

**RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY**

(A SAUDI JOINT STOCK COMPANY)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024  
WITH  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**  
(EXPRESSED IN SAUDI RIYALS)

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## KPMG Professional Services

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Kingdom of Saudi Arabia  
Commercial Registration No 2051062328

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

الطابق ١٦، برج البرغش  
٦١٨٩ طريق الأمير تركي، الكورنيش  
ص.ب ٤٨٠٣  
الخبير ٣١٤٦ - ٣٤٤١٢  
المملكة العربية السعودية  
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

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

To the Shareholders of Riyal for Investment and Development Company

## Introduction

We have reviewed the accompanying 30 June 2024 condensed interim financial statements of **Riyal for Investment and Development Company** ("the Company"), which comprises:

- the condensed statement of financial position as at 30 June 2024;
- the condensed statements of profit or loss and other comprehensive income for the six-month period ended 30 June 2024;
- the condensed statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed statement of cash flows for the six-month period ended 30 June 2024; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed 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 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 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.




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

To the Shareholder of Riyal for Investment and Development Company (continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed interim financial statements of **Riyal for Investment and Development Company** are not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## KPMG Professional Services

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**Abdullah Oudah Althagafi**  
License No: 455



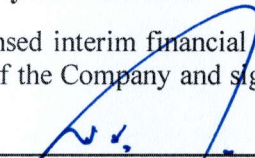
Al Khobar, 15 Safar 1446H,  
Corresponding to 19 August 2024G.

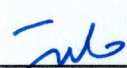
**RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**  
(EXPRESSED IN SAUDI RIYALS)

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	5	102,179,353	103,328,312
Right-of-use assets	6	181,383,898	190,305,365
<b>Total non-current assets</b>		<b>283,563,251</b>	<b>293,633,677</b>
<b>Current assets</b>			
Inventories	7	6,136,776	8,161,643
Prepayments and other current assets		4,835,454	11,053,553
Trade receivables		32,269,457	26,337,199
Due from related parties	10	11,496,717	12,460,885
Cash and cash equivalents		942,979	5,561,993
<b>Total current assets</b>		<b>55,681,383</b>	<b>63,575,273</b>
<b>Total assets</b>		<b>339,244,634</b>	<b>357,208,950</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	8	80,000,000	80,000,000
Statutory reserve		5,984,310	5,984,310
Retained earnings		75,554,863	65,693,909
<b>Total equity</b>		<b>161,539,173</b>	<b>151,678,219</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current portion of borrowings	9	13,940,767	14,580,974
Non-current portion of lease liabilities	6	71,657,589	84,236,319
Employee benefits		3,486,575	3,204,718
<b>Total non-current liabilities</b>		<b>89,084,931</b>	<b>102,022,011</b>
<b>Current liabilities</b>			
Trade payables		3,720,575	3,802,228
Accruals and other current liabilities		3,895,939	4,681,702
Current portion of borrowings	9	19,979,872	24,097,037
Current portion of lease liabilities	6	58,692,519	68,995,369
Due to related parties	10	90,028	92,028
Zakat provision	12	2,241,597	1,840,356
<b>Total current liabilities</b>		<b>88,620,530</b>	<b>103,508,720</b>
<b>Total liabilities</b>		<b>177,705,461</b>	<b>205,530,731</b>
<b>Total equity and liabilities</b>		<b>339,244,634</b>	<b>357,208,950</b>

The condensed interim financial statements presented on pages 1 to 18 were approved by the Board of Directors of the Company and signed on its behalf by:

  
Saeed Al Ghamdi  
Chief Executive Officer

  
Haris Hafeez  
Finance Manager

The accompanying notes (1) through (17) form an integral part of these condensed interim financial statements.

**RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024  
(EXPRESSED IN SAUDI RIYALS)**

	Note	<b>30 June 2024 (Unaudited)</b>	30 June 2023 (Unaudited)
Revenue	11	<b>68,890,712</b>	61,058,063
Cost of revenue		<b>(42,887,192)</b>	(35,758,872)
<b>Gross profit</b>		<b>26,003,520</b>	25,299,191
Selling and advertising expenses		<b>(1,429,374)</b>	(1,416,423)
General and administrative expenses		<b>(5,580,065)</b>	(5,135,596)
Impairment loss on trade receivable		<b>(400,000)</b>	-
Other income		<b>3,129,576</b>	3,214,917
Finance cost		<b>(11,282,338)</b>	(10,281,189)
<b>Profit before zakat</b>		<b>10,441,319</b>	11,680,900
Zakat expense for the period	12	<b>(580,365)</b>	(656,693)
<b>Profit for the period</b>		<b>9,860,954</b>	11,024,207
<b>Total comprehensive income for period</b>		<b>9,860,954</b>	11,024,207
<b>Earnings per share:</b>			
Basic and diluted earnings per share	13	<b>1.23</b>	1.38

The accompanying notes (1) through (17) form an integral part of these condensed interim financial statements.

**RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY**  
(A CLOSED JOINT STOCK COMPANY)

**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**  
(EXPRESSED IN SAUDI RIYALS)

	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Retained earnings</b>	<b>Total</b>
Balance as at 1 January 2023 (Audited)	80,000,000	4,156,657	49,463,077	133,619,734
<i>Total comprehensive income for the period (Unaudited)</i>				
Profit for the period	-	-	11,024,207	11,024,207
Total comprehensive income for the period	-	-	11,024,207	11,024,207
Balance at 30 June 2023 (Unaudited)	<u>80,000,000</u>	<u>4,156,657</u>	<u>60,487,284</u>	<u>144,643,941</u>
<b>Balance as at 1 January 2024 (Audited)</b>	80,000,000	5,984,310	65,693,909	151,678,219
<i>Total comprehensive income for the period (Unaudited)</i>				
Profit for the period	-	-	<b>9,860,954</b>	<b>9,860,954</b>
Total comprehensive income for the period	-	-	<b>9,860,954</b>	<b>9,860,954</b>
<b>Balance at 30 June 2024 (Unaudited)</b>	<u><b>80,000,000</b></u>	<u><b>5,984,310</b></u>	<u><b>75,554,863</b></u>	<u><b>161,539,173</b></u>

The accompanying notes (1) through (17) form an integral part of these condensed interim financial statements.

**RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY**  
(A CLOSED JOINT STOCK COMPANY)

**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**  
(EXPRESSED IN SAUDI RIYALS)

	Note	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
<b>Cash flows from operating activities</b>			
Profit before zakat		10,441,319	11,680,900
<b>Adjustments for:</b>			
Depreciation on property and equipment	5	7,474,296	6,637,991
Depreciation on right-of-use assets	6	11,294,395	9,961,298
Expected credit loss		400,000	-
Provision for employees' end of service benefits		294,812	238,518
Finance cost		11,282,338	10,281,189
		<u>41,187,160</u>	<u>38,799,896</u>
<b>Changes in:</b>			
Inventories		14,264,244	7,320,179
Additions to vehicles held for lease		(8,328,773)	(4,659,898)
Prepayments and other current assets		6,218,099	3,910,737
Due from related parties		964,168	(1,015,235)
Trade receivables		(6,332,258)	(1,079,758)
Trade payables		(81,653)	101,925
Due to related parties		(2,000)	5,936
Accruals and other current liabilities		(785,763)	437,139
<b>Cash generated from operations</b>		<u>47,103,224</u>	<u>43,820,921</u>
Employees' end of service benefits paid		(12,955)	-
Zakat paid	12	(179,124)	(516,923)
Finance cost paid		(11,282,338)	(10,281,189)
<b>Net cash generated from operating activities</b>		<u>35,628,807</u>	<u>33,022,809</u>
<b>Cash flows from investing activity</b>			
Additions of property and equipment	5	(226,868)	(212,653)
<b>Net cash used in investing activity</b>		<u>(226,868)</u>	<u>(212,653)</u>
<b>Cash flows from financing activities</b>			
Proceeds from loans		10,578,352	8,831,469
Repayment of loans		(15,335,724)	(11,920,622)
Payment of principal portion of lease liabilities	6	(35,263,581)	(30,128,942)
<b>Net cash used in financing activities</b>		<u>(40,020,953)</u>	<u>(33,218,095)</u>
<b>Changes in cash and cash equivalents</b>		<u>(4,619,014)</u>	<u>(407,939)</u>
Cash and cash equivalents at the beginning of the period		<u>5,561,993</u>	<u>1,533,694</u>
<b>Cash and cash equivalents at the end of the period</b>		<u>942,979</u>	<u>1,125,755</u>
<b>Non-cash transactions:</b>			
Transfer from property and equipment to inventory		<u>(12,239,377)</u>	<u>(15,907,806)</u>
Transfers from right of use asset to property and equipment		<u>10,009,080</u>	<u>10,633,763</u>

The accompanying notes (1) through (17) form an integral part of these condensed interim financial statements.



**RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY**  
(A CLOSED JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**  
(EXPRESSED IN SAUDI RIYALS)

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**1. ORGANIZATION AND PRINCIPAL ACTIVITIES**

Riyal for Investment and Development Company (the "Company") is a Saudi Joint Stock Company registered on 17 Shaban 1413H, corresponding to 9 February 1993G under commercial registration number 2050024818. The share capital of the Company is SR 80 million divided into 8 million shares of SR 10 each. The registered office of the Company is located in Dammam, Kingdom of Saudi Arabia.

The principal activities of the Company are leasing of vehicles and buses, trading activities (export, import, brokerage, and marketing for others) in non-money exchange business, establish and operate workshops for vehicles, equipment, wholesale and retail sales and export and import in vehicles spare parts and wheels.

The shareholders of the Company have passed a resolution on 18 March 2022 to convert legal status of the Company from a limited liability Company to a closed joint stock Company. The Ministry of Commerce issued a letter dated 8 Dhul Qadah, 1443H (corresponding to 7 June 2022G) providing approval for conversion of legal status of the Company to a closed joint stock Company and the change is reflected on Company's commercial registration number 2050024818.

During the year 2022, the Board of Directors ("BoD") of the Company recommended to shareholders to initiate legal formalities to file for an Initial Public Offering ("IPO Application") with the relevant regulatory authorities in the Kingdom of Saudi Arabia. Accordingly, the Company management filed an application with Capital Market Authority ("CMA") for an approval to float 9% of the Company ordinary share in Nomu Parallel Market by way of offer for sale by the existing shareholders of the Company.

Subsequent to the above said application, the management has obtained approval for listing of the Company's shares in Nomu Parellel Market on 16 Dhu Al-Qa'dah 1444H corresponding to 5 June 2023G. The Company issued 9% (720,000) ordinary shares in Nomu Parellel Market ("Nomu") and Company ordinary shares trading was commenced on 24 October 2023.

The Company operates under the following commercial registrations ("CR"):

<u>Name</u>	<u>Branch location</u>	<u>CR number</u>	<u>Date</u>
Riyal for Investment and Development	Dammam	2050050531	7 Safar 1427H
Riyal for Investment and Development	Dammam	2050067684	27 Dhul Qida 1430H
Riyal for Investment and Development	Dammam	2050056938	18 Shawal 1428H

The results, assets and liabilities of the above branches are included in these condensed interim financial statements.

**2. BASIS OF PREPARATION**

**2.1. Statement of compliance**

These condensed interim financial statements ("Interim Financial Statements") for the six months period ended 30 June 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA"), and should be read in conjunction with the Company's last annual financial statements as at and for the year ended 31 December 2023 ("Last Annual Financial Statements"). The condensed interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards as endorsed in KSA and other standards and pronouncements that are issued by SOCPA ("IFRS as endorsed in KSA").

**RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**  
(EXPRESSED IN SAUDI RIYALS)

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**2. BASIS OF PREPARATION**

**2.1. Statement of compliance**

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The performance for the six-month period ended 30 June 2024 are not necessarily reflect the result that could be anticipated for the year ending 31 December 2024.

**2.2. Functional and presentation currency**

These condensed interim financial statements are presented in Saudi Riyals (SR), which is the functional and presentation currency of the Company. All the amounts have been rounded to the nearest Saudi Riyals unless otherwise stated.

**2.3. Use of judgements and estimates**

In preparing these condensed interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

**Going concern**

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. As on 30 June 2024, current liabilities of the company exceed the current assets by SR 32.9 million (31 December 2023: SR 39.9 million). The Company is making profits and also have history of profits for previous five years. Management of the Company has prepared the forecasted cash flows for the next year where it have enough funds to settle its liabilities when they come due. Therefore, the financial statements continue to be prepared on the going concern basis.

**3. MATERIAL ACCOUNTING POLICIES**

**3.1 New Standards, Amendment to Standards and Interpretations**

There are new standards and number of amendments to standards which are effective from 1 January 2024 and have been explained in Company's annual financial statements, but they do not have a material effect on the Company's condensed interim financial statements.

**4. OPERATING SEGMENTS**

The Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income and is measured consistently in the financial statements.

For management purposes, the Company is organized into business units based on its products and services and has two reportable segments, namely i) Lease of vehicles and ii) Sale of vehicles.

**RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY**  
(A CLOSED JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**  
(EXPRESSED IN SAUDI RIYALS)

**4. OPERATING SEGMENTS (CONTINUED)**

**Based on nature of services**

	Lease of vehicles	Sale of vehicles	Total
<b>For the period ended 30 June 2024 (Unaudited)</b>			
Revenues	53,933,402	14,957,310	68,890,712
Cost of revenue	(28,931,710)	(13,955,482)	(42,887,192)
<b>Gross profit</b>	<b>25,001,692</b>	<b>1,001,828</b>	<b>26,003,520</b>
<b>Unallocated (expenses) / income</b>			
Selling and advertising expenses			(1,429,374)
General and administrative expenses			(5,580,065)
Impairment loss on trade receivable			(400,000)
Other income			3,129,576
Finance cost			(11,282,338)
<b>Profit before zakat</b>			<b>10,441,319</b>
Zakat expense for the period			(580,365)
<b>Profit for the period</b>			<b>9,860,954</b>
<b>For the period ended 30 June 2023 (Unaudited)</b>			
Revenues	51,542,946	9,515,117	61,058,063
Cost of revenue	(27,019,487)	(8,739,385)	(35,758,872)
Gross profit	24,523,459	775,732	25,299,191
<b>Unallocated (expenses) / income</b>			
Selling and advertising expenses			(1,416,423)
General and administrative expenses			(5,135,596)
Other income			3,214,917
Finance cost			(10,281,189)
Profit before zakat			11,680,900
Zakat expense for the period			(656,693)
Profit for the period			11,024,207
<b>As at 30 June 2024 (Unaudited)</b>			
<b>Total assets</b>			<b>339,244,634</b>
<b>Total liabilities</b>			<b>177,705,461</b>
<b>As at 31 December 2023 (Audited)</b>			
Total assets			357,208,950
Total liabilities			205,530,731

**Geographical segments:**

All of the Company's operating assets and principal markets of activity are located in the Kingdom of Saudi Arabia. It is impractical to allocate assets and liabilities between reported segments.

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment profit represents the profit earned by each segment without allocation of administrative costs including directors' salaries, non-operating gains and losses in respect of finance costs. This is the measure reported to the Company's executives for the purpose of resource allocation and assessment of segment performance.

**RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**  
(EXPRESSED IN SAUDI RIYALS)

**5. PROPERTY AND EQUIPMENT**

	<b>Leasehold improvements</b>	<b>Furniture and fixture</b>	<b>Tools and equipment</b>	<b>Vehicles held for lease</b>	<b>Total</b>
<b>Cost</b>					
Balance at 1 January 2023 (Audited)	357,500	1,421,371	800,347	133,446,571	136,025,789
Additions	-	315,636	44,198	19,910,808	20,270,642
Transfers from right-of-use assets	-	-	-	48,400,887	48,400,887
Transfer to inventories	-	-	-	(52,679,859)	(52,679,859)
31 December 2023 (Audited)	357,500	1,737,007	844,545	149,078,407	152,017,459
Additions	-	<b>112,238</b>	<b>114,630</b>	<b>8,328,773</b>	<b>8,555,641</b>
Transfers from right-of-use assets	-	-	-	<b>16,137,883</b>	<b>16,137,883</b>
Transfer to inventories	-	-	-	<b>(22,763,167)</b>	<b>(22,763,167)</b>
<b>Balance at 30 June 2024 (Unaudited)</b>	<b>357,500</b>	<b>1,849,245</b>	<b>959,175</b>	<b>150,781,896</b>	<b>153,947,816</b>
<b>Accumulated depreciation</b>					
Balance at 1 January 2023 (Audited)	357,500	1,093,585	502,013	36,877,374	38,830,472
Charge for the year	-	157,539	87,391	13,073,119	13,318,049
Transfers from right-of-use assets	-	-	-	18,836,187	18,836,187
Transfer to inventories	-	-	-	(22,295,561)	(22,295,561)
Balance at 31 December 2023 (Audited)	357,500	1,251,124	589,404	46,491,119	48,689,147
Charge for the period	-	<b>137,965</b>	<b>69,093</b>	<b>7,267,238</b>	<b>7,474,296</b>
Transfers from right-of-use assets	-	-	-	<b>6,128,810</b>	<b>6,128,810</b>
Transfer to inventories	-	-	-	<b>(10,523,790)</b>	<b>(10,523,790)</b>
<b>Balance at 30 June 2024 (Unaudited)</b>	<b>357,500</b>	<b>1,389,089</b>	<b>658,497</b>	<b>49,363,377</b>	<b>51,768,463</b>
<b>Net book value as at</b>					
<b>30 June 2024 (Unaudited)</b>	<b>-</b>	<b>460,156</b>	<b>300,678</b>	<b>101,418,519</b>	<b>102,179,353</b>
31 December 2023 (Audited)	-	485,883	255,141	102,587,288	103,328,312

**RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY**  
(A CLOSED JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**  
(EXPRESSED IN SAUDI RIYALS)

**5. PROPERTY AND EQUIPMENT (CONTINUED)**

Allocation of depreciation charge is as follows:

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 (Unaudited)
Cost of revenue	<u>7,267,238</u>	6,518,947
General and administrative expenses	<u>207,058</u>	119,044
	<u><b>7,474,296</b></u>	<u><b>6,637,991</b></u>

**6. LEASES**

A. Leases as lessee

The Company leases vehicles and buses. The leases run for a period of 3-4 year with an option own to the vehicles after that date. The Company also has certain leases of office buildings with lease terms of 12 months or less and leases of office buildings with low value. The Company applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<b>Lease vehicles</b>	<b>Property</b>	<b>Total</b>
Balance as at 1 January 2023 (Audited)	148,098,095	-	148,098,095
Additions	78,733,758	13,600,153	92,333,911
Transfer to property and equipment	(29,564,700)	-	(29,564,700)
Depreciation expenses	<u>(19,842,978)</u>	<u>(718,963)</u>	<u>(20,561,941)</u>
Balance as at 31 December 2023 (Audited)	177,424,175	12,881,190	190,305,365
Additions	<b>12,382,001</b>	-	<b>12,382,001</b>
Transfer to property and equipment	<b>(10,009,073)</b>	-	<b>(10,009,073)</b>
Depreciation expenses	<u><b>(10,934,913)</b></u>	<u><b>(359,482)</b></u>	<u><b>(11,294,395)</b></u>
Balance as at 30 June 2024 (Unaudited)	<u><b>168,862,190</b></u>	<u><b>12,521,708</b></u>	<u><b>181,383,898</b></u>

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**6. LEASES (CONTINUED)**

Set out below are the carrying amounts of lease liabilities.

	<b>Lease vehicles</b>	<b>Property</b>	<b>Total</b>
Balance as at 1 January 2023 (Audited)	123,001,386	-	123,001,386
Additions	78,733,758	13,600,153	92,333,911
Payments made	(77,556,836)	(1,500,000)	(79,056,836)
Finance cost	15,630,341	1,322,886	16,953,227
Balance as at 31 December 2023 (Audited)	139,808,649	13,423,039	153,231,688
Additions	<b>12,382,001</b>	-	<b>12,382,001</b>
Payments made	<b>(43,913,443)</b>	<b>(750,000)</b>	<b>(44,663,443)</b>
Finance cost	<b>8,745,105</b>	<b>654,757</b>	<b>9,399,862</b>
Balance as at 30 June 2024 (Unaudited)	<b><u>117,022,312</u></b>	<b><u>13,327,796</u></b>	<b><u>130,350,108</u></b>

Presented in the statement of financial position as:

	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Non-current	<b>71,657,589</b>	84,236,319
Current	<b>58,692,519</b>	68,995,369
	<b><u>130,350,108</u></b>	<b><u>153,231,688</u></b>

Maturity profile of lease liabilities:

	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Within 1 year	<b>71,880,657</b>	81,983,507
Within 1 to 5 years	<b>70,967,069</b>	85,615,694
	<b><u>142,847,726</u></b>	<b><u>167,599,201</u></b>

The following are the amounts recognised in the statement of profit or loss:

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 <b>(Unaudited)</b>
Depreciation expense of right-of-use assets	<b>11,294,395</b>	20,561,941
Interest expense on lease liabilities	<b>9,399,862</b>	16,953,227
Expense relating to leases of low-value assets	<b>196,600</b>	284,000
	<b><u>20,890,857</u></b>	<b><u>37,799,168</u></b>

During the period the Company had total cash outflows for leases of **SR 44,860,043** (2023: SR 38,610,425).

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**6. LEASES (CONTINUED)**

B. Leases as lessor

The Company leases out its vehicles consisting of its owned vehicles as well as leased vehicles. All leases are classified as operating leases from a lessor perspective.

*Operating lease*

The Company has entered into leases on its fleet of vehicles. The commercial and non-commercial vehicle leases typically have lease terms of between 1 and 5 years. Leases contain options to break before the end of the lease term in exchange of additional penalty payments. Future minimum rentals receivable under non-cancellable operating leases as at the reporting date are, as follows:

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 <b>(Unaudited)</b>
Within 1 year	<b>85,908,312</b>	66,707,502
After 1 year, but not more than 5 years	<b>91,574,662</b>	96,939,480
	<b><u>177,482,974</u></b>	<b><u>163,646,982</u></b>

Rental revenue recognized by the Company during the period was **SR 53,933,402** (2023: SR 51,542,946).

The following table set out maturity analysis of receivables from vehicle rental included in the trade receivables:

	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Less than one year	<b>32,269,457</b>	<b>26,337,199</b>
	<b><u>32,269,457</u></b>	<b><u>26,337,199</u></b>

**7. INVENTORIES**

Inventories mainly represent the vehicles held for lease which is transferred from property and equipment to inventories on completion of lease term with the customers and cease of rental income of these vehicles, at their carrying value amounting to SR 5.9 million.

	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Vehicles held for sale	<b>5,933,873</b>	8,001,668
Spare parts	<b>202,903</b>	159,975
	<b><u>6,136,776</u></b>	<b><u>8,161,643</u></b>

**8. SHARE CAPITAL**

The share capital of the Company as of 30 June 2024 and 31 December 2023 comprised (SAR 80,000,000) eighty million Saudi riyals divided into (8,000,000) eight million ordinary shares, at a nominal value of (SAR 10) ten Saudi riyals per share, all of which are ordinary shares, identical in all respects and fully paid up.

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**9. BORROWINGS**

Term loans as of 30 June 2024 and 31 December 2023 is as follows:

	<b>30 June 2024</b>	31 December 2023
	<b>(Unaudited)</b>	(Audited)
Term loans	<u><b>33,920,639</b></u>	<u>38,678,011</u>
	<u><b>33,920,639</b></u>	<u>38,678,011</u>
Current	<b>19,979,872</b>	24,097,037
Non-current	<u><b>13,940,767</b></u>	<u>14,580,974</u>
	<u><b>33,920,639</b></u>	<u>38,678,011</u>

The Company has a Sharia term loan facility agreement with Arab National Bank amounting to SR 15 million. As at 30 June 2024, **SR 13.9 million** (31 December 2023: SR 14 million) was utilized by the Company from the facility. The loan is repayable over 36 monthly installments commencing from the loan disbursement date. The loan is secured by promissory notes signed by the shareholders of the Company.

In 2021, the Company continued multiple financing agreements all repayable over 36 equal monthly installments with Al Jabr Financing Company. The Company used the funds for purchase of vehicles for the purpose of leasing them to different customers. The loan is secured by promissory notes signed by shareholders of the Company. As at 30 June 2024, the outstanding balance of funds obtained is **SR 4.7 million** (31 December 2023: SR 9.6 million).

In 2022 and 2023, The Company entered in three financing agreements of SR 5 million each, repayable over 24 equal monthly installments with the grace period of six months with Ajil Financial Services Company. In addition during the year Company entered another financing agreement of SR 5 million with 24 equal monthly installments. The Company used the funds for purchase of vehicles for the purpose of leasing them to different customers. The loan is secured by vehicles value endorsement signed by chief executive officer. As at 30 June 2024, the outstanding balance of funds obtained is **SR 6.8 million** (31 December 2023: SR 4.8 million).

In 2022, the Company entered a financing agreement repayable over 36 equal monthly installments with Tayseer Arabian Company with the grace period of three months. The Company used the funds for purchase of vehicles for the purpose of leasing them to different customers. The loan is secured by vehicles value endorsement signed by chief executive officer. As at 30 June 2024, the outstanding balance of funds obtained is **SR 0.4 million** (31 December 2023: SR 0.6 million).

In 2023, the Company entered a financing agreement amounting to SR 10 million, all repayable over 36 equal monthly installments with Riyad bank. The Company used the funds for purchase of vehicles for the purpose of leasing them to different customers. The loan is secured by promissory notes signed by shareholders of the Company. As at 30 June 2024, the outstanding balance of funds obtained is **SR 8.1 million** (31 December 2023: SR 9.4 million).

The loans of the company carries interest ranging from 6.17% to 18.38%.



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**9. BORROWINGS (CONTINUED)**

Maturity profile of borrowings:

	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 (Audited)
Within 1 year	<b>22,632,984</b>	26,180,769
Within 1 to 5 years	<b>14,052,439</b>	15,649,788
	<b>36,685,423</b>	41,830,557

**10. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties include the Company's shareholders, associated and affiliated companies and their shareholders, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties. Transactions with related parties are undertaken at mutually agreed terms and approved by the management of the Company. Below is the list of Company's related parties:

<b>Name</b>	<b>Relationship</b>
Tariq Abdel Hadi Abdullah Al-Qahtani & Brothers Company	Shareholder
Abdel Hadi Al Judee & Partners International Commercial Enterprises Company	Shareholder
Tariq Abdul Hadi Abdullah Al Qahtani	Shareholder
Salah Abdul Hadi Abdullah Al Qahtani	Shareholder
Abdullah Abdul Hadi Abdullah Al Qahtani	Shareholder
Haifa Saleh Ahmed Al Sugair	Shareholder
Shams Abdul Hadi Abdullah Al Qahtani	Shareholder
Mai Abdel Hadi Abdullah Al Qahtani	Shareholder
Doha Abdel Hadi Abdullah Al Qahtani	Shareholder
Al-Qahtani Pipe Coating Industries	Other related party
Al Jazeera Water Treatment Chemicals Company	Other related party
Eradat Transport Company	Other related party
Abdel Hadi Abdullah Al-Qahtani & Sons- Construction	Other related party
Al Qahtani Vehicle and Machinery Company	Other related party
Al- Hijaz Water Company Limited	Other related party
Abdel Hadi Al-Qahtani Travel Bureau	Other related party
Al-Qahtani Aviation Company	Other related party
Pipe & Well Operation and Maintenance Services	Other related party
Group Five pipe Saudi Company	Other related party
Pipeline Flow Chemical Company	Other related party
Abdel Hadi Abdullah Al-Qahtani & Sons- IT division	Other related party
Arab Valves Manufacturing Company	Other related party
Abdel Hadi Abdullah Al Qahtani & Sons Company	Other related party
Arabian Commercial Services Company – Arco	Other related party
Izar for Insurance Brokerage Company	Other related party
Abdel Hadi Tariq Al Qahtani	Other related party

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**10. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

The significant transactions and the related approximate amounts with related parties are as follows:

<b>Related party</b>	<b>Nature of transaction</b>	<b>30 June 2024 (Unaudited)</b>	<b>30 June 2023 (Unaudited)</b>
Al-Qahtani Pipe Coating Industries	Rental revenue	<b>869,258</b>	781,581
	Payments	<b>1,542,312</b>	-
Abdel Hadi Abdullah Al Qahtani & Sons	Expense	<b>2,100</b>	287,500
	Payment made on behalf of related party	-	15,030
Group Five Pipe Saudi Company	Rental revenue	<b>181,381</b>	256,900
	Receipts for rental revenue	<b>348,110</b>	488,109
Abdel Hadi Abdullah Al-Qahtani & Sons - Construction	Rental revenue	<b>164,887</b>	162,524
Pipe & Well Operation and Maintenance Services	Rental revenue	-	52,733
	Payment made on behalf of related party	<b>262,500</b>	-
Pipeline Flow Chemical Company	Rental revenue	<b>54,890</b>	55,040
Earadat Transport Co.	Payments	<b>75,000</b>	-
Al Jazeera Water Treatment Chemicals Company	Rental revenue	<b>21,084</b>	18,044
	Payment made on behalf of related party	<b>30,223</b>	10,533
Abdel Hadi Al-Qahtani Travel Bureau	Expenses	-	62,071
	Payment for expenses	-	42,000
Izar for Insurance Brokerage Company	Payments for brokerage	-	4,565
Abdel Hadi Tariq Al Qahtani	Lease payments	<b>375,000</b>	750,000

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**10. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

A) Due from related parties comprised of the following:

	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 (Audited)
Al-Qahtani Pipe Coating Industries	<b>6,356,051</b>	7,029,105
Abdel Hadi Abdullah Al Qahtani & Sons Company	<b>1,392,897</b>	1,390,797
Abdel Hadi Abdullah Al-Qahtani & Sons- Construction	<b>1,346,221</b>	1,181,334
Al Qahtani Vehicle and Machinery Company	<b>1,080,467</b>	1,080,091
Eradat Transport Company	<b>697,537</b>	772,537
Pipeline Flow Chemical Company	<b>446,143</b>	391,253
Pipe & Well Operation and Maintenance Services	-	262,500
Group Five pipe Saudi Company	<b>62,475</b>	229,203
Al-Qahtani Aviation Company	<b>84,242</b>	84,242
Al Jazeera Water Treatment Chemicals Company	<b>18,377</b>	27,516
Al- Hijaz Water Company Limited	<b>11,307</b>	11,307
Arab Valves Manufacturing Company	<b>1,000</b>	1,000
	<b><u>11,496,717</u></b>	<b><u>12,460,885</u></b>

As at 30 June 2024, amount due from related parties include the balances of trade nature generated in the normal course of operations amounting to SR 11.5 million (31 December 2023: SR 10.70 million).

The amounts due from related parties are secured by collateral by shares on a listed Company owed by one of the related parties. However, the management expects to collect the amounts within twelve months from the end of the reporting date.

B) Due to related parties comprised of the following:

	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 (Audited)
Izar for Insurance Brokerage Company	<b>48,328</b>	48,328
Arabian Commercial Services Company – Arco	<b>41,700</b>	41,700
Abdel Hadi Al-Qahtani Travel Bureau	-	2,000
	<b><u>90,028</u></b>	<b><u>92,028</u></b>

The above due to balances are not bearing interest and to be settled in cash within 12 months from the end of the reporting date.

C) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the period was as follows:

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 (Unaudited)
Short-term benefits	<b>713,633</b>	713,633
Termination benefits	<b>726,616</b>	373,720
	<b><u>1,440,249</u></b>	<b><u>1,087,353</u></b>

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**11. REVENUE**

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 (Unaudited)
Rental income	53,933,402	51,542,946
Sale of vehicles (note 11.1)	14,957,310	9,515,117
	<b>68,890,712</b>	<b>61,058,063</b>

**11.1 Sale of vehicles**

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 (Unaudited)
Sale of used vehicles		
Revenue	14,957,310	8,051,037
Cost of revenue	(13,955,482)	(7,356,235)
	<b>1,001,828</b>	<b>694,802</b>

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 (Unaudited)
Sale of new vehicles		
Revenue	-	1,464,080
Cost of revenue	-	(1,383,150)
	-	<b>80,930</b>

*Disaggregation of revenue from contracts with customers*

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and timing of revenue recognition.

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 (Unaudited)
<b><i>Primary geographical markets</i></b>		
Saudi Arabia	14,957,310	9,515,117
	<b>14,957,310</b>	<b>9,515,117</b>

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 (Unaudited)
<b><i>Timing of revenue recognition</i></b>		
Transferred at a point in time	14,957,310	9,515,117
	<b>14,957,310</b>	<b>9,515,117</b>

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**12. ZAKAT**

The principal elements of the zakat base are as follows:

	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Non-current assets	<b>283,563,251</b>	293,633,677
Non-current liabilities	<b>89,084,931</b>	102,022,011
Opening equity	<b>151,678,219</b>	133,619,734
Profit before zakat	<b>10,441,319</b>	19,131,173

Some of these amounts have been adjusted in arriving at the zakat charge for the period / year.

The movement in zakat is as follows:

	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
At the beginning of the period / year	<b>1,840,356</b>	1,502,640
Provided during the period / year	<b>580,365</b>	854,639
Payments during the period / year	<b>(179,124)</b>	(516,923)
At the end of the period / year	<b>2,241,597</b>	1,840,356

The charge for the period for zakat is as follows:

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 <b>(Unaudited)</b>
Provision for the period	<b>580,365</b>	656,693

The Company has submitted its zakat up to the year ended 31 December 2023 and obtained required certificates which valid till 30 April 2025. Zakat assessments for years up to 2020 was received and the Company has settled due zakat liability. Assessment for the year 2021,2022 and 2023 is still not received from ZATCA.

**13. EARNINGS PER SHARE**

Basic earnings per share for profit attributable to ordinary shares holders for the period are computed based on the weighted average number of shares outstanding during such periods. The diluted earnings per share are the same as the basic earnings per share because the Company does not have any dilutive instruments in issue.

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 <b>(Unaudited)</b>
Profit for the period	<b>9,860,954</b>	11,024,207
Weighted average number of shares	<b>8,000,000</b>	8,000,000
Basic and dilutive earnings per share	<b>1.23</b>	1.38

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**14. FAIR VALUE MEASUREMENT**

The Company financial asset include cash and cash equivalents, trade and other receivables that arise directly from it's operations. The Company's principle financial liabilities comprise long term loans, lease liabilities, trade and other payables.

**Financial Risk Management**

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. There is no significant change in the Company's objectives, policies and processes for measuring and managing risk since the last annual consolidated financial statements.

**15. CONTINGENCIES AND COMMITMENT**

As at 30 June 2024, there are no contingent liabilities outstanding neither Company have any commitment (31 December 2023: Nil).

**16. EVENT AFTER THE REPORTING PERIOD**

No adjusting event occurred between 30 June 2024 and the date of authorization of the condensed interim financial statements by Board of Directors which may have an impact on these condensed interim financial statements.

**17. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

The condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issuance on 15 August 2024 corresponding to 11 Safar 1446H.