chief operating decision makers (CODM) for the Group.

For each of the strategic business units, the CODM 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 CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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 CODM. There is no inter-segment revenue reported during the period.

The following table presents segment information for the period ended 30 September:

<u>Particulars</u>	<u>For the nine-month period ended</u>							
	<u>Lease</u>		<u>Rental</u>		<u>Others</u>		<u>Total</u>	
	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
	<u>September</u>	<u>September</u>	<u>September</u>	<u>September</u>	<u>September</u>	<u>September</u>	<u>September</u>	<u>September</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000
Revenue - external customers	429,089	362,563	271,651	187,546	307,590	224,836	1,008,330	774,945
Depreciation of vehicles	(135,784)	(113,808)	(73,453)	(55,638)	--	--	(209,237)	(169,446)
Segment profit	293,305	248,755	198,198	131,908	307,590	224,836	799,093	605,499

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12 SEGMENTAL INFORMATION (continued)

Unallocated income / (expenses):

	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Segment profit	799,093	605,499
Cost of revenue	(471,539)	(332,917)
Other income-net	23,749	19,725
Selling and marketing expenses	(41,412)	(35,941)
General and administrative expenses	(60,127)	(50,629)
Impairment loss on trade receivables	(5,909)	(4,978)
Finance costs-net	(27,341)	(6,052)
Net profit before zakat and tax	216,514	194,707

<u>Particulars</u>	<u>For the three-month period ended</u>							
	<u>Lease</u>		<u>Rental</u>		<u>Others</u>		<u>Total</u>	
	30	30	30	30	30	30	30	30
	September	September	September	September	September	September	September	September
	2023	2022	2023	2022	2023	2022	2023	2022
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000
Revenue - external customers	149,302	123,899	102,173	72,594	117,597	98,907	369,072	295,400
Depreciation of vehicles	(51,435)	(43,526)	(23,442)	(29,473)	--	--	(74,877)	(72,999)
Segment profit	97,867	80,373	78,731	43,121	117,597	98,907	294,195	222,401

Unallocated income / (expenses):

	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Segment profit	294,195	222,401
Cost of revenue	(183,587)	(128,266)
Other income-net	10,637	7,716
Selling and marketing expenses	(12,030)	(12,204)
General and administrative expenses	(22,665)	(18,171)
Impairment loss on trade receivables	(2,825)	(1,728)
Finance costs-net	(10,396)	(2,906)
Net profit before zakat and tax	73,329	66,842

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12 SEGMENTAL INFORMATION (continued)

Details of segment assets and liabilities is given below:

<u>Particulars</u>	<u>Allocated</u> <u>Lease</u> <u>SR'000</u>	<u>Rental</u> <u>SR'000</u>	<u>Unallocated</u> <u>Others</u> <u>SR'000</u>	<u>Total</u> <u>SR'000</u>
30 September 2023 (unaudited)				
Segment assets	1,459,732	743,328	621,472	2,824,532
Segment liabilities	--	--	1,031,314	1,031,314
31 December 2022 (audited)				
Segment assets	1,324,800	657,807	537,500	2,520,107
Segment liabilities	--	--	795,568	795,568

Capital expenditure consists of additions of property and equipment and intangible assets.

Finance income and costs, and gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis. Zakat & tax and financial assets and liabilities are not allocated to those segments as they are also managed on the Group basis.

13 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.

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.

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.

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13 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

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

The fair values of financial instruments are not materially different from their carrying values.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>30 September 2023 (unaudited)</u>	<u>SR'000</u>	<u>SR'000</u>	<u>SR'000</u>	<u>SR'000</u>
Investments at FVOCI				
- Investment	--	--	15,000	15,000
<u>31 December 2022 (audited)</u>				
Investments at FVOCI				
- Investment	--	--	15,000	15,000

There were no transfers between levels of the fair value hierarchy during the period ended 30 September 2023 and for the year ended 31 December 2022. Additionally, there were no changes in the valuation techniques.

The following methods and assumptions were used to estimate the fair values:

The fair value of the 'Investment at fair value through other comprehensive income' has been estimated using a Discounted Cash Flow model (DCF). The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for this investment.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 September 2023 are shown below:

<u>30 September 2023 (unaudited)</u>				
<u>Item</u>	<u>Valuation Technique</u>	<u>Significant Unobservable input</u>	<u>Input Used</u>	<u>Sensitivity of the input to fair value</u>
Investment at fair value through other comprehensive income	DCF Method	Terminal growth rate	2%	0.25% increase in the growth rate would result in an increase in fair value by SR 0.25 million.
				0.25% decrease in the growth rate would result in a decrease in fair value by SR 0.24 million.
		Weighted average cost of capital	16.1%	0.25% increase in WACC would result in a decrease in fair value by SR 0.22 million.
				0.25% decrease in WACC would result in an increase in fair value by SR 0.23 million.

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13 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

31 December 2022 (audited)

<u>Item</u>	<u>Valuation Technique</u>	Significant Unobservable <u>input</u>	<u>Input Used</u>	<u>Sensitivity of the input to fair value</u>
				0.25% increase in the growth rate would result in an increase in fair value by SR 0.25 million.
Investment at fair value through other comprehensive income	DCF Method	Terminal growth rate	2%	0.25% decrease in the growth rate would result in a decrease in fair value by SR 0.24 million. 0.25% increase in WACC would result in a decrease in fair value by SR 0.22 million.
		Weighted average cost of capital	16.1%	0.25% decrease in WACC would result in an increase in fair value by SR 0.23 million.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, it does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 September 2023 (unaudited)

<u>Description:</u>	<u>Carrying amount</u>			<u>Total</u> <u>SR'000</u>
	<u>Amortised cost</u> <u>SR'000</u>	<u>Fair value through profit or loss</u> <u>SR'000</u>	<u>Fair value through other comprehensive income</u> <u>SR'000</u>	
Financial assets not measured at fair value				
Trade receivables	267,867	--	--	267,867
Other receivables	6,090	--	--	6,090
Cash and cash equivalents	35,465	--	--	35,465
Financial liabilities not measured at fair value				
Bank borrowings	599,908	--	--	599,908
Trade and payables	95,299	--	--	95,299
Accrued expenses and other liabilities	101,975	--	--	101,975
Lease liabilities	86,687	--	--	86,687

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13 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

31 December 2022 (audited)

<u>Description:</u>	Carrying amount			<u>Total</u> <u>SR'000</u>
	<u>Amortised</u> <u>cost</u> <u>SR'000</u>	<u>Fair value</u> <u>through</u> <u>profit or</u> <u>loss</u> <u>SR'000</u>	<u>Fair value</u> <u>through other</u> <u>comprehensive</u> <u>income</u> <u>SR'000</u>	
Financial assets not measured at fair value				
Trade receivables	193,854	--	--	193,854
Other receivables	7,152	--	--	7,152
Cash and cash equivalents	21,428	--	--	21,428
Financial liabilities not measured at fair value				
Bank borrowings	372,044	--	--	372,044
Trade and other payables	128,186	--	--	128,186
Accrued expenses and other liabilities	103,381	--	--	103,381
Lease liabilities	72,278	--	--	72,278

14 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, statutory reserve, and retained earnings attributable to the equity holders of the Parent Company. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is debt divided by total capital. The Group includes within debt, current and non-current portion of borrowings.

	<u>30 September</u> <u>2023</u> <u>SR'000</u> <u>(Unaudited)</u>	<u>31 December</u> <u>2022</u> <u>SR'000</u> <u>(Audited)</u>
Total bank borrowings	<u>599,908</u>	<u>372,044</u>
Share capital	<u>711,667</u>	<u>711,667</u>
Statutory reserve	<u>224,429</u>	<u>224,429</u>
Retained earnings	<u>857,285</u>	<u>788,606</u>
Equity	<u>1,793,381</u>	<u>1,724,702</u>
Debt to equity ratio	<u>0.33</u>	<u>0.22</u>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call borrowings.

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15 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise trade and other payables and bank borrowings. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risks, currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Group's financial performance.

Risk management framework

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates, and hedges financial risks in close cooperation with the Group's operating units. The most important types of risk are credit risk, currency risk and fair value risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets, and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are regularly reviewed by the executive management team to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit committee oversees compliance by management with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework for the risks faced by the Group.

Financial instruments carried on the statement of financial position include cash and cash equivalents, account receivables, other receivables, accrued and other current liabilities, lease liabilities, trade payables and bank borrowings.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk:

- Foreign currency exchange risk,
- Commission (interest) rate risk

The Group's overall risk management program focuses on the unpredictability of the financial market and seeks to minimize potential adverse effects on the Company's financial performance.

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15 FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

a) Interest rate risk

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. The Group manages the interest rate risk by regularly monitoring the interest rate profiles of its interest-bearing financial instruments.

The Group's receivables and payables are not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Hence, the Group is not exposed to fair value interest rate risk.

At the reporting date all borrowings are at a fixed rate, and there is no profit rate sensitivity for the year.

b) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's functional and reporting currency is in Saudi Arabian Riyals. The Group's transactions are principally in Saudi Arabian Riyals. Management monitors the fluctuations in currency exchange rates and believes that the currency risk is not significant. The bulk of the exposure is in USD, and the Saudi Arabian Riyal is pegged at SAR 3.75: USD 1. Therefore, the Group is not exposed to any significant foreign currency risk from Saudi Arabian Riyals and US Dollar denominated financial instruments. However, the Group has investments in foreign associates, whose net assets are exposed to currency translation risk. Currently, such exposures are mainly related to exchange rate movements between local currencies against Indian Rupees. The Group's management monitors such fluctuations and manages its effect on the condensed consolidated interim financial statements accordingly. As at 30 September 2023, the exposures related to foreign associates were not significant.

Other price risk

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is not affected by price risk as there are no investment of the Group in equity shares or commodities.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company is exposed to risk on its trade and other receivables and cash at banks.

Concentration risk

The Group has no significant concentration of credit risk. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

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15 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

To mitigate the risk, the Group has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history.

The creditworthiness of counterparties is assessed based on an analysis of quantitative and qualitative data regarding financial standing and business risks, together with the review of any relevant third-party and market information.

The Groups gross maximum exposure to credit risk at the reporting date is as follows:

	<i>30 September 2023 SR'000 (Unaudited)</i>	<i>31 December 2022 SR'000 (Audited)</i>
Financial assets		
Trade receivables	319,188	239,266
Cash and cash equivalents (excluding cash in hand)	34,192	20,112
	353,380	259,378

With respect to credit risk arising from the financial assets of the Group, including bank balances and cash, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts as disclosed in the statement of financial position. The credit risk in respect of bank balances is considered by management to be insignificant, as the balances are mainly held with reputable banks in the Kingdom of Saudi Arabia.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures, and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard, and individual credit limits are defined in accordance with this assessment. The five largest customers account for 21% of outstanding accounts receivable at 30 September 2023 (31 December 2022: 18%).

The receivables are shown net of allowance for impairment of trade receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped into low risk, fair risk, doubtful, and loss based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as GDP forecast and industry outlook) affecting the ability of the customers to settle the receivables. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

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15 FINANCIAL RISK MANAGEMENT (continued)

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables.

	Weighted average loss rate	Gross carrying amount	Impairment loss Allowance
30 September 2023 (unaudited)			
Low risk	2.23%	159,410	3,555
Fair risk	5.44%	73,089	3,974
Doubtful	17.00%	35,368	6,014
Loss	73.61%	51,321	37,778
		319,188	51,321
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
31 December 2022 (audited)			
Low risk	3.02%	117,271	3,540
Fair risk	6.80%	61,638	4,192
Doubtful	21.30%	28,815	6,138
Loss	100.00%	31,542	31,542
		239,266	45,412

There were no past due or impaired receivables from related parties.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group also monitors the levels of expected cash inflows on trade and other receivables together with the expected cash outflows on trade and other payables.

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

30 September 2023 (unaudited)	Carrying amount SR'000	Within 1 year SR'000	Contractual cash flows		Total SR'000
			1 to 5 years SR'000	More than 5 years SR'000	
Bank borrowings	599,908	288,181	355,993	--	644,174
Lease liabilities	86,687	38,132	52,122	12,188	102,442
Trade and other payables	95,299	95,299	--	--	95,299
Accrued expenses and other payables	101,975	101,975	--	--	101,975
	883,869	523,587	408,115	12,188	943,890

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15 FINANCIAL RISK MANAGEMENT (continued)

31 December 2022 (audited)	<i>Carrying amount</i> <i>SR'000</i>	<i>Within 1 year</i> <i>SR'000</i>	<u>Contractual cash flows</u>		<i>Total</i> <i>SR'000</i>
			<i>1 to 5 years</i> <i>SR'000</i>	<i>More than 5 years</i> <i>SR'000</i>	
Bank borrowings	372,044	225,409	171,997	--	397,406
Lease liabilities	72,278	30,286	41,398	9,680	81,364
Trade and other payables	128,186	128,186	--	--	128,186
Accrued expenses and other payables	103,381	103,381	--	--	103,381
	<u>675,889</u>	<u>487,262</u>	<u>213,395</u>	<u>9,680</u>	<u>710,337</u>

16 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

a) Standards, interpretations, and amendments issued

This table lists the recent changes to the Standards that are required to be applied for an annual period beginning after 1 January 2023 and that are available for early adoption in annual periods beginning on 1 January 2023.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IAS 8	Definition to accounting estimates	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 17	Insurance contracts	1 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12	International Tax Reform—Pillar Two Model Rules	23 May 2023

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2023

16 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

b) Standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the condensed consolidated interim financial statements are disclosed below. The Group intends to adopt these standards, where applicable, when they become effective.

<u>Standard / Interpretation</u>	<u>Description</u>	<i>Effective from periods beginning on or after the following date</i>
Amendments to IFRS 16	Lease Liability in a Sales and Leaseback	1 January 2024
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2	Climate-related Disclosures	1 January 2024
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1) and Non-current liabilities with covenants (amendments to IAS 1)	1 January 2024
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely
Amendments to IAS 21	Lack of Exchangeability	1 January 2025

The standards, interpretations and amendments with effective date of 1 January 2023 will not have any material impact on the Group's condensed consolidated interim financial statements, whereas for other above-mentioned standards, interpretations and amendments, the Group is currently assessing the implications on the Group's consolidated interim financial statements on adoption.

17 SUBSEQUENT EVENTS

There have been no significant subsequent events since the period-end, that would require disclosures or adjustments in these condensed consolidated interim financial statements.

18 APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These unaudited condensed consolidated interim financial statements have been approved by the Board of Directors on 7 November 2023, corresponding to 23 Rabi Al Thani 1445H.