

**SAUDI INDUSTRIAL SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)**  
For the three-month and nine-month periods ended  
30 September 2023  
together with the  
Independent Auditors' Review Report

**SAUDI INDUSTRIAL SERVICES COMPANY**

(A Saudi Joint Stock Company)

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

For the nine-month period ended 30 September 2023

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## KPMG Professional Services

Zahran Business Center  
Prince Sultan Street  
P. O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 4030290792

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 Saudi Industrial Services Company

## Introduction

We have reviewed the accompanying 30 September 2023 condensed consolidated interim financial statements of Saudi Industrial Services Company ("the Company") and its subsidiaries ("the Group"), which comprises:

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

To the Shareholders of Saudi Industrial Services Company (continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2023 condensed consolidated interim financial statements of Saudi Industrial Services Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## KPMG Professional Services

Ebrahim Oboud Baeshen  
License No. 382



Jeddah, 6 November 2023  
Corresponding to 22 Rabi' II 1445H

**SAUDI INDUSTRIAL SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

As at 30 September 2023

<b>ASSETS</b>	<i>Note</i>	<b>30 September 2023 (Unaudited) SR</b>	<b>31 December 2022 (Audited) SR</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	249,907,951	257,239,057
Work in progress assets	9	433,926,681	317,731,977
Intangible assets	8	3,070,620,563	3,010,723,741
Goodwill	10	8,776,760	8,776,760
Right-of-use assets	13	49,699,662	45,496,556
Investment properties	14	287,978,570	163,831,725
Equity-accounted investees	11	283,038,796	251,827,074
Financial assets at fair value through other comprehensive income (FVOCI)	12	11,586,472	14,218,328
Deferred tax assets		5,748,284	5,748,284
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,401,283,739</b>	<b>4,075,593,502</b>
<b>CURRENT ASSETS</b>			
Inventories		25,983,227	26,054,119
Derivative financial instrument		--	923,823
Trade receivables, prepayments and other receivables		235,851,731	155,521,566
Due from related parties	19	11,914,813	12,365,829
Short-term deposits	15	--	279,986,229
Cash and cash equivalents	15	803,183,395	507,885,834
<b>TOTAL CURRENT ASSETS</b>		<b>1,076,933,166</b>	<b>982,737,400</b>
<b>TOTAL ASSETS</b>		<b>5,478,216,905</b>	<b>5,058,330,902</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	16	816,000,000	816,000,000
Share premium		36,409,063	36,409,063
Statutory reserve		99,784,859	99,784,859
Treasury shares		(512,252)	--
Other components of equity		408,692,200	393,450,994
Retained earnings		169,393,964	170,276,817
<b>Equity attributable to the shareholders of the Parent</b>		<b>1,529,767,834</b>	<b>1,515,921,733</b>
Non-controlling interests		820,849,481	800,268,156
<b>TOTAL EQUITY</b>		<b>2,350,617,315</b>	<b>2,316,189,889</b>
<b>NON-CURRENT LIABILITIES</b>			
Obligation under service concession arrangement	8.3	1,402,283,601	1,391,741,067
Long-term loans	17	930,105,662	685,960,123
Employees' end of service benefits		46,484,477	42,468,127
Long-term provisions		2,060,448	2,060,448
Lease liabilities – non-current portion	13	98,145,679	94,086,028
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,479,079,867</b>	<b>2,216,315,793</b>
<b>CURRENT LIABILITIES</b>			
Current portion of obligation under service concession arrangement	8.3	168,325,427	164,607,341
Current portion of long-term loans	17	109,455,780	87,791,382
Trade payables, accrued and other current liabilities		339,982,499	248,355,733
Zakat and Income Tax payable		16,480,972	13,878,605
Current portion of lease liabilities	13	12,822,045	11,192,159
Due to a related party	19	1,453,000	--
<b>TOTAL CURRENT LIABILITIES</b>		<b>648,519,723</b>	<b>525,825,220</b>
<b>TOTAL LIABILITIES</b>		<b>3,127,599,590</b>	<b>2,742,141,013</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,478,216,905</b>	<b>5,058,330,902</b>

The attached notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.

**SAUDI INDUSTRIAL SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**

For the nine-month period ended 30 September 2023

	Note	<i>For the three- month period ended 30 September 2023 SR (Unaudited)</i>	<i>For the three- month period ended 30 September 2022 SR (Unaudited)</i>	<i>For the nine- month period ended 30 September 2023 SR (Unaudited)</i>	<i>For the nine- month period ended 30 September 2022 SR (Unaudited)</i>
<b>Revenue from contracts with customers</b>					
Revenue from sale of goods and services	5	<b>276,087,006</b>	214,674,253	<b>776,370,268</b>	623,990,538
Construction revenue		<b>58,035,986</b>	46,349,594	<b>328,660,578</b>	93,015,545
<b>TOTAL REVENUES</b>		<b>334,122,992</b>	261,023,847	<b>1,105,030,846</b>	717,006,083
<b>Direct costs</b>					
Cost of construction		<b>(128,344,120)</b>	(108,863,605)	<b>(363,686,517)</b>	(328,281,112)
		<b>(58,035,986)</b>	(46,349,594)	<b>(328,660,578)</b>	(93,015,545)
<b>COST OF REVENUE</b>		<b>(186,380,106)</b>	(155,213,199)	<b>(692,347,095)</b>	(421,296,657)
<b>GROSS PROFIT</b>		<b>147,742,886</b>	105,810,648	<b>412,683,751</b>	295,709,426
<b>OPERATING EXPENSES</b>					
General and administration expenses		<b>(48,620,385)</b>	(42,882,773)	<b>(140,437,566)</b>	(125,962,648)
Selling and distribution expenses		<b>(2,093,665)</b>	(2,483,977)	<b>(9,642,449)</b>	(10,140,936)
<b>TOTAL OPERATING EXPENSES</b>		<b>(50,714,050)</b>	(45,366,750)	<b>(150,080,015)</b>	(136,103,584)
<b>PROFIT FROM OPERATIONS</b>		<b>97,028,836</b>	60,443,898	<b>262,603,736</b>	159,605,842
Finance income		<b>5,645,285</b>	4,368,157	<b>16,426,321</b>	8,011,709
Finance cost, net		<b>(64,228,282)</b>	(53,437,415)	<b>(183,117,631)</b>	(157,434,235)
Other income, net		<b>4,562,709</b>	962,274	<b>16,207,867</b>	4,821,921
Share of profit of equity accounted investees, net	11	<b>7,627,822</b>	8,178,173	<b>25,340,425</b>	22,973,501
<b>PROFIT BEFORE ZAKAT AND INCOME TAX</b>		<b>50,636,370</b>	20,515,087	<b>137,460,718</b>	37,978,738
Zakat and income tax	17	<b>(5,497,941)</b>	(2,529,216)	<b>(19,412,950)</b>	(14,111,116)
<b>PROFIT FOR THE PERIOD</b>		<b>45,138,429</b>	17,985,871	<b>118,047,768</b>	23,867,622
<b>Attributable to:</b>					
Shareholders of the Parent Company		<b>23,716,648</b>	14,378,355	<b>64,397,147</b>	18,289,638
Non-controlling interests		<b>21,421,781</b>	3,607,516	<b>53,650,621</b>	5,577,984
		<b>45,138,429</b>	17,985,871	<b>118,047,768</b>	23,867,622
<b>Earnings per share:</b>					
Basic and diluted earnings per share from net profit for the period attributable to the shareholders of the parent	6	<b>0.29</b>	0.18	<b>0.79</b>	0.22

The attached notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.

**SAUDI INDUSTRIAL SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**

For the nine-month period ended 30 September 2023

	<i>For the three-month period ended 30 September 2023 SR (Unaudited)</i>	<i>For the three-month period ended 30 September 2022 SR (Unaudited)</i>	<i>For the nine- month period ended 30 September 2023 SR (Unaudited)</i>	<i>For the nine- month period ended 30 September 2022 SR (Unaudited)</i>
Profit for the period	45,138,429	17,985,871	118,047,768	23,867,622
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Change in fair value of financial assets at fair value through other comprehensive income (FVOCI)	(2,631,856)	(691,204)	(2,631,856)	(691,204)
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Cash flow hedges – effective portion of changes in fair value	15,083,567	317,218	17,285,141	6,176,792
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>12,451,711</b>	<b>(373,986)</b>	<b>14,653,285</b>	<b>5,485,588</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>57,590,140</b>	<b>17,611,885</b>	<b>132,701,053</b>	<b>29,353,210</b>
<b>Attributable to:</b>				
Shareholders of the Parent Company	36,168,360	13,802,492	79,638,354	19,844,316
Non-controlling interests	21,421,780	3,809,393	53,062,699	9,508,894
	<b>57,590,140</b>	<b>17,611,885</b>	<b>132,701,053</b>	<b>29,353,210</b>

The attached notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.

**SAUDI INDUSTRIAL SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

For the nine-month period ended 30 September 2023

	Equity attributable to the shareholders of the Parent Company											
	Share capital SR	Share premium SR	Statutory reserve SR	Treasury shares SR	Other components of equity				Retained earnings SR	Total SR	Non-controlling interests SR	Total equity SR
					Effect of changes in shareholding percentage in subsidiaries SR	Actuarial valuation reserves SR	Cash flow hedging reserve SR	Unrealized gain on FVOCI investments SR				
Balance at 1 January 2023 (audited)	816,000,000	36,409,063	99,784,859	-	343,683,752	(1,247,977)	46,367,041	4,648,178	170,276,817	1,515,921,733	800,268,156	2,316,189,889
Profit for the period	-	-	-	-	-	-	-	-	64,397,147	64,397,147	53,650,621	118,047,768
Other comprehensive income	-	-	-	-	-	-	17,873,062	(2,631,856)	-	15,241,206	(587,921)	14,653,285
Total comprehensive income	-	-	-	-	-	-	17,873,062	(2,631,856)	64,397,147	79,638,353	53,062,700	132,701,053
Treasury shares acquired (note 16)	-	-	-	(512,252)	-	-	-	-	-	(512,252)	-	(512,252)
Dividends paid (note 16)	-	-	-	-	-	-	-	-	(65,280,000)	(65,280,000)	(32,065,462)	(97,345,462)
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(415,913)	(415,913)
<b>Balance at 30 September 2023 (unaudited)</b>	<b>816,000,000</b>	<b>36,409,063</b>	<b>99,784,859</b>	<b>(512,252)</b>	<b>343,683,752</b>	<b>(1,247,977)</b>	<b>64,240,103</b>	<b>2,016,322</b>	<b>169,393,964</b>	<b>1,529,767,834</b>	<b>820,849,481</b>	<b>2,350,617,315</b>

The attached notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.



**SAUDI INDUSTRIAL SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)**

For the nine-month period ended 30 September 2023

	Equity attributable to the shareholders of the Parent Company										
	<i>Other components of equity</i>										<i>Total equity</i> SR
	<i>Share capital</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>Effect of changes in shareholding percentage in subsidiaries</i>	<i>Actuarial valuation reserves</i>	<i>Cash flow hedging reserve</i>	<i>Unrealized gain on FVOCI investments</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non-controlling interests</i>	
SR	SR	SR	SR	SR	SR	SR	SR	SR	SR		
Balance at 1 January 2022 (audited)	816,000,000	36,409,063	96,111,908	343,683,752	(11,971,402)	(2,058,834)	5,339,382	202,500,260	1,486,014,129	810,372,371	2,296,386,500
Profit for the period	-	-	-	-	-	-	-	18,289,638	18,289,638	5,577,984	23,867,622
Other comprehensive income	-	-	-	-	-	2,245,882	(691,204)	-	1,554,678	3,930,910	5,485,588
Total comprehensive income	-	-	-	-	-	2,245,882	(691,204)	18,289,638	19,844,316	9,508,894	29,353,210
Dividends paid	-	-	-	-	-	-	-	(65,280,000)	(65,280,000)	(30,640,524)	(95,920,524)
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	-	(128,468)	(128,468)
Balance at 30 September 2022 (unaudited)	<u>816,000,000</u>	<u>36,409,063</u>	<u>96,111,908</u>	<u>343,683,752</u>	<u>(11,971,402)</u>	<u>187,048</u>	<u>4,648,178</u>	<u>155,509,898</u>	<u>1,440,578,445</u>	<u>789,112,273</u>	<u>2,229,690,718</u>

The attached notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.

**SAUDI INDUSTRIAL SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the nine-month period ended 30 September 2023

	Note	<i>For the nine month period ended 30 September 2023 Unaudited SR</i>	<i>For the nine month period ended 30 September 2022 Unaudited SR</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before Zakat and income tax		<b>137,460,718</b>	37,978,738
<i>Adjustments for:</i>			
Depreciation and amortization		<b>139,492,103</b>	128,682,335
Provision for employees' end of service benefits		<b>9,943,415</b>	9,707,808
Amortization of advance rental		<b>4,728,700</b>	3,749,810
Share of profits of equity accounted investees, net	11	<b>(25,340,425)</b>	(22,973,501)
Income from short-term deposits		--	(8,011,709)
Provision /(reversal) of expected credit losses		<b>1,326,475</b>	(224,522)
Provision for slow moving and obsolete inventories		<b>1,572,241</b>	1,134,622
Gain on disposal of property, plant and equipment		<b>(85,367)</b>	(1,088,937)
Provision for decommissioning cost		--	39,593
Amortization of deferred revenue		<b>54,884</b>	--
Financial charges, net		<b>183,117,631</b>	157,434,235
		<b>452,270,375</b>	306,428,472
Changes in:			
Trade receivables, prepayments and other receivables		<b>(81,206,640)</b>	(22,406,697)
Due from related parties		<b>451,016</b>	(2,658,892)
Inventories		<b>(1,501,349)</b>	(5,327,962)
Trade payable, accrued and other liabilities		<b>(22,497,799)</b>	(136,834,794)
Due to related parties		<b>1,453,000</b>	(248,928)
Cash generated from operating activities		<b>348,968,604</b>	138,951,199
Employees' end of service benefits paid		<b>(5,927,064)</b>	(5,008,676)
Financial charges paid		<b>(43,953,338)</b>	(29,487,137)
Zakat and income tax paid		<b>(16,810,700)</b>	(22,158,769)
Net cash from operating activities		<b>282,277,501</b>	82,296,617
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received from equity-accounted investees	11	<b>12,337,666</b>	7,233,300
Investment in associate made during the period		--	(3,428,000)
Proceeds from disposal of property, plant and equipment		<b>481,259</b>	1,292,328
Additions to property, plant and equipment, work in progress assets, and intangible assets, net		<b>(436,998,366)</b>	(172,277,227)
Net movement in short-term deposits		<b>279,986,229</b>	(470,000,000)
Net cash used in investing activities		<b>(144,193,212)</b>	(637,179,599)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term loans		<b>(59,855,394)</b>	(54,669,918)
Receipt of long-term loans		<b>322,355,811</b>	--
Lease liabilities paid		<b>(7,429,432)</b>	(7,638,323)
Purchase of treasury shares		<b>(512,252)</b>	--
Dividend paid	15	<b>(65,280,000)</b>	(65,280,000)
Dividends paid to non-controlling interests by subsidiaries		<b>(32,065,462)</b>	(30,640,524)
Net movement in non-controlling interests		--	(128,468)
Net cash from / (used in) financing activities		<b>157,213,271</b>	(158,357,233)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>295,297,561</b>	(713,240,215)
Cash and cash equivalents at the beginning of the period	14	<b>507,885,834</b>	892,374,091
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	14	<b>803,183,395</b>	179,133,876
<b>SUPPLEMENTARY NON-CASH INFORMATION</b>			
Cash flow hedges – effective portion of change in fair value		<b>(17,285,141)</b>	(6,176,792)

The attached notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.

**SAUDI INDUSTRIAL SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(UNAUDITED)**

For the nine-month period ended 30 September 2023

**1. ORGANISATION AND ACTIVITIES**

Saudi Industrial Services Company (“the Company” or “the Parent Company” or “SISCO”) is a joint stock company incorporated in accordance with Saudi Arabian Regulations for Companies under the Ministry of Commerce Resolution No. 223 of 7 Rabi Al Awal 1409 H (corresponding to 18 October 1988) and registered under Commercial Registration No. 4030062502 dated 10 Rabi Al Thani 1409H (corresponding to 20 November 1988). The Group via its subsidiaries is engaged in the business of development and management of port terminal operations, maritime services, warehouse services, supply chain solutions, logistics services, associated development, and water desalination and treatment plant and sale of water. The principal activity of the Parent Company is investment and management of subsidiaries. The registered head office of the Parent Company is located at the following address:

Saudi Business Center  
P. O. Box 14221,  
Jeddah 21424,  
Kingdom of Saudi Arabia.

These condensed consolidated interim financial statements include assets, liabilities and the results of the operations of the Parent Company and its following subsidiaries collectively referred to as “the Group”. The financial statements of the subsidiaries are prepared for the same reporting period and accounting policies as that of the Parent Company.

<u>Company</u>	<u>Country of incorporation</u>	<u>Effective shareholding</u>		<u>Principal activities</u>
		<u>30 September 2023</u>	<u>30 September 2022</u>	
Saudi Trade and Export Development Company Limited (“Tusdeer”)	Saudi Arabia	<b>76%</b>	76%	Management and operation of storage and re-export project situated on the land leased from Jeddah Islamic Port. (Logistic parks and support services segment).
Support Services Operation Company Limited (“ISNAD”)	Saudi Arabia	<b>99.28%</b>	99.28%	Development and operation of industrial zones, construction and operation of restaurants, catering and entertainment centers, construction of gas stations, auto servicing and maintenance workshops, and purchase of land for the construction of building thereon and investing the same through sale or lease. (Logistic parks and support services segment).
Kindasa Water Services Company – Closed Joint Stock Company (“Kindasa”)	Saudi Arabia	<b>65%</b>	65%	Water desalination and treatment plant and sale of water. (Water desalination and distribution segment)
Red Sea Gateway Terminal Company Limited (“RSGT”) *	Saudi Arabia	<b>36.36%</b>	36.36%	Development, construction, operation and maintenance of container terminals and excavation and back filling works. (Port development and operations segment).
Red Sea Port Development Company – Closed Joint Stock Company (“RSPD”)	Saudi Arabia	<b>60.6%</b>	60.6%	Development, construction, operation and maintenance of container terminals and excavation and back filling works. (Port development and operations segment).

\*SISCO owns 60.6% effective interest in RSPD which in turn owns 60% interest in RSGT

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT  
(UNAUDITED)**

For the nine-month period ended 30 September 2023

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**2. BASIS OF PREPARATION**

**2.1 Basis of accounting**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – “Interim Financial Reporting”, as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and professional Accountants (“SOCPA”).

These condensed consolidated interim financial statements do not include all of the information required for a complete set of the annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022 (last annual consolidated financial statements). However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of changes in the Group’s financial position and performance since the last annual consolidated financial statements.

**2.2 Significant judgments, estimates and assumptions**

The preparation of Group’s condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Also see note 2.3 below.

The significant judgments exercised in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ended 31 December 2022.

**2.3 Basis of measurement**

These condensed consolidated interim financial statements have been prepared under the historical cost basis, except for financial assets at fair value through other comprehensive income (“FVOCI”), derivative financial instruments which are carried at their fair values and employee benefits, which are measured at the present value of defined benefit obligation using projected unit credit method. Further, the condensed consolidated interim financial statements are prepared using the accrual basis of accounting and the going concern assumption.

**2.4 Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Saudi Arabian Riyals (“SR”), which is the Group’s functional and presentation currency.

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**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's annual consolidated financial statements as at and for the year ended 31 December 2022.

Few amendments to standards became effective from 1 January 2023 which do not have a material effect on these condensed consolidated interim financial statements.

**4. STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE**

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

**5. REVENUE FROM SALE OF GOODS AND SERVICES**

	<i>For the three- month period ended 30 September 2023 Unaudited SR</i>	<i>For the three- month period ended 30 September 2022 Unaudited SR</i>	<i>For the nine- month period ended 30 September 2023 Unaudited SR</i>	<i>For the nine- month period ended 30 September 2022 Unaudited SR</i>
Shipping and unloading services	<b>220,579,417</b>	167,023,941	<b>624,803,298</b>	489,040,056
Sale of potable water	<b>23,316,603</b>	22,353,148	<b>68,781,743</b>	64,669,658
Rentals and support services	<b>32,190,986</b>	25,297,164	<b>82,785,227</b>	70,280,824
	<b><u>276,087,006</u></b>	<u>214,674,253</u>	<b><u>776,370,268</u></b>	<u>623,990,538</u>

**6. EARNINGS PER SHARE**

Basic earnings per share ("EPS") is calculated by dividing profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue outstanding during the period.

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**6. EARNINGS PER SHARE (continued)**

	<i>For the three- month period ended 30 September 2023 Unaudited SR</i>	<i>For the three- month period ended 30 September 2022 Unaudited SR</i>	<i>For the nine- month period ended 30 September 2023 Unaudited SR</i>	<i>For the nine- month period ended 30 September 2022 Unaudited SR</i>
Profit for the period attributable to ordinary equity holders of the parent	<b>23,716,648</b>	14,378,355	<b>64,397,147</b>	18,289,638
Weighted average number of ordinary shares in issue	<b>81,580,298</b>	81,600,000	<b>81,580,298</b>	81,600,000
Basic and diluted earnings per share	<b>0.29</b>	0.18	<b>0.79</b>	0.22

The diluted EPS is same as the basic EPS as the Group does not have any dilutive instruments.

**7. PROPERTY, PLANT AND EQUIPMENT**

	<i>30 September 2023 Unaudited SR</i>	<i>31 December 2022 Audited SR</i>
Property, plant and equipment - Others	<b>176,125,208</b>	175,057,495
Property, plant and equipment - Bonded and re-export project	<b>24,235,302</b>	25,749,641
Property, plant and equipment - Port terminal operations	<b>49,547,441</b>	56,431,921
	<b>249,907,951</b>	257,239,057

- a) During the nine-month periods ended 30 September 2023, additions amounting to SR 7.5 million (year ended 31 December 2022: SR 6.9 million), SR 0.26 million (year ended 31 December 2022: SR 1.49 million), SR 2.4 million (year ended 31 December 2022: SR 6.95 million) were made to the property, plant and equipment - Others, Bonded and re-export project and Port terminal operations respectively.
- b) The Group's property, plant and equipment – port terminal operations have been pledged against the Ijara Facility.
- c) The buildings and leasehold improvements are situated on a plot of land leased from Saudi Ports Authority (MAWANI) for a nominal annual rental. The initial lease agreement is for 20 Hijra years starting from 15 Muharram 1419H (corresponding to 11 May 1998) with a grace period of two Hijra years. On 22 Ramadan 1424H (corresponding to 16 November 2003) the lease agreement was extended to 40 Hijra years.

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**8. INTANGIBLE ASSETS**

	<i>30 September</i> <i>2023</i> <i>Unaudited</i> <i>SR</i>	<i>31 December</i> <i>2022</i> <i>Audited</i> <i>SR</i>
Port concession rights and assets (note 8.1)	<b>1,648,911,135</b>	1,562,259,897
Intangible asset related to fixed and guaranteed variable fee (note 8.2)	<b>1,420,284,610</b>	1,446,114,774
Other intangible assets	<b>1,424,818</b>	2,349,070
	<b><u>3,070,620,563</u></b>	<b><u>3,010,723,741</u></b>

**8.1 Port concession rights and assets**

	<i>30 September</i> <i>2023</i> <i>Unaudited</i> <i>SR</i>	<i>31 December</i> <i>2022</i> <i>Audited</i> <i>SR</i>
<i>Cost</i>		
Balance at the beginning of the period / year	<b>2,605,576,600</b>	2,521,502,896
Additions during the period / year	<b>11,996,515</b>	13,793,800
Transfer from capital work in progress (note 9)	<b>152,916,675</b>	71,661,441
Disposals during the period / year	<b>(217,300)</b>	(1,381,537)
Balance at the end of the period / year	<b><u>2,770,242,490</u></b>	<b><u>2,605,576,600</u></b>
<i>Amortisation</i>		
Balance at the beginning of the period / year	<b>1,043,316,703</b>	951,189,645
Charge for the period / year	<b>78,115,035</b>	93,427,475
Disposals during the period / year	<b>(70,383)</b>	(1,300,417)
Balance at the end of the period / year	<b><u>1,121,361,355</u></b>	<b><u>1,043,316,703</u></b>
<b>Net book value</b>	<b><u>1,648,881,135</u></b>	<b><u>1,562,259,897</u></b>

- i) The transfer from capital work in progress mainly include capitalisation of new cranes and related civil works.

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**8. INTANGIBLE ASSETS (continued)**

**8.2 Intangible assets related to fixed and guaranteed variable fee**

	<i>30 September 2023 Unaudited SR</i>	<i>31 December 2022 Audited SR</i>
<b>Cost:</b>		
Intangible assets recorded in accordance with IFRIC 12 (see note 8.3)	<b>1,534,457,606</b>	1,534,457,606
<b>Accumulated amortisation:</b>		
At the beginning of the period / year	<b>88,342,832</b>	55,097,197
Charge for the period / year	<b>25,830,164</b>	33,245,635
At the end of the period / year	<b>114,172,996</b>	88,342,832
<b>Net book value</b>	<b>1,420,284,610</b>	1,446,114,774

**8.3 Intangible assets related to fixed and guaranteed variable fee**

Tusdeer, a subsidiary of the Group, had entered into a Build-Operate-Transfer agreement (the “Agreement”) with Saudi Ports Authority (“MAWANI” or the “grantor”) for the construction of a container terminal at the Re-export Zone of Jeddah Islamic Port.

The Agreement was, subsequently, novated by Tusdeer to RSGT (another subsidiary of the Group), effective 22 Shawal 1428H (corresponding to 3 November 2007). The period of the Agreement originally was for 32 years. On 23 December 2019, RSGT, entered into a new concession agreement (the New Concession Agreement) with MAWANI whereby RSGT acquired rights to build and operate North Container Terminal in addition to the terminal operated under the Agreement, effective from 1 April 2020 (the effective date) for a period of 30 years from this date with option to renew the term based on mutually agreed negotiations.

Under the terms of the New Concession Agreement, MAWANI stipulates the Tariffs applied by RSGT when providing services and has the right to review the published tariff structure periodically. The Group has right to charge users of the port for services provided in accordance with the New Concession Agreement. Intangible assets – port concession rights are secured against the Ijara facilities obtained from local banks.

New Concession Agreement stipulates payment of the fixed and guaranteed variable annual fees on specified rates over the life of the agreement. These fees were recorded as intangible asset under the guidance of IFRIC 12 ‘Service Concession Arrangements’, with corresponding liability recognized as obligation under service concession arrangement. All other variable fees are charged to income as and when incurred.



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**9. WORK IN PROGRESS ASSETS**

The carrying amount of work in progress assets represents amount paid to contractors and suppliers for the civil works, equipment and contract assets related to concession agreement. Once complete, these assets and their carrying amount will be transferred to respective asset category. Work in progress assets mainly comprise of Jeddah Logistic Hub and Jeddah Logistic Park projects of Tusdeer and work in progress in respect of port terminal operations of RSGT. During the nine-month period additions of SR 408 million (year ended 31 December 2022: 231.4 million) were made in work in progress assets of the Group. The movement in the work in progress assets is summarized below:

	<b>30 September 2023 SR</b>	31 December 2022 SR
Opening balance	<b>317,731,977</b>	181,715,298
Additions during the period/year	<b>408,008,191</b>	231,483,865
Transfer to property and equipment	<b>(3,558,689)</b>	(390,971)
Transfer to port terminal operations	<b>(173,906)</b>	(22,267,496)
Transfer to intangibles port concession rights (note 8.1)	<b>(152,916,675)</b>	(71,661,441)
Transfer to investment properties (note 14)	<b>(135,114,530)</b>	--
Transfer to intangibles software	<b>(49,687)</b>	(530,438)
Write off during the period/year	<b>--</b>	(616,840)
At the end of the period/year	<b><u>433,926,681</u></b>	<u>317,731,977</u>

**10. GOODWILL**

The Group recorded a goodwill of SR 9.3 million at the time of acquisition of Kindasa Water Services Company (Kindasa), a subsidiary of the Group. Subsequently, an impairment of SR 0.5 million was recorded in previous periods resulting in net carrying value of SR 8.8 million (31 December 2022: SR 8.8 million).

The management reviews goodwill for impairment annually and when there is an indicator of impairment. For the purposes of impairment testing, goodwill has been allocated to the subsidiary (i.e. cash generating unit). The recoverable amount of the cash generating unit has been determined based on a value in use calculation, using cash flow projections based on financial budgets approved by the senior management and Board of Directors of Kindasa.

**11. EQUITY-ACCOUNTED INVESTEEES**

	<b>30 September 2023 Unaudited SR</b>	31 December 2022 Audited SR	30 September 2022 Unaudited SR
Balance at the beginning of the period / year	<b>251,827,074</b>	188,020,461	188,020,461
Share in profit of equity accounted investees, net	<b>25,340,425</b>	30,831,042	22,973,501
Investment made during the period / year	<b>--</b>	3,428,000	3,428,000
Share of actuarial losses of associates recognized in other comprehensive income	<b>--</b>	4,537,573	--
Share of effective portion of changes in fair value of cash flow hedges	<b>18,208,963</b>	46,031,139	--
Dividend received during the period / year	<b>(12,337,666)</b>	(21,021,141)	(7,233,300)
Balance at the end of the period / year	<b><u>283,038,796</u></b>	<u>251,827,074</u>	<u>207,188,662</u>

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**11. EQUITY-ACCOUNTED INVESTEEES (continued)**

11.1 Equity-accounted investees

<u>Associates</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Effective shareholding Percentage</u>		<u>Carrying amount</u>	
			<u>30 September 2023</u> <i>Unaudited</i>	<u>31 December 2022</u> <i>Audited</i>	<u>30 September 2023</u> <i>Unaudited</i> SR	<u>31 December 2022</u> <i>Audited</i> SR
International Water Distribution Company Limited (note a)	Water/waste works, water treatment and lease of water equipment	Kingdom of Saudi Arabia	<b>50%</b>	50%	<b>167,603,194</b>	139,150,060
Saudi Water and Environmental Services Company (note b)	Electrical, water and mechanical works and related operation and maintenance	Kingdom of Saudi Arabia	<b>31.85%</b>	31.85%	<b>1,590,807</b>	1,740,810
Saudi Al Jabr Talke Company Limited	Contracting, construction, operation and maintenance of factories and warehouses	Kingdom of Saudi Arabia	<b>33.3%</b>	33.3%	<b>66,850,823</b>	60,563,161
Xenmet SA, Vaduz (note c)	Trading, storage and brokerage of commodities	Principality of Liechtenstein	<b>19%</b>	19%	<b>2,539,575</b>	3,081,329
Green Dome Holdings Limited (note d)	Investment and management of companies providing logistic services	United Arab Emirates	<b>31.67%</b>	24%	<b>44,454,397</b>	47,291,714
					<b>283,038,796</b>	<b>251,827,074</b>

- a) The Parent Company does not have direct control over management and operations of “International Water Distribution Company” accordingly, it is classified as associate and accounted for as equity-accounted investee.
- b) Saudi Water and Environmental Services Company is 49% owned by Kindasa Water Services Company, a subsidiary which is 65% owned by the Parent Company, accordingly, it is classified as associate and accounted for as equity-accounted investee.
- c) Xenmet SA, Vaduz is 25% owned by Saudi Trade and Export Development Company Limited, a subsidiary which is 76% owned by the Parent Company, accordingly, it is classified as associate and accounted for as equity-accounted investee.

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**11. EQUITY-ACCOUNTED INVESTEEES (continued)**

- d) The Parent Company does not have direct control over management and operations of Green Dome Holdings Limited (“Green Dome”) accordingly, it is classified as associate and accounted for as equity-accounted investee.

**12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

Financial assets at FVOCI comprise of equity investment in shares of Growth Gate Capital Corporation B.S.C. As of the statement of financial position date, management believes that the carrying amount of the investment approximates its fair value.

**13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

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

	<i>For the nine month period ended 30 September 2023 Unaudited SR</i>	<i>For the year ended 31 December 2022 Audited SR</i>
<b>Cost:</b>		
At the beginning of the period / year	<b>57,598,172</b>	110,682,500
Additions during the period / year	<b>8,767,856</b>	14,366,827
Transfer to investment properties (note 9)	--	(63,851,155)
Lease contract terminated during the year	--	(3,600,000)
	<b>66,366,028</b>	57,598,172
<b>Depreciation:</b>		
At the beginning of the period / year	<b>(12,101,616)</b>	(20,550,263)
Depreciation for the period / year	<b>(4,564,750)</b>	(5,790,743)
Transfer to investment properties	--	11,839,390
Relating to terminated contract	--	2,400,000
	<b>(16,666,366)</b>	(12,101,616)
Net value at the end of period / year	<b>49,699,662</b>	45,496,556

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**13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	<i>For the nine month period ended 30 September 2023 Unaudited SR</i>	<i>For the year ended 31 December 2022 Audited SR</i>
At the beginning of the period / year	<b>105,278,187</b>	97,535,689
Addition during the period / year	<b>8,767,856</b>	14,366,827
Interest charge for the period / year	<b>2,467,584</b>	2,503,052
Interest cost capitalised (capitalized in work in progress assets)	<b>1,883,529</b>	2,743,221
Payment of lease liabilities during the period / year	<b>(7,429,432)</b>	(11,870,602)
	<b>110,967,724</b>	105,278,187

The classification of lease liabilities is as follows:

	<i>30 September 2023 Unaudited SR</i>	<i>31 December 2022 Audited SR</i>
Current lease liabilities	<b>12,822,045</b>	11,192,159
Non-current lease liabilities	<b>98,145,679</b>	94,086,028
	<b>110,967,724</b>	105,278,187

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**14. INVESTMENT PROPERTIES**

	<i>30 September 2023 Unaudited SR</i>	<i>31 December 2022 Audited SR</i>
<b>Cost</b>		
At the beginning of the period / year	<b>314,408,430</b>	244,798,958
Transfer from right of use assets	--	63,851,155
Transfer from capital work in progress (note 9)	<b>135,114,530</b>	--
Additions during the period / year	<b>804,827</b>	5,758,317
	<b>450,327,787</b>	314,408,430
<b>Accumulated depreciation</b>		
At the beginning of the year	<b>150,576,705</b>	126,756,964
Transfer from right of use assets	--	11,839,396
Depreciation for the period / year (capitalized in Work in progress assets)	--	350,956
Charge for the period / year	<b>11,772,512</b>	11,629,389
At the end of the year	<b>162,349,217</b>	150,576,705
<b>Net book value</b>	<b>287,978,570</b>	163,831,725

Investment properties represent warehouses rented to customers for storage and warehousing purposes.

The buildings and leasehold improvements are situated on a plot of land leased from Saudi Ports Authority for a nominal annual rental. The initial lease agreement was for 20 Hijra years starting from 15 Muharram 1419H (corresponding to 11 May 1998) with a grace period of two Hijra years, on 22 Ramadan 1424H (corresponding to 16 November 2003) the lease agreement was extended to 40 Hijra years.

**15. CASH AND CASH EQUIVALENTS**

	<i>30 September 2023 Unaudited SR</i>	<i>31 December 2022 Audited SR</i>
Cash on hand	<b>322,838</b>	462,738
Cash at banks	<b>166,400,538</b>	352,349,937
Murabaha deposits	<b>636,460,019</b>	435,059,388
	<b>803,183,395</b>	787,872,063
Less: short-term Murabaha deposits with original maturities more than 90 days	--	(279,986,229)
	<b>803,183,395</b>	507,885,834

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**15. CASH AND CASH EQUIVALENTS (continued)**

- 15.1 Murabaha deposits are placed with local commercial banks and yield financial income at prevailing market rates.
- 15.2 Murabaha deposits with original maturities greater than 90 days are presented separately from cash and cash equivalents.

**16. SHARE CAPITAL AND DIVIDENDS**

	<i>30 September 2023 Unaudited SR</i>	<i>31 December 2022 Unaudited SR</i>
Ordinary share of Saudi Riyals 10 each *	<b>816,000,000</b>	816,000,000

As at 30 September 2023, the authorised and paid up capital of the Group is divided into 81.6 million shares (31 December 2022: 81.6 million shares) of SR 10 each.

(\* ) It includes treasury shares acquired during the period ended 30 September 2023.

On 18 Ramadan 1444H (corresponding to 9 April 2023), the Board of Directors of the Company approved dividend amounting to SR 32.64 million (SR 0.4 per share). Dividend was paid in full during the nine month period ended 30 September 2023.

On 27 Muharram 1445H (corresponding to 24 August 2023), the Board of Directors of the Company approved dividend amounting to SR 32.64 million (SR 0.4 per share). Dividend was paid in full during the nine month period ended 30 September 2023.

**17. LONG-TERM LOANS**

	<i>30 September 2023 Unaudited SR</i>	<i>31 December 2022 Audited SR</i>
Long-term loans	<b>1,039,561,442</b>	773,751,505
Less: current portion	<b>(109,455,780)</b>	(87,791,382)
Non-current portion	<b>930,105,662</b>	685,960,123

**RSGT**

- a) On 3 December 2007, RSGT (a subsidiary of the Company) entered into an Ijara arrangement with two local commercial banks to obtain a loan of SR 1,271 million. The Ijara facility was secured against the property and equipment / port concession rights of RSGT. The loan was repayable in semi-annual installments ending in December 2023. The loan carried special commission rate of SIBOR plus an agreed margin (see note(c) below).
- b) On 28 September 2016, RSGT entered into an Ijara arrangement with two local commercial banks to obtain a loan of SR 260 million for expansion of its existing berths. This facility was secured against the property and equipment / port concession rights of RSGT. The loan was payable in semi-annual installments ending in December 2023. The loan carried special commission rate of SIBOR plus an agreed margin (see note(c) below).

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**17. LONG-TERM LOANS (continued)**

- c) During the year ended 31 December 2020, RSGT and the banks mutually agreed to amend the terms of the loan agreements above. These amendments, among others, included modification of the applicable rate from six months SIBOR to three months SIBOR, lowered the agreed margin, modified the repayment frequency from biannual to quarterly payment and extended the maturity period from year 2023 to 2030. The Ijara facilities are secured against property and equipment / port concession rights of RSGT. The modifications of the terms were assessed qualitatively and quantitatively in accordance with IFRS 9 “Financial Instruments” and, as a result, the management concluded that the changes in terms of agreement resulted in modification under the requirements of IFRS 9 “Financial Instruments”. Accordingly, the modifications resulted in a day one gain of SR 31.96 million recorded in the statement of profit or loss as at the effective date of the modification of the terms of the loans. Un-amortised balance of the modification gain as at 30 September 2023 is of SR 15.04 million which will be amortised over the remaining period of the Ijara facility, using effective interest rate.
- d) The unamortized portion of the advance rentals (loan arrangement fee) and other fees paid to the banks are amortized over the remaining period of the Ijara facility, using effective interest rate approach.
- e) During the year ended 31 December 2020, RSGT obtained a facility with sanctioned limit of SR 750 million towards its consolidation and expansion works. Out of which SR 465 million was drawn as of the date of the condensed consolidated interim statement of financial position. RSGT pays an agreed commitment fee on the undrawn balance and an agreed profit payable at SIBOR plus a margin on the drawn balance. The commitment fee paid has been deferred and amortised as part of effective interest rate. The loan will be repaid in quarterly instalments starting from 2024 and ending in 2033. The loan is secured against assets relating to the consolidation and expansion works.
- f) The current and non-current portion of the loans of RSGT as at the period end is as follows:

	<i>30 September 2023</i>	<i>31 December 2022</i>
	<i>Unaudited</i>	<i>Audited</i>
	<i>SR</i>	<i>SR</i>
Long-term loans	<b>971,863,946</b>	735,206,352
Less: current portion	<b>(105,682,986)</b>	(85,312,559)
Non-current portion	<b><u>866,180,960</u></b>	<b><u>649,893,793</u></b>

**Kindasa**

- g) During 2016, Kindasa entered into an agreement for a long-term facility with a local bank for SR 24 million to finance the construction of a new water desalination facility. The loan carries commission at commercial rates (SIBOR plus an agreed margin) and is repayable in quarterly instalments commencing one year after the first drawdown. The loan is secured by secondary mortgage over Kindasa's property and equipment. As at 30 September 2023, Kindasa has cumulatively drawn down SR 8.5 million out of total facility of SR 24 million. The loan is fully repaid during the current period.

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**17. LONG-TERM LOANS (continued)**

	<i>30 September</i> <i>2023</i> <i>Unaudited</i> <i>SR</i>	<i>31 December</i> <i>2022</i> <i>Audited</i> <i>SR</i>
Long-term loan	--	1,328,528
Less: current portion	--	(1,328,528)
	<hr/>	<hr/>
Non-current portion	--	--
	<hr/> <hr/>	<hr/> <hr/>

**Tusdeer**

- h) During the prior year, Tusdeer (a subsidiary of the Company) obtained a long-term loan facility with sanctioned limit of SR 290 million from a commercial bank towards the construction of new warehouse, out of which SR 69.3 million was drawn as of the date of the condensed consolidated statement of financial position. The loan carries commission at commercial rates (SIBOR plus an agreed margin) and is repayable in quarterly instalments commencing 9 months after the first drawdown.

	<i>30 September</i> <i>2023</i> <i>Unaudited</i> <i>SR</i>	<i>31 December</i> <i>2022</i> <i>Audited</i> <i>SR</i>
Long-term loan	<b>67,697,496</b>	37,216,625
Less: current portion	<b>(3,772,794)</b>	(1,150,295)
	<hr/>	<hr/>
Long-term portion	<b>63,924,702</b>	36,066,330
	<hr/> <hr/>	<hr/> <hr/>

- i) All the above loans carry certain financial covenants, which had been complied with as of the reporting date.
- j) All loans of the Group are denominated in Saudi Arabian Riyal.

**18. ZAKAT AND INCOME TAX**

***Parent Company***

The Parent Company has filed its Zakat returns up to year 2022 and assessments up to the year 2020 are finalized with the Zakat, Tax and Customs Authority (“ZATCA”) and the Parent Company has obtained the Zakat certificate valid until 30 April 2024.



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**18. ZAKAT AND INCOME TAX (continued)**

*Subsidiaries*

***Red Sea Gateway Terminal Company Limited and Red Sea Ports Development Company (“the Subsidiaries”)***

RSGT has finalized its Zakat and income tax assessments with ZATCA up to year 2013 and has filed its Zakat and income tax returns up to year 2022. Tax / Zakat assessment for the year 2014 is considered as finalized under statute of limitation. RSGT has received assessments for years 2016 through 2018 which has been accepted and settled by the Company, under protest. Up to the date of this condensed consolidated interim financial statements, ZATCA is yet to raise the assessment for the years from 2017 through 2022.

RSPD has filed its Zakat and income tax returns with ZATCA up to year 2022. RSPD has received an assessment for year 2018 which was accepted and paid under protest. Assessment for the years up to 2017 and prior years are considered as finalized under statute of limitation. Up to the date of this condensed consolidated interim financial statements, ZATCA is yet to raise assessments for the years 2017 and 2019 through 2022.

***Saudi Trade and Export Development Company Limited (“the Subsidiary”)***

The Subsidiary has finalized its Zakat assessments with ZATCA up to 2016 and has filed its Zakat returns up to 2022. Up to the date of these condensed consolidated interim financial statements, ZATCA is yet to raise the assessment for the years from 2017 to 2022.

***Support Services Operation Company Limited (“the Subsidiary”)***

The Subsidiary has finalized its Zakat assessments with ZATCA for the years from 2007 to 2008 and 2016 to 2018. During the three-month and nine-month periods ended, the Subsidiary received the final assessment for year 2020 with additional zakat liability of SR 2,243 which the company accepted and settled “under protest”. The Subsidiary has filed its Zakat returns up to 2022. ZATCA has not raised the assessment for the years from 2009 up to 2015 and is yet to raise the assessments for years 2019, 2021 and 2022.

***Kindasa Water Service Company (“the Subsidiary”)***

The Subsidiary has finalized its Zakat assessments with ZATCA up to 2022 and has filed its Zakat returns up to 2022 and obtained the Zakat certificate valid until 30 April 2024.

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**19. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent the shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties (“Affiliates”). Pricing policies and terms of these transactions are approved by the Board of Directors.

a) Significant related party transactions for the period ended 30 September are as follows:

Name	Relationship	Nature of transactions	Amount of transactions			
			Three-month period ended		Nine-month period ended	
			30 September 2023 Unaudited SR	30 September 2022 Unaudited SR	30 September 2023 Unaudited SR	30 September 2022 Unaudited SR
International Water Distribution Company Limited	Associate	Sales of goods and services	<b>17,386,691</b>	17,159,867	<b>51,645,957</b>	48,649,399
		Services rendered	--	189,750	--	569,250
		Expenses incurred on behalf of the Group	--	--	--	(30,323)
		Expenses incurred on behalf of the associate	--	5,504	<b>68,206</b>	89,194
Arabian Bulk Trade Limited	Affiliate	Sales of goods and services	--	--	--	13,824
Al Jabr Talke Company Limited	Associate	Services rendered	<b>34,500</b>	34,500	<b>451,657</b>	103,500
		Dividend received	--	3,445,458	<b>10,931,416</b>	7,233,300
		Expenses incurred on behalf of an Associate	--	25,730	<b>97,440</b>	372,926
Saudi Water and Environmental Services Company Limited	Associate	Sales of goods and services	--	5,047	--	14,308
Xenel Industries Limited	Shareholder	Payment made on behalf of the shareholder	<b>71,029</b>	132,007	<b>216,467</b>	338,274
		Expenses incurred on behalf of the Group	--	(44,885)	<b>(92)</b>	(138,914)
Al Karam Al Arabi Catering	Affiliate	Purchase of goods and services	--	(4,838,663)	<b>(14,668,303)</b>	(13,994,542)

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#### 19. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

##### b) *Due from related parties*

	<i>30 September 2023 Unaudited SR</i>	<i>31 December 2022 Audited SR</i>
International Water Distribution Company Limited	11,474,947	12,111,059
Xenel Industries Limited	415,716	199,342
Al Jabr Talke Company Limited	23,000	54,278
Arabian Bulk Trade Limited	1,150	1,150
	<u>11,914,813</u>	<u>12,365,829</u>

##### c) *Due to a related party*

	<i>30 September 2023 Unaudited SR</i>	<i>31 December 2022 Audited SR</i>
Al Karam Al Arabi Catering	1,453,000	--

##### d) Key management personnel remuneration and compensation comprised of the following:

	<i>Three-months period ended 30 September 2023 Unaudited SR</i>	<i>Three-months period ended 30 September 2022 Unaudited SR</i>	<i>Nine-months period ended 30 September 2023 Unaudited SR</i>	<i>Nine-months period ended 30 September 2022 Unaudited SR</i>
Short-term employee benefits	2,117,180	2,018,100	9,443,860	10,870,070
Post-employment benefits	44,533	116,159	478,521	429,708
	<u>2,161,713</u>	<u>2,134,259</u>	<u>9,922,381</u>	<u>11,299,778</u>

Short-term employee benefits of the Group's key management personnel include salaries and bonuses.

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#### 19. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- e) Board of Directors / Committee members remuneration and compensation comprised of the following:

	<i>Three-months period ended 30 September 2023 Unaudited SR</i>	<i>Three-months period ended 30 September 2022 Unaudited SR</i>	<i>Nine-months period ended 30 September 2023 Unaudited SR</i>	<i>Nine-months period ended 30 September 2022 Unaudited SR</i>
Meeting attendance fees	325,000	155,000	765,000	550,000
Other remuneration	1,350,000	2,208,000	3,553,000	4,505,000
	<u>1,675,000</u>	<u>2,363,000</u>	<u>4,318,000</u>	<u>5,055,000</u>

#### 20. COMMITMENTS AND CONTINGENCIES

As at 30 September 2023, the Group's bankers have issued letters of guarantee amounting to SR 128.9 million (31 December 2022: SR 149.5 million) against which cash margin of SR 12.9 million (31 December 2022: SR 5.9 million) was deposited.

As at 30 September 2023, the Group has commitments for capital work in progress amounting to SR 203.6 million (31 December 2022: SR 262.8 million) mainly relating to the logistic hub and park construction project, new desalination plant construction and consolidation and expansion work on the container terminal.

#### 21. BUSINESS SEGMENTS

The Group has the following main business segments:

- Port development and operations
- Water desalination and distribution
- Logistic parks and support services
- Corporate office: Consists of investment activities and head office functions.

These business segments are located within the Kingdom of Saudi Arabia and are the Group's strategic business units.

The Group's top management reviews internal management reports of each strategic business unit at least quarterly. Segment results that are reported to the top management 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 top management. The following table presents segment information (assets, liabilities, revenue and net income) for each of the business segments as at and for the three-month and nine-month periods ended 30 September:

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**21. BUSINESS SEGMENTS (continued)**

	Reportable Segments			Total	Unallocated	Total
	<i>Port development and operations</i>	<i>Logistic parks and support services</i>	<i>Water desalination and distribution</i>			
	-----SR 000'(Unaudited)-----					
<b>30 September 2023</b>						
<b>(Unaudited)</b>						
External revenues						
Point in time	624,803	38,097	69,988	732,888	--	732,888
Over the period of time	328,661	47,966	--	376,627	--	376,627
Total external revenues	953,464	86,063	69,988	1,109,515	--	1,109,515
Inter-segment revenue	--	(3,278)	(1,206)	(4,484)	--	(4,484)
<b>Segment revenue</b>	<b>953,464</b>	<b>82,785</b>	<b>68,782</b>	<b>1,105,031</b>	<b>--</b>	<b>1,105,031</b>
Direct costs	615,510	42,552	35,491	693,553	--	693,553
Inter-segment direct costs	(1,206)	--	--	(1,206)	--	(1,206)
<b>Segment cost</b>	<b>614,304</b>	<b>42,552</b>	<b>35,491</b>	<b>692,347</b>	<b>--</b>	<b>692,347</b>
<b>Segment gross profit</b>	<b>339,160</b>	<b>40,233</b>	<b>33,291</b>	<b>412,684</b>	<b>--</b>	<b>412,684</b>
Profit attributable to shareholders of the Parent	24,752	14,126	11,391	50,269	14,128	64,397
Segment assets	3,924,599	564,023	188,684	4,677,305	800,912	5,478,217
Segment liabilities	2,878,057	197,693	40,295	3,116,045	11,554	3,127,600

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**21. BUSINESS SEGMENTS (continued)**

	Reportable Segments			Total	Unallocated	Total
	<i>Port development and operations</i>	<i>Logistic parks and support services</i>	<i>Water desalination and distribution</i>			
	-----SR 000'(Unaudited)-----					
<b>30 September 2022</b>						
External revenues						
Point in time	489,040	34,218	65,497	588,755	--	588,755
Over the period of time	93,016	36,063	--	129,079	--	129,079
Total external revenues	<u>582,056</u>	<u>70,281</u>	<u>70,281</u>	<u>717,834</u>		<u>717,834</u>
Inter-segment revenue	--	--	(828)	(828)	--	(828)
Segment revenue	<u>582,056</u>	<u>70,281</u>	<u>69,453</u>	<u>717,006</u>		<u>717,006</u>
Direct costs	340,098	38,239	43,788	422,125	--	422,125
Inter-segment direct costs	(828)	--	--	(828)		(828)
Segment cost	<u>339,270</u>	<u>38,239</u>	<u>43,788</u>	<u>421,297</u>	--	<u>421,297</u>
Segment gross profit	<u>242,786</u>	<u>32,042</u>	<u>20,881</u>	<u>295,709</u>	--	<u>295,709</u>
Profit attributable to shareholders of the Parent	1,378	11,350	3,499	16,227	2,063	18,290
Segment assets	3,458,511	477,209	190,203	4,125,923	739,570	4,865,493
Segment liabilities	<u>2,454,891</u>	<u>115,836</u>	<u>44,189</u>	<u>2,614,916</u>	<u>20,886</u>	<u>2,635,802</u>

**22. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL 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 takes place either:

- In the accessible principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability
- Fair value information of the Group's financial instruments is analysed below:

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#### 22. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in inactive markets for similar assets and liabilities or valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

Group's Level 3 financial assets comprise investment in unquoted investee company.

There were no transfers between level 1 and level 3 during the nine-month period ended 30 September 2023 (31 December 2022: nil). There were no financial assets or financial liabilities classified under level 2.

There were no changes in valuation techniques during the period.

As at 30 September 2023, the financial assets of the Group comprised of trade receivables and other receivables, due from related parties, cash and cash equivalents which are recorded at amortised cost and investment in equity securities which is recorded at fair value and the Group's financial liabilities include loans and bank facilities, obligation under service concession agreement, trade payables and other liabilities and derivative financial instruments.

The carrying amount of the financial instruments at amortized cost approximates their fair value. The Group's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

#### 23. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised to issue by the Board of Directors on 2 November 2023, corresponding to 18 Rabi' II 1445H.