

Shareholders' Circular Addressed to United International Transportation Co.

Prepared by the United International Transportation Co. ("Budget Saudi" or the "Issuer") and addressed to its shareholders in accordance with the requirements of Article (75) of the Rules on the Offer of Securities and Continuing Obligations regarding the capital increase of the United International Transportation Co. for the purpose of the acquisition of all shares of Al-Jazira Equipment Company by Aljozoor Alrasekha Transportation Company Ltd. which is a subsidiary of and wholly owned by the United International Transportation Co. ("Acquisition Transaction")

The Shareholders Circular has been prepared by the Issuer (hereinafter referred to as the "Circular" or "Shareholders Circular") in accordance with the requirements of Article (75) of the Rules on the Offer of Securities and Continuing Obligations to increase the capital of the United International Transportation Co. from seven hundred and eleven million six hundred and sixty-six thousand six hundred and eighty (711,666,680) Saudi riyals to seven hundred and eighty-one million six hundred and sixty-six thousand (781,666,680) Saudi riyals and to increase the number of its shares from seventy-eight million one hundred and sixty-six thousand six hundred and sixty-eight (78,166,668) ordinary shares to seventy-eight million one hundred and sixty-six thousand six hundred and sixty-eight (78,166,668) ordinary shares, which represents an increase of (9.84%) of the current capital of Budget Saudi.

The purpose of the capital increase is to acquire all shares in the capital of Al-Jazira Equipment Company, a One Person Company "OPC", amounting to three hundred thousand (300,000) cash shares, the nominal value of each share is one thousand (1,000) Saudi riyals (the "Target Shares") in exchange for the issuance by Budget Saudi of seven million (7,000,000) new ordinary shares in Budget Saudi with a nominal value of ten (10) Saudi riyals per share (hereinafter referred to as "New Shares" or "Consideration Shares") for each of the Saudi Economic and Development Holding Company (hereinafter referred to as "SEDCO" or the "Selling Shareholder") of three million nine hundred and eighty thousand three hundred and thirty-three (3,908,333) new shares, and the First Development Investment Company ("Development Company"), which is wholly owned by SEDCO with three million and ninety-one thousand six hundred and sixty-seven (3,091,667) new shares.

Al-Jazira Equipment Company, a One Person Company "OPC", is a Saudi limited liability company. Its headquarters located in the city of Al-Khobar, Kingdom of Saudi Arabia. It is registered under Commercial Registration No. 2051005734 dated 12/03/1400H (corresponding to 30/01/1980G) and its current capital amounts to three hundred million (300,000,000) Saudi riyals, divided into three hundred thousand (300,000) cash shares, the nominal value of each share is one thousand (1,000) Saudi riyals (hereinafter referred to as "AutoWorld" or "Al-Jazira Equipment Company"), which is wholly owned by SEDCO, a closed joint stock company, with its headquarters located in the city of Jeddah and registered under Commercial Registration No. 4030010885 dated 01/01/1397H (corresponding to 22/12/1976G). Its current capital amounts to three hundred million (300,000,000) Saudi riyals, divided into thirty million (30,000,000) ordinary shares and the nominal value of each is ten (10) Saudi riyals per share, fully paid.

Aljozoor Alrasekha Transportation Company Ltd., a One Person Company "OPC", is a Saudi limited liability company, with its headquarters in Jeddah, registered under Commercial Registration No. 4030228349 dated 22/06/1433H (corresponding to 13/05/2012G), and its current capital is one hundred million (100,000,000) Saudi riyals, divided into one million (1,000,000) cash and one kind shares and the value of each share is one hundred (100) Saudi riyals (hereinafter referred to as "Aljozoor Alrasekha" or "Budget Saudi Subsidiary"), which is wholly owned by Budget Saudi.

Budget Saudi is a Saudi joint stock company with its headquarters located in Jeddah, Saudi Arabia, and registered under Commercial Registration No. 4030017038. The current capital of Budget Saudi is seven hundred and eleven million, six hundred and sixty-six thousand, six hundred and eighty (711,666,680) Saudi riyals, divided into seventy-one million, one hundred and sixty-six thousand, six hundred and sixty-eight (71,166,668) ordinary shares, with a nominal value of ten (10) Saudi riyals per share.

Budget Saudi has concluded a purchase agreement with SEDCO on 08/06/1445H (corresponding to 21/12/2023G) (hereinafter referred to as the "Purchase Agreement") under which all shares in the capital of Al-Jazira Equipment Company will be transferred to Aljozoor Alrasekha in exchange for Budget Saudi issuing the consideration shares in compliance with the conditions mentioned in the Purchase Agreement which is summarized in Section No. (6) "Legal Information" of this Circular.

Budget Saudi confirms that this Acquisition Transaction does not involve the presence of any directly or indirectly related parties. None of the members of the Board of Directors of Budget Saudi has a direct or indirect interest in the Acquisition Transaction and the members of the Board of Directors and senior executives of the subsidiaries of Budget Saudi do not have a direct interest in the Acquisition Transaction. Clarification is set forth in Section No. (4.8) "Details of the Related Parties who have a Direct and Indirect Interest in the Acquisition Transaction" of this Circular. Completion of the acquisition of all the targeted shares in Al-Jazira Equipment Company by Budget Saudi Subsidiary and the issuance of the new shares by Budget Saudi (hereinafter referred to as "the completion of the Acquisition Transaction" or "completion") depends on the approval of the Extraordinary General Assembly of Budget Saudi on the Acquisition Transaction and obtaining the necessary approvals from the relevant authorities (please refer to Section (1) "Definitions and Abbreviations" of this Circular).

An invitation to convene the Extraordinary General Assembly of Budget Saudi to vote on the capital increase for the purpose of the Acquisition Transaction was published on 26/11/1445H (corresponding to 03/06/2024G). The shareholders must know that if the shareholders' approval of the Acquisition Transaction is not obtained to complete the Acquisition Transaction, the issuance of the new shares will not take place and the Acquisition Transaction will stop, and then this circular will be considered null and void and in such a case, the shareholders will be notified of the same. The number of shares approving the Acquisition Transaction shall represent at least three-quarters of the shares represented at the Extraordinary General Assembly Meeting.

In the event that the Extraordinary General Assembly approves the Acquisition Transaction, Budget Saudi will issue the new shares in favor of each of SEDCO with three million nine hundred and eighty thousand three hundred and thirty-three (3,908,333) new shares, and Development Company with three million ninety-one thousand six hundred and sixty-seven (3,091,667) new shares. SEDCO and Development Company will not receive any cash consideration as a result of the acquisition.

SEDCO and Development Company do not have any direct or indirect ownership in Budget Saudi prior to the capital increase. The direct ownership of SEDCO will be 5.00% of the capital of Budget Saudi. The direct ownership of Budget Saudi will be 3.96% of the capital of Budget Saudi after the capital increase. The direct and indirect ownership of SEDCO will be 8.96% of the capital of Budget Saudi after the capital increase. Ownership of the current shareholders of Budget Saudi will collectively amount to 91.04% of the capital of Budget Saudi after the capital increase (the shareholders own 100% of Budget Saudi's capital prior to the capital increase).

The new shares subject of the application shall have all rights to the shares currently issued, including voting rights, rights to a dividend, rights to surplus assets upon liquidation, dissolution or otherwise as well as other rights. SEDCO and Development Company as owners of the new shares will have the right to receive the dividends that Budget Saudi announces after the completion of the acquisition.

As a result, the percentage of ownership of all shareholders will decrease. For more information on the effects of the capital increase on the ownership structure of Budget Saudi, please refer to Section No. (2.4) "Risk Related to Change in Ownership of Existing Shareholders and Associated Decrease in Voting Power" of Section No. (2) "Risk Factors" of this Circular, and for more details on the terms of the Acquisition Transaction and the procedures necessary to complete it, (please refer to Section No. (6) "Legal Information" of this Circular).

All shares in Budget Saudi are of one class and no shareholder is given preferential rights, and the new shares will be issued of the same class as the shares of Budget Saudi currently listed and of the same rights.

The total nominal value of the new shares is seventy million (70,000,000) Saudi riyals. The total market value of the new shares, based on the number of new shares and on the evaluation of the share price of Budget Saudi for the purpose of the Acquisition Transaction, which is sixty-five (65.00) Saudi riyals approximately per share, amounts to four hundred and fifty-five million (455,000,000) Saudi riyals. It is worth mentioning that based on the closing price of Budget Saudi's share, which is seventy-seven riyals and thirty halalas (77.30) Saudi riyals on the last trading day preceding the date of the announcement of the signing of the Purchase Agreement, that is, on 08/06/1445H (corresponding to 21/12/2023G), the market value of the new shares amounted to five hundred and forty-one million and one hundred thousand (541,000,000) Saudi riyals. Based on the closing price of Budget Saudi's share, amounting to seventy-five riyals and seventy halalas (75.70) Saudi riyals on the last trading day preceding the date of publication of this Circular on 26/11/1445H (corresponding to 03/06/2024G), the market value of the new shares amounted to five hundred twenty-nine million and nine hundred thousand (529,900,000) Saudi riyals. It is worth mentioning that the market value of the new shares will be determined at a later date. It will also be reflected in the financial statements of Budget Saudi based on the closing price of Budget Saudi's share price on the last trading day preceding the completion of the Acquisition Transaction.

The number of new shares was determined based on the evaluation of all shares of Al-Jazira Equipment Company at an amount of four hundred and fifty-five million (455,000,000) Saudi riyals and an evaluation of the share price of Budget Saudi for the purpose of the Acquisition Transaction at a value of sixty-five (65.00) Saudi riyals per share. The following table shows the details of ownership in Budget Saudi pre-acquisition and post-acquisition transaction as of 25/09/1445H (corresponding to 04/04/2024G):

Shareholder	Pre-Acquisition			Post-Acquisition			
	Number of Shares	Direct Ownership (%)	Total Ownership (%) (Direct and Indirect)	Number of Shares Directly Owned	Direct Ownership (%)	Indirect Ownership (%)	Total Ownership (%) (Direct and Indirect)
Members of the Board of Directors and Senior Executives of Budget Saudi	56,056	0.08%	0.08%	56,056	0.07%	None	0.07%
Shares owned by major non-public shareholders (Osool & Bakheet Fund – Mobility)	4,297,149	6.03%	6.03%	4,297,149	5.49%	None	5.49%
SEDCO		None		3,908,333	5.00%	3.96%	8.96%
Development Company		None		3,091,667	3.96%	None	3.96%
The Public	66,813,463	93.89%	N/A	66,813,463	85.48%		N/A
Total	71,166,688	100.00%	N/A	78,166,668	100.00%		N/A

Source: Budget Saudi

* Indirect ownership includes 100% ownership of SEDCO-owned Development Company, because it owns (3,091,667) shares in Budget Saudi post-acquisition.

Al-Jazira Equipment Company, a One Person Company "OPC", is a Saudi limited liability company. Its headquarters are located in the city of Al-Khobar, Kingdom of Saudi Arabia. It is registered under Commercial Registration No. 2051005734 dated 12/03/1400H (corresponding to 30/01/1980G) and its current capital amounts to three hundred million (300,000,000) Saudi riyals, divided into three hundred thousand (300,000) cash shares of equal value and the value of each share is one thousand (1,000) Saudi riyals. Owner of the capital of Al-Jazira Equipment Company is:

Name	Number of Shares	Share Value	Total Share Value
Saudi Economic and Development Company (SEDCO)	300,000	1,000	300,000,000
Total	300,000	1,000	300,000,000

Source: Al-Jazira Equipment Company

Budget Saudi submitted an application to the Capital Market Authority (hereinafter referred to as "the Authority") to register and offer the new shares issued in favor of the Selling Shareholder and the Development Company. It also submitted an application for listing to Saudi Exchange (hereinafter referred to as "the Capital Market" or "Tadawul") to list the new shares issued in favor of the Selling Shareholder and the Development Company in the Capital Market. All the requirements of the Authority were met pursuant to the provisions of the Rules on the Offer of Securities and Continuing Obligations of the Budget Saudi. After obtaining the non-objection of the General Authority for Competition to the economic concentration resulting from the acquisition of Al-Jazira Equipment Company by Budget Saudi through its subsidiary, Aljozoor Alrasekha, including the issuance of shares in Budget Saudi to SEDCO and the Development Company in addition to the Authority's approval of the application for capital increase as well as the approval of the Capital Market for listing the new shares and publishing the Shareholders' Circular on 27/11/1445H (corresponding to 04/06/2024G). All regulatory approvals related to the Acquisition Transaction and the increase in the capital of Budget Saudi will have been obtained in accordance with this Circular, taking into account the issuance of the necessary approvals for the Acquisition Transaction by the Extraordinary General Assembly of Budget Saudi.

Having carefully studied the terms and conditions of the Acquisition Transaction, the members of the Board of Directors of Budget Saudi have agreed to conclude the Purchase Agreement. The Purchase Agreement was signed on 08/06/1445H (corresponding to 21/12/2023G). The members of the Board of Directors of Budget Saudi believe that the Acquisition Transaction is fair and reasonable, after exercising due diligence as they deem appropriate in light of the current circumstances, and after taking into account the market situation at the date of publication of this Circular, the future growth opportunities of Budget Saudi and the expected benefits of the Acquisition Transaction, as set out in (Section No. (4.5) "Motives and Implications of Acquisition Transaction for Budget Saudi Company") of this Circular.

The members of the Board of Directors of Budget Saudi confirm that the Acquisition Transaction is in the interest of Budget Saudi and the shareholders, having considered the prevailing market situation at the time of the publication of this Circular, in addition to the future growth prospects of Budget Saudi. Therefore, they unanimously recommend the shareholders of Budget Saudi to vote in the Extraordinary General Assembly of Budget Saudi to approve the Acquisition Transaction. In making this recommendation, the members of the Board of Directors of Budget Saudi have taken into account the external advice they have received on legal, financial, accounting and other matters related to the Acquisition Transaction within the due professional diligence.

It should be noted that the members of the Board of Directors of Budget Saudi did not take into account the individual investment objectives, financial situation, Zakat status or the specific circumstances of each shareholder. Due to the different circumstances, situations and objectives of each of them, the members of the Board of Directors emphasize the need for the shareholders of Budget Saudi to read and carefully study all the information contained in this Circular before voting on the capital increase for the purpose of the Acquisition Transaction, especially the section (Important Notice) on page (1) and Section No. (2) "Risk Factors" of this Circular. In the event of any doubt regarding the vote on the decisions to be taken at the Extraordinary General Assembly on the Acquisition Transaction, we recommend to take independent financial advice from any independent financial advisor licensed by the Authority and to rely on its own review of the Acquisition Transaction to ensure the appropriateness of the Acquisition Transaction and the information contained herein for its investment objectives and financial conditions.

Budget Saudi has appointed EFG Hermes KSA as financial advisor in relation to the Acquisition Transaction.

This Shareholders Circular contains information submitted as part of the application for registration and offering of securities in accordance with the requirements of OSCO Rules issued by the Capital Market Authority of the Kingdom of Saudi Arabia (referred to as "the Authority") and the application to list securities in accordance with the requirements of the listing rules of the Saudi Exchange. The members of the Board of Directors of Budget Saudi whose names appear in this Circular, jointly and individually, accept full responsibility for the accuracy of the information contained in this Circular, and confirm having made all reasonable inquiries, that to the best of their knowledge and belief there are no other facts whose omission would make any statements herein misleading. The CMA and Saudi Exchange do not take any responsibility for the content of this Circular, do not make any representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Circular.

The Circular has been prepared in Arabic and English and Arabic is the approved language. Therefore, in the event of a difference between the Arabic and English texts, the Arabic text shall prevail.

This Circular was issued on 05/11/1445H (corresponding to 13/05/2024G).

Financial Advisor



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Important Notice

This circular was prepared by Budget Saudi in accordance with the requirements of Article (75) of OSCO Rules regarding the increase of the capital of Budget Saudi for the purpose of the acquisition of all the shares of Al-Jazira Equipment Company by Aljozoor Alrasekha, which is a subsidiary of and wholly owned by Budget Saudi, in order to provide the necessary information to the shareholders of Budget Saudi about the Acquisition Transaction so that the shareholders may make a decision based on knowledge and awareness when voting on the decisions of the Acquisition Transaction at the Extraordinary General Assembly of Budget Saudi for the Acquisition Transaction. Obtaining the approval of the shareholders of Budget Saudi during the Extraordinary General Assembly held to vote on the Acquisition Transaction is one of the conditions for completing the Acquisition Transaction. The vote of the shareholders of Budget Saudi on the decisions of the Extraordinary General Assembly for the Acquisition Transaction will be considered based on the information contained in this Circular. Copies of this Circular may be obtained from the headquarters of Budget Saudi or by visiting the website of Budget Saudi (www.budgetsaudi.com), the website of the Financial Advisor (www.efghermesksa.com) or the website of the Capital Market Authority (www.cma.org.sa).

The CMA and Saudi Exchange do not take any responsibility for the content of this Circular, do not make any representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Circular.

The information, data and statements contained in this Circular have been provided as at the date of publication of this Circular (unless otherwise stated), and therefore the information contained in this Circular is subject to change after the date of its issuance and publication. This Circular does not contain any text that can be considered a forecast, planning or estimate of the current or future financial performance of Budget Saudi. Nor shall any statements in this circular be construed to mean that earnings per share in the current or future financial periods will necessarily be in line with or exceed those published in Budget Saudi's previous financial statements. The information contained in this Circular reflects the view of the Board of Directors of Budget Saudi on the expected benefits and effects of the Acquisition Transaction at the date of publication of this Circular. However, it is not a guarantee of the financial performance of Budget Saudi after the completion of the Acquisition Transaction. It should be clarified that there are multiple factors and aspects that may affect the performance of Budget Saudi or the results it may achieve, whether positively or negatively (for more details on these risks, please refer to Section No. (2) "**Risk Factors**" of this Circular).

In accordance with the requirements of OSCO Rules, Budget Saudi will publish a supplementary Shareholders Circular at any time after the date of publication of this Circular and before the Extraordinary General Assembly of Budget Saudi for the Acquisition Transaction is held in the event that Budget Saudi becomes aware of a significant change in material matters contained in this Circular or the emergence of any important matters that should have been included herein.

Budget Saudi has not authorized anyone to provide any information, statements, or make any statements or clarifications on behalf of the Board of Directors of Budget Saudi except as disclosed in this Circular. Therefore, no information or statements issued by any other party should be relied upon on the basis that they are issued by Budget Saudi, the Financial Advisor or any of Budget Saudi's advisors in connection with the Acquisition Transaction.

Budget Saudi has appointed EFG Hermes KSA as financial advisor in relation to the Acquisition Transaction. EFG Hermes KSA is subject to the applicable laws and regulations in force in the Kingdom of Saudi Arabia and is licensed by the Capital Market Authority to do so, and acts as an exclusive financial advisor to Budget Saudi in this Acquisition Transaction and does not work for any other party in this Acquisition Transaction. It should be noted that neither EFG Hermes KSA nor any of Budget Saudi's advisors has independently verified the validity and accuracy of the information and data contained in this Circular. Therefore EFG Hermes KSA or any of its subsidiaries or any of Budget Saudi's advisors do not bear any responsibility that may result from the incorrectness, inaccuracy or incompleteness of any of the data or information contained in this Circular.

Forecasts and Forward-Looking Statements

This circular contains some forecasts and forward-looking statements related to Budget Saudi. Forecasts and forward-looking statements are not based on historical or current facts. These future statements can be inferred through the use of future vocabulary and phrases, including but not limited to words such as “**expects**”, “**aims**”, “**estimates**”, “**intends**”, “**plans**”, “**will**”, “**targets**”, “**believes**”, “**seeks**”, “**may**”, “**will be**”, “**can**”, “**shall**”, or any similar phrases that carry references to the future that represent forward-looking statements, or negative formulas for these or other vocabulary that are comparable or similar in meaning. Forward-looking statements in this Circular involve risks and uncertainties that may result in actual results being materially different from forecasts and forward-looking statements. Many of these risks and uncertainties relate to factors and conditions beyond Budget Saudi’s control or its ability to make accurate estimates such as future market conditions and the behavior of other market participants. Forward-looking statements contained in this Circular include, but not limited to (i) initial estimates of the expected benefits of the acquisition, future projections of expenditures, expenses, revenues, financial performance, financial conditions, dividends policy and loss and other future events, (ii) strategies for the business, management, expansion and growth of Budget Saudi’s business after the completion of the acquisition, and (iii) milestones and procedures related to the acquisition and the dates on which these events are expected to occur. It cannot be affirmed or confirmed that any of the objectives or expectations referred to in this Circular can be achieved, and it is not permissible to rely entirely on the forecasts and forward-looking statements built into this Circular, and none of the advisors named on pages (v) and (vi) of this Circular or any of their directors, employees or consultants working for them shall bear any liability resulting from any direct or indirect loss or damage that may be incurred by any person due to his reliance on any data or due to the omission of any information that is not included in this Circular. Neither of the above intends to update these forecasts and forward-looking statements indicated in this Circular except as required by law.

All forward-looking statements issued by Budget Saudi or by any of the advisors named on pages (v) and (vi) who act for Budget Saudi in this Acquisition Transaction in an advisory capacity, whether written or oral, are in their entirety restricted to the Important Notice contained in this Circular.

Market and Industry Data

The data and information contained in Section No. (3) (“**Market and Industry Data**”) related to the Car Rentals and Vehicles Lease Sector in the Kingdom of Saudi Arabia and other market-related data in this Circular have been obtained from the market study report prepared by Euromonitor International (“**Market Consultant**”), and it is believed that the estimates and analysis of this source are reliable, but Budget Saudi, the financial advisor or any of the advisors of Budget Saudi (whose names are indicated on pages (v) and (vi)) have not been independently verified them and, therefore, there is no guarantee of its accuracy or completion. It should be noted that neither the Market Consultant nor any of its subsidiaries, sister companies, partners, shareholders, members of its board of directors, directors or any of their relatives owns any shares or interest of any kind in Budget Saudi, Al-Jazira Equipment Company or any of their subsidiaries. The Market Consultant has given its written consent to the use of its name, market information and the statements it provided within this Circular in Section No. (3) (“**Market and Industry Data**”) are as received and the approval has not been withdrawn until the date of issuance of this Circular.

Restrictions related to the publication and distribution of this Circular

This Circular is addressed to the shareholders of Budget Saudi and may not be published or distributed in any jurisdiction other than the Kingdom of Saudi Arabia or any other jurisdiction where this Circular is considered contrary to its laws. Budget Saudi shall take no action to permit the issuance of the New Shares in a jurisdiction other than the Kingdom of Saudi Arabia. Budget Saudi shareholders residing in a jurisdiction other than the Kingdom of Saudi Arabia shall attend the Extraordinary General Meeting of Budget Saudi for the Acquisition Transaction in the Kingdom of Saudi Arabia or vote remotely, or appoint a proxy to attend the Extraordinary General Meeting and vote on their behalf on the Acquisition Transaction.

Presentation of the annual financial statements and other information

The financial statements of Al-Jazira Equipment Company Limited for the financial years ended 31 December 2020G, 31 December 2021G and 31 December 2022G have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Certified Public Accountants (SCOPA) (collectively referred to as “IFRS adopted in the Kingdom of Saudi Arabia”). The unaudited financial statements of Al-Jazira Equipment Company Limited for the nine-month period ended 30 September 2023G have been prepared in accordance with International Accounting Standard (IAS) No. (34) “Initial Financial Report” adopted in the Kingdom of Saudi Arabia. The financial statements contained in this Circular are based on the estimates of Budget Saudi management and have not been independently audited by accountants or others except as expressly stated otherwise. Except as otherwise stated in this Circular, all financial statements contained in this Circular are in Saudi riyals.

This Circular has been prepared in accordance with the laws and regulations in force in the Kingdom of Saudi Arabia. Accordingly, the information and data disclosed in this circular may differ from the information or data disclosed under a circular prepared in accordance with the laws and regulations of any other country. Budget Saudi does not intend to take any action to publish this Circular or register the shares proposed to be issued in any country other than the Kingdom. The Acquisition Transaction relates to securities of Saudi joint stock companies listed on the Capital Market. Accordingly, this Circular and any other documents or announcements related to the Acquisition Transaction have been or will be prepared in accordance with the disclosure requirements in the Kingdom of Saudi Arabia only with regard to the content or form of these disclosures, which may differ from those in force in another country.

No person shall interpret or consider the contents of this Circular as legal, financial or tax advice, but everyone who reads this Circular shall consult his own advisor regarding its contents.

The contents of the Budget Saudi website, or the contents of any other website in which this circular is published, do not form part of or supplement the Circular, and none of Budget Saudi's advisors assumes any responsibility for the contents of these websites.

Corporate Directory

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Note: All the advisers and the legal accountant mentioned above have submitted their written approvals to include their names, addresses, logos and statements in the form and content contained in this Circular, and none of them has withdrawn this approval until the date of this Circular. They also do not have any shares or interest of any kind in Budget Saudi as of the date of this Circular.

Summary of Acquisition Transaction Details

The summary of the Acquisition Transaction details is intended to provide a brief background to the shareholders of Budget Saudi on the Acquisition Transaction and on the information contained in this Circular. Therefore, this summary does not contain all the information that may be important to the shareholders so that they can vote on the capital increase for the purpose of acquiring Al-Jazira Equipment Company. Therefore, this summary must be read as an introduction to this Circular. The shareholders should read and review this Circular and the data contained herein carefully and review it in full. Any decision related to voting by the shareholders in the Extraordinary General Assembly to approve or disapprove the capital increase for the purpose of acquiring Al-Jazira Equipment Company shall be made after reading and reviewing this Circular in full. In particular, it is necessary to take into account what is stated in (“**Important Notice**”) on page (i) and Section No. (2) (“**Risk Factors**”) of this Circular carefully before taking a decision to vote in the Extraordinary General Assembly of Budget Saudi. Below is a summary of the Acquisition Transaction details:

Name of the Issuer, its description and information about its establishment	<p>United International Transportation Co. is a Saudi joint stock company established by virtue of Ministerial Resolution No. (20/S) dated 25/01/1428H (corresponding to 13/02/2007G) and registered in the Commercial Register No. 4030017038 dated 16/01/1399H (corresponding to 16/12/1978G), issued by the city of Jeddah. Its shares were listed on 01/09/2007G and its head office is located in Jeddah. The current capital of United International Transportation Co. is seven hundred and eleven million, six hundred and sixty-six thousand, six hundred and eighty (711,666,680) Saudi riyals, divided into seventy-one million, one hundred and sixty-six thousand, six hundred and sixty-eight (71,166,668) ordinary shares, with a nominal value of ten (10) Saudi riyals per share.</p>
Saudi Budget was established in accordance with its Bylaws and Commercial Registration	<p>The Company carries out and implements the following purposes as per its Bylaws:</p> <ul style="list-style-type: none"> - Importing cars and their spare parts with the intention of trading in them by selling, buying, and renting them in any way to individuals, companies, or government or private entities. - Commercial representation of national and foreign companies in accordance with the Commercial Agencies Law. - Operation and maintenance and the Company may carry out maintenance work in accordance with or conducive to achieving its stated purposes within the limits of the Laws. - Information Technology. - Retail and wholesale trade for the sale of new and used cars and others. - Import, export and marketing services to others. - Trade. - Money, business and other services. - Transportation, Storage and Refrigeration. - Building and Construction. - Various real estate investment activities such as buying land and constructing buildings on it etc. - Transportation and catering services such as passenger transportation, loading, unloading and good transportation. - Wholesale and retail sale of electric vehicle chargers. - Operation of electric vehicle charging stations. - Wholesale and retail sale of used private cars, including (ambulances, minibuses and four-wheel vehicles). - Wholesale and retail sale of used heavy transport vehicles, including (Trailers and Half Lorries). - Wholesale and retail sale of used cars and camps, including (caravans). - Car auctions (car forestry). - Repair of car machinery. - Car gear repair. - Car electricity repair. - Repair of car electronics. - Repair of car air conditioners. - Repair of car mechanics and electricity. - Repair of car mechanics, electricity, plumbing and car paint. - Activities of car service and maintenance centers. - Activities of car parts turning. - Car blacksmithing workshops. - Car workshops and plumbing, including rust treatment. - Rental of motor vehicles. - Rental of passenger cars without a driver. - Rental of driverless trucks. - Rental of buses without a driver. - Car rental brokers. - Car rental broker electronically. - Car rental electronically.

	<p>The Company carries out and implements the following purposes as per its Commercial Registration:</p> <ul style="list-style-type: none"> - Wholesale and retail sale of used private cars, including ambulances, minibuses and four-wheel vehicles. - Wholesale and retail sale of used private cars, including ambulances, minibuses and four-wheel vehicles. - Rental of buses with a driver. - Car Rental with a driver. - Road transport of goods. - Light transport. - Rental of passenger cars without a driver. - Rental of buses without a driver. 																																			
<p>Major shareholders in Budget Saudi, the number of their shares and their direct and indirect ownership ratios before and after the completion of the Acquisition Transaction</p>	<p>The following table shows the ownership structure of the major shareholders of Budget Saudi before and after the completion of the Acquisition Transaction, as of (25/09/1445H) corresponding to (04/04/2024G):</p> <table border="1"> <thead> <tr> <th rowspan="2">Major Shareholder</th> <th colspan="4">Ownership Percentage Pre-Acquisition</th> <th colspan="4">Ownership Percentage Post-Acquisition</th> </tr> <tr> <th>Number of Shares (Directly Owned)</th> <th>Direct Ownership (%)</th> <th>Indirect Ownership (%)</th> <th>Total Ownership (%) (Direct and Indirect)</th> <th>Number of Shares (Directly Owned)</th> <th>Direct Ownership (%)</th> <th>Indirect Ownership (%)</th> <th>Total Ownership (%) (Direct and Indirect)</th> </tr> </thead> <tbody> <tr> <td>Osool & Bakheet Fund – Mobility</td> <td>4,297,149</td> <td>6.03%</td> <td>None</td> <td>6.03%</td> <td>4,297,149</td> <td>5.49%</td> <td>None</td> <td>5.49%</td> </tr> <tr> <td>SEDCO</td> <td></td> <td></td> <td>None</td> <td></td> <td>3,908,333</td> <td>5.00%</td> <td>3.96%</td> <td>8.96%</td> </tr> </tbody> </table> <p>Source: Budget Saudi</p>	Major Shareholder	Ownership Percentage Pre-Acquisition				Ownership Percentage Post-Acquisition				Number of Shares (Directly Owned)	Direct Ownership (%)	Indirect Ownership (%)	Total Ownership (%) (Direct and Indirect)	Number of Shares (Directly Owned)	Direct Ownership (%)	Indirect Ownership (%)	Total Ownership (%) (Direct and Indirect)	Osool & Bakheet Fund – Mobility	4,297,149	6.03%	None	6.03%	4,297,149	5.49%	None	5.49%	SEDCO			None		3,908,333	5.00%	3.96%	8.96%
Major Shareholder	Ownership Percentage Pre-Acquisition				Ownership Percentage Post-Acquisition																															
	Number of Shares (Directly Owned)	Direct Ownership (%)	Indirect Ownership (%)	Total Ownership (%) (Direct and Indirect)	Number of Shares (Directly Owned)	Direct Ownership (%)	Indirect Ownership (%)	Total Ownership (%) (Direct and Indirect)																												
Osool & Bakheet Fund – Mobility	4,297,149	6.03%	None	6.03%	4,297,149	5.49%	None	5.49%																												
SEDCO			None		3,908,333	5.00%	3.96%	8.96%																												
Current Issuer Capital	Seven hundred and eleven million six hundred and sixty-six thousand six hundred and eighty (711,666,680) Saudi riyals.																																			
Total Number of Current Issued Shares	Seventy One Million One Hundred Sixty Six Thousand Six Hundred Sixty Eight (71,166,668) shares fully paid.																																			
Nominal value per share of the issuer's shares	Ten (10) riyals per share.																																			
Number of new shares to be issued to the selling partner	Seven million (7,000,000) ordinary shares paid in full.																																			
Percentage of new shares of the Issuer capital	The new shares represent (9.84%) of the current capital of Budget Saudi as of the date of this Circular. The new shares represent (8.96%) of the capital of Budget Saudi after the capital increase.																																			
Issue price of new shares	The nominal value of the new shares is ten (10) Saudi riyals per share. The issue price of the new shares (as will be reflected in Budget Saudi's financial statements) will be determined at a later date based on the closing price of Budget Saudi's share on the last trading day preceding the closing date of the Acquisition Transaction.																																			
Total value of the issuance of the new shares	The total nominal value of the new shares is seventy million (70,000,000) Saudi riyals. The total value of the new shares based on the number of new shares and on the evaluation of the share price of Budget Saudi for the purpose of the Acquisition Transaction, amounting to sixty-five (65.00) Saudi riyals, an amount of four hundred and fifty-five million (455,000,000) Saudi riyals, and the value of the actual Acquisition Transaction will be determined after the capital increase based on the closing price on the last trading day preceding the date of completion of the Acquisition Transaction																																			
Description and structure of the Acquisition Transaction	<p>The Acquisition Transaction will be executed under the Purchase Agreement and after the approval of the shareholders of Budget Saudi of the Acquisition Transaction at the Extraordinary General Assembly of Budget Saudi, under which Aljozoor Alrasekha, subsidiary of and wholly owned by Budget Saudi, will acquire all the shares of Al-Jazira Equipment Company and all the shares in the capital of Al-Jazira Equipment Company will transfer to Aljozoor Alrasekha in exchange for the issuance by Budget Saudi of seven million (7,000,000) new shares in Budget Saudi with a nominal value of ten (10) Saudi riyals per share in favor of each of SEDCO by three million, nine hundred and eight thousand, three hundred and thirty-three (3,908,333) new shares, and the Development Company, subsidiary of and wholly owned by SEDCO, by three million, ninety-one thousand, six hundred and sixty-seven (3,091,667) new shares, by increasing the capital of Budget Saudi from seven hundred and eleven million, six hundred and sixty-six thousand, six hundred and eighty (711,666,680) Saudi riyals to seven hundred and eighty-one million, six hundred and sixty-six thousand, six hundred and eighty (781,666,680) Saudi riyals, with a nominal value of ten (10) Saudi riyals per share, which represents an increase of Budget Saudi shares from seventy-one million, one hundred and sixty-six thousand, six hundred and sixty-eight (71,166,668) shares to eighty-seven million, one hundred and sixty-six thousand, six hundred and sixty-eight (78,166,668) fully paid shares, which represents an increase of (9.84%) to the current capital of Budget Saudi, with compliance with the conditions set forth in the Purchase Agreement concluded between Budget Saudi and SEDCO, which are summarized in Section No. (6) ("Legal Information") of this Circular.</p> <p>The purpose of the capital increase is the acquisition of all shares in the capital of Al-Jazira Equipment Company, a One Person Company "OPC", amounting to three hundred thousand (300,000) cash shares of equal value, the value of each share is one thousand (1,000) Saudi riyals, in exchange for the issuance by Saudi Budget of seven million (7,000,000) new ordinary shares in Saudi Budget with a nominal value of ten (10) Saudi riyals per share in favor of each of SEDCO with three million, nine hundred and eight thousand, three hundred and thirty-three (3,908,333) new shares, and the Development Company, which is wholly owned by SEDCO with three million, ninety-one thousand, six hundred and sixty-seven (3,091,667) new shares.</p> <p>The number of new shares has been determined based on the evaluation of all shares of Al-Jazira Equipment Company at an amount of four hundred and fifty-five million (455,000,000) Saudi riyals and the evaluation of the share price of Budget Saudi for the purpose of the Acquisition Transaction at a value of sixty-five (65.00) per share, using the volume-weighted average price (VWAP) for six (6) months of trading for the period from 24/02/2023G to 24/08/2023G.</p> <p>It is worth mentioning that the date of completion of the Acquisition Transaction will be determined after the Extraordinary General Assembly meeting and upon the completion of all preconditions in accordance with the Purchase Agreement summarized in Section No. (6) ("Legal Information") of this Circular.</p>																																			

Aljozoor Alrasekha	Aljozoor Alrasekha, a One Person Company "OPC", is a limited liability company, registered under the Commercial Registration No. 4030228349 dated 22/06/1433H (corresponding to 13/05/2012G), and its articles of association is documented with the Notary Public under Instrument No. 391161275 dated 24/07/1439H (corresponding to 10/04/2018G). The last partners' decision was adopted by the partners on 02/04/1444H (corresponding to 27/10/2022G). Its headquarters is located in Jeddah, Kingdom of Saudi Arabia. The capital of Aljozoor Alrasekha Transportation Company Ltd., a One Person Company "OPC", is one hundred million (100,000,000) Saudi riyals, divided into forty-four thousand (44,000) cash shares, and fifty-six thousand (56,000) in-kind shares of equal value and the value of each share is one hundred (100) Saudi riyals. It is wholly owned by Budget Saudi. Under the Purchase Agreement, all shares in the share capital of Al-Jazira Equipment Company will be transferred from SEDCO to Aljozoor Alrasekha.																																	
Name and description of Al-Jazira Equipment Company and its establishment	Al-Jazira Equipment Company, a One Person Company "OPC", is a Saudi limited liability company. Its headquarters are located in the city of Al-Khobar, Kingdom of Saudi Arabia. It is registered under Commercial Registration No. 2051005734 dated 12/03/1400H (corresponding to 30/01/1980G) and its current capital amounts to three hundred million (300,000,000) Saudi riyals, divided into three hundred thousand (300,000) cash shares of equal value and the value of each share is one thousand (1,000) Saudi riyals.																																	
Activity of Al-Jazira Equipment Company according to its commercial registration	The activities of Al-Jazira Equipment Company according to its commercial registration are to rent passenger cars without a driver and the administrative and support services.																																	
Activity of Al-Jazira Equipment Company according to its bylaws	<p>The activities of Al-Jazira Equipment Company in accordance with its bylaws are as follows:</p> <ul style="list-style-type: none"> - Manufacturing. - Construction. - Wholesale and retail, and repair of motor vehicles, and motorcycles. - Transportation and Storage - Administrative and support services 																																	
The major shareholders of Al-Jazira Equipment Company, the number of their shares and the percentage of their ownership before and after the completion of the Acquisition Transaction	<p>The following table shows the details of the direct ownership in Al-Jazira Equipment Company by the major shareholders before and after the completion of the Acquisition Transaction, as of (13/06/1445H) corresponding to (26/12/2023G):</p> <table border="1" data-bbox="424 972 1401 1263"> <thead> <tr> <th rowspan="2">Capital Owner</th> <th colspan="3">Pre-Acquisition</th> <th colspan="3">Post-Acquisition</th> </tr> <tr> <th>Number of Shares</th> <th>Direct Ownership (%)</th> <th>Total Ownership (%) (Direct and Indirect)</th> <th>Number of Shares</th> <th>Direct Ownership (%)</th> <th>Total Ownership (%) (Direct and Indirect)</th> </tr> </thead> <tbody> <tr> <td>Saudi Economic and Development Company SEDCO</td> <td>300,000</td> <td>100%</td> <td>100%</td> <td></td> <td>None</td> <td></td> </tr> <tr> <td>Aljozoor Alrasekha, One Person Company "OPC"</td> <td></td> <td>None</td> <td></td> <td>300,000</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table> <p>Source: Al-Jazira Equipment Company</p>							Capital Owner	Pre-Acquisition			Post-Acquisition			Number of Shares	Direct Ownership (%)	Total Ownership (%) (Direct and Indirect)	Number of Shares	Direct Ownership (%)	Total Ownership (%) (Direct and Indirect)	Saudi Economic and Development Company SEDCO	300,000	100%	100%		None		Aljozoor Alrasekha, One Person Company "OPC"		None		300,000	100%	100%
Capital Owner	Pre-Acquisition			Post-Acquisition																														
	Number of Shares	Direct Ownership (%)	Total Ownership (%) (Direct and Indirect)	Number of Shares	Direct Ownership (%)	Total Ownership (%) (Direct and Indirect)																												
Saudi Economic and Development Company SEDCO	300,000	100%	100%		None																													
Aljozoor Alrasekha, One Person Company "OPC"		None		300,000	100%	100%																												
Ownership of the seller shareholder in Al-Jazira Equipment Company before and after the completion of the Acquisition Transaction	<p>The selling shareholder, SEDCO, will not own any direct ownership of the Al-Jazira Equipment Company shares after the completion of the Acquisition Transaction. The table below shows the ownership of the selling shareholder, SEDCO, in Al-Jazira Equipment Company before and after the completion of the Acquisition Transaction:</p> <table border="1" data-bbox="424 1375 1401 1518"> <thead> <tr> <th rowspan="2">Shareholder</th> <th colspan="2">Pre-Acquisition</th> <th colspan="2">Post-Acquisition</th> </tr> <tr> <th>Number of Shares</th> <th>Ownership (%)</th> <th>Number of Shares</th> <th>Ownership (%)</th> </tr> </thead> <tbody> <tr> <td>Saudi Economic and Development Company SEDCO</td> <td>300,000</td> <td>100%</td> <td></td> <td>None</td> </tr> </tbody> </table> <p>Source: Al-Jazira Equipment Company</p>							Shareholder	Pre-Acquisition		Post-Acquisition		Number of Shares	Ownership (%)	Number of Shares	Ownership (%)	Saudi Economic and Development Company SEDCO	300,000	100%		None													
Shareholder	Pre-Acquisition		Post-Acquisition																															
	Number of Shares	Ownership (%)	Number of Shares	Ownership (%)																														
Saudi Economic and Development Company SEDCO	300,000	100%		None																														
Capital of Al-Jazira Equipment Company	Three hundred million (300,000,000) Saudi riyals.																																	
Total number of shares of Al-Jazira Equipment Company	Three hundred thousand (300,000) shares with a nominal value of one thousand (1,000) Saudi riyals and fully paid.																																	
Related Parties	The Acquisition Transaction does not involve the presence of any related parties.																																	
The shares of the selling shareholder in Al-Jazira Equipment Company and the shares desired to be sold	<p>Under the Acquisition Transaction, the shares will be purchased from the owner of the capital of Al-Jazira Equipment Company, which is as follows:</p> <table border="1" data-bbox="424 1787 1401 1944"> <thead> <tr> <th>Partner</th> <th>Number of Shares</th> <th>Direct Ownership (%)</th> <th>Indirect Ownership (%)</th> <th>Total Ownership (%) (Direct and Indirect)</th> </tr> </thead> <tbody> <tr> <td>Saudi Economic and Development Company SEDCO</td> <td>300,000</td> <td>100%</td> <td>None</td> <td>100%</td> </tr> <tr> <td>Total</td> <td>300,000</td> <td>100%</td> <td>None</td> <td>100%</td> </tr> </tbody> </table> <p>Source: Al-Jazira Equipment Company</p>							Partner	Number of Shares	Direct Ownership (%)	Indirect Ownership (%)	Total Ownership (%) (Direct and Indirect)	Saudi Economic and Development Company SEDCO	300,000	100%	None	100%	Total	300,000	100%	None	100%												
Partner	Number of Shares	Direct Ownership (%)	Indirect Ownership (%)	Total Ownership (%) (Direct and Indirect)																														
Saudi Economic and Development Company SEDCO	300,000	100%	None	100%																														
Total	300,000	100%	None	100%																														

Total and Detailed Value of the Consideration	The only consideration for the acquisition is for Budget Saudi to issue the new shares in favor of SEDCO and Development Company. It is agreed that SEDCO and Development Company will not have any cash consideration in the Acquisition Transaction (for more details on the total and detailed value of the consideration, please refer to Section No. (4.3) "Overview of the Acquisition Transaction" of Section No. (4) "Acquisition Transaction" of this Circular).							
	The following table shows the total value of the consideration:							
	New shares issued in consideration of the Acquisition Transaction							
	Number of Shares		Seven million (7,000,000) ordinary shares					
Price of Issue		The nominal value of the new shares is ten (10) Saudi riyals per share.						
Total value of the Consideration		The total nominal value of the new shares is seventy million (70,000,000) Saudi riyals. The total value of the new shares, based on the number of new shares and on the evaluation of the share price of Budget Saudi for the purpose of the Acquisition Transaction, which is sixty-five (65.00) Saudi riyals per share, amounts to four hundred and fifty-five million (455,000,000) Saudi riyals. The value of the actual Acquisition Transaction will also be determined after the capital increase based on the closing price of Budget Saudi's share on the last trading day preceding the date of completion of the Acquisition Transaction.						
Source: Budget Saudi								
Acquisition Transaction Structure	Budget Saudi will increase its capital for the purpose of acquiring the entire shares of Al-Jazira Equipment Company, which represents (100%) of the capital of Al-Jazira Equipment Company, through the company wholly subsidiary of the issuer, Aljozor Alrasekha. Therefore, after the completion of the Acquisition Transaction, Al-Jazira Equipment Company will be a subsidiary of Aljozor Alrasekha wholly owned by Budget Saudi, in exchange for the issuance of seven million (7,000,000) new ordinary shares in favor of each of SEDCO with three million nine hundred and eight thousand three hundred and thirty-three (3,908,333) new shares, and Development Company with three million ninety-one thousand six hundred and sixty-seven (3,091,667) new shares as consideration for the acquisition, after obtaining the necessary approvals to complete the Acquisition Transaction. After the completion of the Acquisition Transaction, the new shares will be allocated to SEDCO and Development Company as follows:							
	New Shareholders	Number of new shares to be allocated to new shareholders in Budget Saudi (Post-Acquisition Transaction)	Total number of shares owned in Budget Saudi (Post- Acquisition Transaction)	Percentage of direct ownership in Budget Saudi (Post- Acquisition Transaction)	Percentage of indirect ownership in Budget Saudi (Post- Acquisition Transaction)	Total percentage of ownership in Budget Saudi (direct and indirect)		
	Saudi Economic and Development Company SEDCO	3,908,333	7,000,000	5.00%	3.96%	8.96%		
Source: Budget Saudi								
* Indirect ownership includes 100% ownership of SEDCO-owned Development Company, where it owns (3,091,667) shares in Budget Saudi post-acquisition.								
Ownership structure in Budget Saudi before and after the completion of the Acquisition Transaction	The following table shows the ownership structure of Budget Saudi before and after the capital increase for the purpose of completing the Acquisition Transaction and after completion, as of 25/09/1445H (corresponding to 04/04/2024G):							
	Shareholder	Pre-Acquisition			Post-Acquisition			
		Number of Shares	Direct Ownership (%)	Total Ownership (%) (Direct and Indirect)	Number of Shares Directly Owned	Direct Ownership (%)	Indirect Ownership (%)	Total Ownership (%) (Direct and Indirect)
	Members of the Board of Directors and Senior Executives of Budget Saudi	56,056	0.08%	0.08%	56,056	0.07%	None	0.07%
	Shares owned by major non-public shareholders (Osool & Bakheet Fund – Mobility)	4,297,149	6.03%	6.03%	4,297,149	5.49%	None	5.49%
	SEDCO		None		3,908,333	5.00%	3.96%	8.96%
	Development Company		None		3,091,667	3.96%	None	3.96%
	The Public	66,813,463	94.17%	N/A	66,813,463	85.48%	N/A	
Total	71,166,688	100.00%	N/A	78,166,668	100.00%	N/A		
Source: Budget Saudi								
* Indirect ownership includes 100% ownership of SEDCO-owned Development Company, where it owns (3,091,667) shares in Budget Saudi post-acquisition.								

<p>Ownership structure in Al-Jazira Equipment Company before and after the completion of the Acquisition Transaction</p>	<p>The following table shows the ownership of Al-Jazira Equipment Company before and after the completion of the Acquisition Transaction:</p> <table border="1" data-bbox="424 367 1404 622"> <thead> <tr> <th rowspan="2">Capital Owner</th> <th colspan="2">Pre-Acquisition</th> <th colspan="2">Post-Acquisition</th> </tr> <tr> <th>Number of Shares (Directly Owned)</th> <th>Ownership (%)</th> <th>Number of Shares (Directly Owned)</th> <th>Direct Ownership (%)</th> </tr> </thead> <tbody> <tr> <td>Saudi Economic and Development Company SEDCO</td> <td>300,000</td> <td>100%</td> <td>None</td> <td></td> </tr> <tr> <td>Aljozoor Alrasekha, One Person Company "OPC"</td> <td>None</td> <td></td> <td>300,000</td> <td>100%</td> </tr> <tr> <td>Total</td> <td>300,000</td> <td>100%</td> <td>300,000</td> <td>100%</td> </tr> </tbody> </table> <p>Source: Budget Saudi</p> <p>* United International Transportation Co. will acquire all the shares of Al-Jazira Equipment Company through Aljozoor Alrasekha, subsidiary of and wholly owned by United International Transportation Co.</p>	Capital Owner	Pre-Acquisition		Post-Acquisition		Number of Shares (Directly Owned)	Ownership (%)	Number of Shares (Directly Owned)	Direct Ownership (%)	Saudi Economic and Development Company SEDCO	300,000	100%	None		Aljozoor Alrasekha, One Person Company "OPC"	None		300,000	100%	Total	300,000	100%	300,000	100%
Capital Owner	Pre-Acquisition		Post-Acquisition																						
	Number of Shares (Directly Owned)	Ownership (%)	Number of Shares (Directly Owned)	Direct Ownership (%)																					
Saudi Economic and Development Company SEDCO	300,000	100%	None																						
Aljozoor Alrasekha, One Person Company "OPC"	None		300,000	100%																					
Total	300,000	100%	300,000	100%																					
<p>Decrease in the percentage of ownership of the current owners in Budget Saudi is as a result of the Acquisition Transaction</p>	<p>After completion of the Acquisition Transaction, the percentage of ownership of the current shareholders in Budget Saudi will decrease from (100%) to (91.04%), which is equivalent to a decrease of (8.96%). Consequently, the voting power of each Budget Saudi shareholder will be reduced as well as their ability to influence decisions that require the approval of Budget Saudi shareholders, including the selection of board members and other important strategic decisions of Budget Saudi. (Please refer to Section 2.4.1 "Risk Related to Change in Ownership of Existing Shareholders and Associated Decrease in Voting Power" from Section No. (2) "Risk Factors" of this Circular).</p>																								
<p>Increase or decrease in earnings per share</p>	<p>In the event that the desired benefits of the Acquisition Transaction set forth in Section No. (4.5) "Motives and Implications of Acquisition Transaction for Budget Saudi Company" are realized based on this circular, it is expected that the Acquisition Transaction will lead to an increase in earnings per share of Budget Saudi in the long term. It should be noted that shareholders should not rely on expectations regarding the realization of the intended benefits of the Acquisition Transaction when making their decision to vote in the Extraordinary General Assembly, and should not fully rely on forecasts and forward-looking statements. Accordingly, such statements should not be taken as a confirmation that the earnings per share of Budget Saudi will be equal to or greater than the earnings per share of prior financial periods.</p> <p>The following table shows the earnings per share of Budget Saudi before the Acquisition Transaction and the hypothetical earnings per share after the Acquisition Transaction (based on the pro forma financial statements as if the acquisition had taken place on 1 January 2023G).</p> <table border="1" data-bbox="424 1099 1404 1469"> <thead> <tr> <th rowspan="2">Financial Information</th> <th colspan="2">For the year ended 31 December 2022G</th> <th colspan="2">The nine -month period ended September 30, 2023G</th> </tr> <tr> <th>Budget Saudi (Based on audited financial statements)</th> <th>Budget Saudi (based on the consolidated pro forma financial statements)</th> <th>Budget Saudi (based on unaudited financial statements)</th> <th>Budget Saudi (based on the consolidated pro forma financial statements)</th> </tr> </thead> <tbody> <tr> <td>Net profit for the period/year (SAR in 000s)</td> <td>252,009</td> <td>278,598</td> <td>211,103</td> <td>251,059</td> </tr> <tr> <td>Earnings per share attributable to shareholders</td> <td>3.54</td> <td>3.56</td> <td>2.97</td> <td>3.21</td> </tr> <tr> <td>Number of outstanding shares (thousand shares)</td> <td>71,166.7</td> <td>78,166.7</td> <td>71,166.7</td> <td>78,166.7</td> </tr> </tbody> </table> <p>Source: Budget Saudi's Consolidated Pro Forma Financial Statements</p> <p>For more information on the increase and decrease in earnings per share, please refer to Section No. 4.5 "Motives and Implications of Acquisition Transaction for Budget Saudi Company" of this Circular.</p>	Financial Information	For the year ended 31 December 2022G		The nine -month period ended September 30, 2023G		Budget Saudi (Based on audited financial statements)	Budget Saudi (based on the consolidated pro forma financial statements)	Budget Saudi (based on unaudited financial statements)	Budget Saudi (based on the consolidated pro forma financial statements)	Net profit for the period/year (SAR in 000s)	252,009	278,598	211,103	251,059	Earnings per share attributable to shareholders	3.54	3.56	2.97	3.21	Number of outstanding shares (thousand shares)	71,166.7	78,166.7	71,166.7	78,166.7
Financial Information	For the year ended 31 December 2022G		The nine -month period ended September 30, 2023G																						
	Budget Saudi (Based on audited financial statements)	Budget Saudi (based on the consolidated pro forma financial statements)	Budget Saudi (based on unaudited financial statements)	Budget Saudi (based on the consolidated pro forma financial statements)																					
Net profit for the period/year (SAR in 000s)	252,009	278,598	211,103	251,059																					
Earnings per share attributable to shareholders	3.54	3.56	2.97	3.21																					
Number of outstanding shares (thousand shares)	71,166.7	78,166.7	71,166.7	78,166.7																					
<p>Reasons and justifications for the Acquisition Transaction</p>	<p>The proposed capital increase for the purpose of acquiring the shares of Al-Jazira Equipment Company is commensurate with Budget Saudi's investment strategy to expand in the transportation sector in the Kingdom of Saudi Arabia and take advantage of the growth opportunities available in the market. For more information about the reasons and motives of the Acquisition Transaction, please refer to Section No. (4.5) "Motives and Implications of Acquisition Transaction for Budget Saudi Company" of this Circular).</p>																								

Summary of key actions required for capital increase and issuance of new shares	<p>The key steps necessary to increase the capital of Budget Saudi for the purpose of acquiring the shares of Al-Jazira Equipment Company through the wholly owned subsidiary of the issuer, Aljozoor Alrasekha and listing the new shares are as follows:</p> <ol style="list-style-type: none"> 1. Obtaining the non-objection of the General Authority for Competition regarding the request for economic concentration resulting from the Acquisition Transaction. 2. Obtaining the approval of the Authority for the request of Budget Saudi to increase the capital of Budget Saudi for the purpose of acquiring Al-Jazira Equipment Company. 3. Obtaining the approval of the Authority to hold the Extraordinary General Assembly Meeting of Budget Saudi to vote on the capital increase resulting from the Acquisition Transaction. 4. Obtaining the approval of the Capital Market for the request to list the new direct and indirect shares of SEDCO. 5. Holding the Extraordinary General Assembly of the shareholders of Budget Saudi for the Acquisition Transaction to vote on the capital increase and the amendment of the Bylaws. 6. Publishing the resolutions of the Extraordinary General Assembly of Budget Saudi approving or rejecting the capital increase for the purpose of acquiring Al-Jazira Equipment Company on the Capital Market website. 7. In the event of the approval of the Extraordinary General Assembly, the transfer of the shares of Al-Jazira Equipment Company from SEDCO to Aljozoor Alrasekha. 8. Amending the commercial registration of Budget Saudi to reflect the new capital and deposit the Bylaws with the Ministry of Commerce.
Entitlement in dividends for new shares	<p>After the completion of the Acquisition Transaction, the owners of the new shares, SEDCO and Development Company, will have all the rights related to the currently issued ordinary shares in Budget Saudi (all the shares of Budget Saudi are in one class), especially the right to receive any dividends that Budget Saudi announces after the completion of the Acquisition Transaction, in accordance with the Companies Law and the Bylaws of Budget Saudi.</p>
Approvals required for capital increase	<p>The Acquisition Transaction and capital increase require a number of approvals as follows:</p> <ol style="list-style-type: none"> 1. Non-objection of the General Authority for Competition obtained on 12/02/2024G to the economic concentration resulting from the Acquisition Transaction. 2. The Capital Market's approval of the application to list the new direct and indirect shares of SEDCO obtained on 19/03/2024G. 3. The Authority's approval of the application to increase the capital of Budget Saudi for the purpose of acquiring the targeted shares. 4. Approval of the Authority to hold the Extraordinary General Assembly Meeting of Budget Saudi to vote on the capital increase resulting from the Acquisition Transaction. 5. Approval of the Ministry of Commerce on the proposed amendments to the Bylaws of Budget Saudi. 6. Approval of the Extraordinary General Assembly to increase the capital by acquiring Al-Jazira Equipment and amending the Bylaws of Budget Saudi.
Voting rights for new shares	<p>For the current shareholders of Budget Saudi, there will be no change in their voting rights after the issuance of the new Ordinary Shares.</p> <p>The new Ordinary Shares will have the same voting rights as the current shares of Budget Saudi in accordance with the Companies Law and the Bylaws of Budget Saudi.</p>
Restrictions imposed on New Shares	<p>There are no restrictions imposed on the New Shares and that all shares may be traded in accordance with the rules, regulations and instructions issued by the Authority.</p>

Note: The proposed capital increase is subject to the approval of Budget Saudi shareholders at the Extraordinary General Assembly to vote on the Acquisition Transaction Resolutions. This Circular should be read in full (not just the summary and details of the Acquisition Transaction) before voting at the Extraordinary General Meeting to approve or disapprove the resolution on the Acquisition Transaction. In addition, shareholders shall carefully read and review both the "Important Notice" section and Section No. (2) "Risk Factors" of this Circular before making any decision in relation to the Acquisition Transaction.

Key Dates and Milestones of the Acquisition Transaction

The dates shown in the table below are indicative only and may be changed or modified because they are based on, inter alia, the fulfillment of the terms of the Acquisition Transaction (as well as the dates on which those terms are fulfilled). Section (6) “**Legal Information**” of this Circular summarizes all the essential conditions for the completion of the Acquisition Transaction. Budget Saudi will announce on its website and/or the Capital Market website any changes to the dates set out in the table below.

Expected Timeframe of the Acquisition Transaction	
Event	Date
1. Procedures relating to the Extraordinary General Meeting of the Issuer	
Approval of the Authority to the application for capital increase.	05/11/1445H (corresponding to 13/05/2024G)
Approval of the Authority to hold the Extraordinary General Assembly of Budget Saudi for the Acquisition Transaction.	26/11/1445H (corresponding to 03/06/2024G)
Announcing on the Capital Market website the invitation of the Extraordinary General Assembly of Budget Saudi for the Acquisition Transaction (with reference to the possibility of holding a second meeting one hour after the end of the period specified for the first meeting, in the event that the quorum necessary for holding the first meeting is not met).	26/11/1445H (corresponding to 03/06/2024G)
Publication of the Shareholders Circular.	27/11/1445H (corresponding to 04/06/2024G)
Provision of documents available for inspection.	They should be available at least 14 days before the date of the Extraordinary General Assembly of Budget Saudi (from Sunday to Thursday from 9 am to 5 pm, excluding public holidays in the Kingdom)
Start of the electronic voting period for shareholders in the Extraordinary General Assembly of Budget Saudi.	14/12/1445H (corresponding to 20/06/2024G)
Holding the Extraordinary General Assembly of Budget Saudi for the Acquisition Transaction (First Meeting). The quorum of the Assembly shall be completed by the attendance of a number of shareholders representing at least half of the capital of Budget Saudi.	18/12/1445H (corresponding to 24/06/2024G)
Holding the Extraordinary General Assembly of Budget Saudi for the Acquisition Transaction (Second Meeting). In the event that the quorum necessary for the first meeting is not met. The quorum of the Second Meeting shall be completed by the attendance of a number of shareholders representing at least quarter of the capital of Budget Saudi.	One hour after the expiry of the period specified for the convening of the first meeting of the Extraordinary General Assembly in which the quorum necessary for its holding has not been met.
Publishing the decision of the Acquisition Transaction and other decisions taken at the First Meeting or the Second Meeting of the Extraordinary General Assembly of Budget Saudi related to the Acquisition Transaction on the Capital Market website or (announcing the non-holding of the Extraordinary General Assembly in the event that its quorum is not met).	19/12/1445H (corresponding to 25/06/2024G)
2. Procedures in the event that the quorum for the first and second meeting of the Extraordinary General Assembly of Budget Saudi is not met	
Approval of the Authority to hold the third meeting of the Extraordinary General Assembly of Budget Saudi for the Acquisition Transaction.	20/12/1445H (corresponding to 26/06/2024G)
Announcing the invitation to the third meeting of the Extraordinary General Assembly of Budget Saudi for the Acquisition Transaction on the Capital Market website.	20/12/1445H (corresponding to 26/06/2024G)
Start of the electronic voting period for shareholders in third meeting of the Extraordinary General Assembly of Budget Saudi.	From 06/01/1446H (corresponding to 12/07/2024G) until the end of the time of the Extraordinary General Assembly.
Holding the third meeting of the Extraordinary General Assembly for the Acquisition Transaction. The quorum for the holding of the third meeting of the Extraordinary General Assembly shall be considered met, regardless of the number of shares represented therein.	10/01/1446H (corresponding to 16/07/2024G)
Publishing the decision of the Extraordinary General Assembly of Budget Saudi on the Acquisition Transaction and other decisions taken at the third meeting on the Capital Market website.	11/01/1446H (corresponding to 17/07/2024G)

Expected Timeframe of the Acquisition Transaction	
Event	Date
3. Procedures in the event that the Extraordinary General Assembly of Budget Saudi approves the Acquisition Transaction and other related decisions	
Documentation of the Acquisition Transaction and transfer of the shares of Al-Jazira Equipment Company to Aljozoor Alrasekha.	In the event that the Extraordinary General Assembly of Budget Saudi approves the Acquisition Transaction and other related decisions, the Articles of Association of Al-Jazira Equipment Company will be amended to prove the ownership of Aljozoor Alrasekha of the entire shares of Al-Jazira Equipment Company.
Issuing and registering new shares in favor of SEDCO and Development Company.	After the completion of the amendment of the Articles of Association of Al-Jazira Equipment Company, Budget Saudi will coordinate with Saudi Exchange and Securities Depository Center Co. to finalize the procedures for issuing and depositing new shares in the investment portfolio of SEDCO and Development Company in accordance with the terms and conditions of the Purchase Agreement.
Announcing the completion of the Acquisition Transaction by Budget Saudi.	After the completion of the procedures for issuing and registering the new shares in favor of SEDCO and Development Company, Budget Saudi will announce on the Saudi Exchange website the completion of the Acquisition Transaction.
Amending the Commercial Registration and the Bylaws of Budget Saudi.	After the completion of the Acquisition Transaction, Budget Saudi will submit an application to the Ministry of Commerce to amend the commercial registration and deposit the Bylaws of Budget Saudi.

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1. Definitions and Abbreviations

Abbreviation	Definition
Budget Saudi or the Issuer	United International Transportation Co., a Saudi listed joint stock company registered under the Commercial Registration No. 4030017038 dated 16/01/1399H (corresponding to 16/12/1978G) issued from the city of Jeddah in the Kingdom of Saudi Arabia and its address is King Abdulaziz Road – Basateen District P.O. Box 18106, Jeddah 21415-6695, Kingdom of Saudi Arabia.
Aljozoor Alrasekha	Aljozoor Alrasekha Transportation Company Ltd., a One Person Company "OPC", is a limited liability company, registered under the Commercial Registration No. 4030228349 dated 22/06/1433H (corresponding to 13/05/2012G), and its articles of association is documented with the Notary Public under Instrument No. 391161275 dated 24/07/1439H (corresponding to 10/04/2018G). The last partners' decision was adopted by the partners on 02/04/1444H (corresponding to 27/10/2022G). Its head-quarters is located in Jeddah, Kingdom of Saudi Arabia.
Al-Jazira Equipment Company	Al-Jazira Equipment Company, a One Person Company "OPC", is a Saudi limited liability company registered under the Commercial Registration No. 2051005734 dated 12/03/1400H (corresponding to 30/01/1980G) and its headquarters is located in Al-Khobar, Kingdom of Saudi Arabia.
Development Company	First Development Investment Company, a One Person Company "OPC" wholly owned by SEDCO, is a Saudi limited liability company registered under the Commercial Registration No. 4030529914 dated 11/04/1445H corresponding to (26/10/2023G) and its headquarters is located in Jeddah, Kingdom of Saudi Arabia.
The Kingdom or Saudi Arabia	The Kingdom of Saudi Arabia
Government	The Government of the Kingdom of Saudi Arabia
Ministry of Commerce	The Ministry of Commerce in Kingdom of Saudi Arabia.
Transport General Authority	Transport General Authority of the Kingdom of Saudi Arabia.
Ministry of Transport and Logistics	Ministry of Transport and Logistics of the Kingdom of Saudi Arabia.
Ministry of Human Resources and Social Development	The Ministry of Human Resources and Social Development in of the Kingdom of Saudi Arabia.
Ministry of Finance	The Ministry of Finance of Kingdom of Saudi Arabia.
Value Added Tax (VAT)	It is an indirect tax imposed on all goods and services purchased and sold by enterprises with some exceptions.
Saudi Riyal, Riyal or SAR	Saudi Arabian Riyal, The official currency of the Kingdom of Saudi Arabia.
Zakat, Income Tax and Customs Authority (ZATCA)	Zakat, Income Tax and Customs Authority of the Kingdom of Saudi Arabia.
General Authority for Competition	The General Authority for Competition of the Kingdom of Saudi Arabia
Saudi Organization for Certified Public Accountants (SOCPA)	The Saudi Organization for Certified Public Accountant of the Kingdom of Saudi Arabia.
International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia (IFRS)	The International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Certified Public Accountants (SOCPA), which include standards and technical issuances related to matters not covered by IFRS, such as Zakat.
(SOCPA)	The Saudi Organization for Certified Public Accountant of the Kingdom.
Saudi Accepted Accounting Standards	Accounting standards accepted in the Kingdom and other standards and issuances approved by the Saudi Organization for Certified Public Accountants (SOCPA).
"Authority", "Capital Market Authority" or CMA"	The Capital Market Authority of the Kingdom of Saudi Arabia.
Exchange or Tadawul	Saudi Exchange Company, a Saudi closed joint stock company affiliated with Tadawul Group and the only entity authorized to practice the business of listing and trading securities in the Kingdom.
Tadawul Group	Saudi Tadawul Group, a Saudi listed joint stock company registered under the Commercial Registration No. 1010241733 dated 02/12/1428H (corresponding to 12/12/2007G) and its headquarters is located in Riyadh, Kingdom of Saudi Arabia. Tadawul Group, through its subsidiaries, licensed by the Authority provides the main service for trading, clearing and settlement services in Saudi securities.
Securities Depository Center Co., (Edaa)	Securities Depository Center Company (Edaa) is a subsidiary of Tadawul Group and is the only entity in Saudi Arabia authorized to deposit securities traded in the Capital Market, register and transfer their ownership, and carry out settlement and clearing works.

Abbreviation	Definition
Capital Market Law	The Capital Market Law issued under Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G), and amendments thereto.
OSCO Rules	The Rules on the Offer of Securities and Continuing Obligations issued by the CMA Board pursuant to Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) based on the Capital Market Law passed by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/01/2003G), as amended by CMA Board Resolution No. 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023G) and any modifications thereto.
Listing Rules	Listing rules issued by the Saudi Stock Exchange "Tadawul" and approved by CMA Board Resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G), amended by Resolution No. (1-104-2019G) dated 01/02/1441H (corresponding to 30/09/2019G) and amended by Resolution No. (1-22-2021) dated 12/07/1442H (corresponding to 24/02/2021G) and amended by Resolution No. (1-19-2022) dated 12/07/1443H (corresponding to 13/02/2022G) and amended by Resolution No. (1-52-2022) dated 12/09/1443H (corresponding to 13/04/2022G) and amended by Resolution No. (3-96-2022) dated 10/02/1444H (corresponding to 06/09/2022G) and amended by Resolution No. (1-108-2022) dated 23/03/1444H (corresponding to 19/10/2022G).
Companies Law	The Companies Law applicable in the Kingdom of Saudi Arabia issued under Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), which entered into force on 27/06/1444H (corresponding to 19/01/2023G).
Labor Law	Saudi Labor Law issued under Royal Decree No. M/51 dated 23/08/1426H (corresponding to 27/09/2005G), as amended.
Nitaqat Programme or Nitaqat	It is a program launched by the Ministry of Human Resources and Social Development (formerly the Ministry of Labor) under the decision of the Minister of Human Resources and Social Development (formerly the Minister of Labor) No. 4040 dated 12/10/1432H (corresponding to 10/9/2011G) based on the Council of Ministers Resolution No. 50 dated 21/5/1415H (corresponding to 27/10/1994G) to provide establishments with incentives to hire Saudi nationals. This programme assesses an establishment's performance based on specific ranges, which are platinum and green (which is further divided into three categories low green, middle green and high green), yellow and red. Establishments that are classified within the platinum and green categories are deemed to be compliant with the Saudization requirements and receive certain benefits, such as the ability to obtain and renew work visas for foreign employees and the ability to change the profession of foreign employees (except for professions reserved exclusively for Saudi nationals). Establishments that are classified as yellow or red (depending on the extent to which they are non-compliant) are deemed to be non-compliant with the Saudization requirements and are subject to certain punitive measures, such as the limited ability to renew work visas for foreign employees and the complete inability to obtain or renew work visas for foreign employees.
Competition Law	The Competition Law issued by Royal Decree No. M/75 dated 29/02/1440H (corresponding to 07/11/2018G), and amendments thereto.
Executive Management or Senior Executives	Top management and managers at senior management levels at Budget Saudi, unless otherwise is indicated by the context.
Listing or Listing of Shares	Listing of securities on the Capital Market
Bylaws	Bylaws of Budget Saudi
Board of Directors	The Board of Directors of Budget Saudi, unless otherwise is indicated by the context.
Members of the Board of Directors	Members of the Board of Directors of Budget Saudi. Unless otherwise is indicated by the context.
Secretary	The Secretary of the Board of Directors of Budget Saudi.
General Assembly	The Ordinary or Extraordinary General Assembly of the shareholders of Budget Saudi.
Ordinary General Assembly	The Ordinary General Assembly of the shareholders of Budget Saudi, which is held in accordance with the Bylaws of Budget Saudi Company.
Extraordinary General Assembly	The Extraordinary General Assembly of the shareholders of Budget Saudi, which is held in accordance with the Bylaws of Budget Saudi.
The Extraordinary General Assembly of Budget Saudi for the Acquisition Transaction	<p>The Extraordinary General Assembly Meeting of Budget Saudi, which will be held to vote on the Acquisition Transaction. The items of the Extraordinary General Assembly of Budget Saudi for the Acquisition Transaction will be:</p> <ol style="list-style-type: none"> To vote to increase the capital of the Saudi Budget from seven hundred and eleven million six hundred and sixty-six thousand six hundred and eighty (711,666,680) Saudi riyals to seven hundred and eighty-one million six hundred and sixty-six thousand six hundred and eighty (781,666,680) Saudi riyals through the issuance of seven million (7,000,000) new shares at a value of ten (10) Saudi riyals in favor of each of SEDCO with three million nine hundred and eight thousand three hundred and thirty-three (3,908,333) new shares, and the Development Company, with three million ninety-one thousand six hundred and sixty-seven (3,091,667) new shares in return for the acquisition of the entire shares in Al-Jazira Equipment Company by Aljozoor Alrasekha in accordance with the terms and provisions of the Purchase Agreement in Al-Jazira Equipment Company concluded between SEDCO and Budget Saudi on 08/06/1445H (corresponding to 21/12/2023G). To vote on the amendment of Article Seven (7) of the Bylaws of Budget Saudi related to the capital. To vote on the amendment of Article Nineteen (19) of the Bylaws of Budget Saudi related to the management of the Company. To authorize the Board of Directors of Budget Saudi or any person authorized by the Board of Directors of Budget Saudi to issue any decision or take any action that may be necessary to implement any of the aforementioned decisions related to the Acquisition Transaction.
Advisors	They are the consultants of Budget Saudi regarding the Acquisition Transaction mentioned in pages (v) and (vi) of this Circular.

Abbreviation	Definition
Financial Advisor	EFG Hermes KSA, which has been appointed by Budget Saudi as a financial advisor in connection with the Acquisition Transaction.
Legal Advisor	Mohammed Magdi Zaree and Khaled Nasser Al-Hamdan Advocates and Legal Consultants, which has been appointed by Budget Saudi as the Legal Advisor in connection with the Acquisition Transaction.
Financial Professional Due Diligence Advisor	PricewaterhouseCoopers – Public Accountants (PwC), which has been appointed by Budget Saudi as the Financial Professional Due Diligence Advisor in connection with the Acquisition Transaction.
Market Consultant	Euromonitor International Ltd..
Pro Forma Financial Statements Accountant	Baker Tilly MKM & Co. Certified Public Accountants.
Auditors	means KPMG Professional Consulting, which has been appointed by Budget Saudi as the Auditor for the financial statements ended 31 December 2022G and the unaudited interim financial statements for the nine-month period ended 30 September 2023G. Ernst & Young Professional Services, which has been appointed by Al-Jazira Equipment Company as the Auditor for the financial statements ended in 2022G and the unaudited interim financial statements for the nine-month period ended September 30, 2023G.
Circular or Shareholders Circular	This Shareholders Circular prepared by Budget Saudi and directed to its shareholders regarding the increase of its capital through the issuance of new shares in exchange for the acquisition of the target shares.
Related Party	In OSCO Rules, it means the following: <ol style="list-style-type: none"> 1. Subsidiaries of the Issuer except for companies wholly owned by the Issuer. 2. Substantial Shareholders of the Issuer; 3. Directors and Senior Executives of the Issuer. 4. Directors and senior executives of the Issuer's affiliates; 5. Directors and senior executives of the Issuer's Substantial Shareholders; 6. Any relatives of the persons referred to in paragraphs (1, 1, 2, 3 or 5) above. 7. Any company or establishment controlled by any person referred to in paragraphs (1, 2, 3, 5 or 6) above.
Person	Any natural or legal person.
Relative	Spouse and minor children.
Shareholder or Shareholders	Any person holding shares in Budget Saudi.
Substantial Shareholder	Any person who owns (5%) or more shares in Budget Saudi.
Selling Shareholder	Saudi Economic and Development Company SEDCO.
Direct Ownership	Direct ownership means shares or stocks (where applicable) owned by the shareholder or partner (where applicable) directly in the Company (Budget Saudi, Aljozoor Alrasekha or Al-Jazira Equipment Company) (where applicable).
Indirect Ownership	Indirect ownership means shares or stocks (where applicable) owned by the shareholder or partner (where applicable) indirectly in the Company (Budget Saudi, Aljozoor Alrasekha or Al-Jazira Equipment Company) (where applicable) through their control of companies owning shares or stocks (where applicable) in the Company (Budget Saudi, Aljozoor Alrasekha or Al-Jazira Equipment Company) (where applicable) or shares or stocks (where applicable) owned by the relatives of the shareholder or the partner (where applicable) (spouse and minor children) whether directly or through their control over companies that own shares or stocks (where applicable) in the Company (Budget Saudi, Aljozoor Alrasekha or Al-Jazira Equipment Company) (where applicable).
Acquisition Transaction	The proposed Acquisition Transaction between Budget Saudi and SEDCO, in accordance with Article (75) of the provisions of OSCO Rules, through which the ownership of the entire shares in Al-Jazira Equipment Company will transfer from SEDCO to Aljozoor Alrasekha in exchange for the issuance by Budget Saudi of new shares in favor of each of SEDCO with three million nine hundred and eight thousand three hundred and thirty-three (3,908,333) new shares, and Development Company with three million ninety-one thousand six hundred and sixty-seven (3,091,667) new shares by increasing the capital of Budget Saudi from seven million eleven million six hundred and sixty-six thousand six hundred and eighty (711,666,80) Saudi Riyals to seven hundred and eighty-one million six hundred and sixty-six thousand eight hundred and eighty (781,666,680) Saudi Riyals by issuing seven million (7,000,000) ordinary shares with a nominal value of ten (10) Saudi riyals per share, with a total nominal value of seventy million (70,000,000) Saudi riyals.
Completion of the Acquisition Transaction or Completion	Means completion of the Acquisition Transaction by transferring the ownership of the shares of Al-Jazira Equipment Company to Aljozoor Alrasekha, and the issuance of the new shares to SEDCO and Development Company as a Consideration for the Acquisition Transaction, after the approval of the Extraordinary General Assembly of Budget Saudi to increase the capital of Budget Saudi through the acquisition of the shares of Al-Jazira Equipment Company, and the completion of all other relevant procedures described in the summary of the key procedures required to increase the capital and list the new shares in the "Summary of Acquisition Transaction Details" Section in the page (vii) of this Circular.
Date of Acquisition Transaction Completion	Any date of completion of the Acquisition Transaction by transferring the ownership of the shares of Al-Jazira Equipment Company to Aljozoor Alrasekha, and the issuance of the new shares to SEDCO and Development Company as a Consideration for the Acquisition Transaction, after the approval of the Extraordinary General Assembly of Budget Saudi to increase the capital of Budget Saudi through the acquisition of the shares of Al-Jazira Equipment Company, and the completion of all other relevant procedures described in the summary of the key procedures required to increase the capital and list the new shares in the "Summary of Acquisition Transaction Details" Section in the page (vii) of this Circular.

Abbreviation	Definition
Memorandum Of Understanding (MoU)	Memorandum of Understanding dated 08/02/1445H, corresponding to 24/08/2023G, signed between Budget Saudi and SEDCO in connection with the Acquisition Transaction.
Purchase Agreement	Agreement for the sale and purchase of shares of Al-Jazira Equipment Company dated 08/06/1445H (corresponding to 21/12/2023G) signed between Budget Saudi and SEDCO, which specifies the terms, conditions and obligations of the both parties regarding the implementation of the Acquisition Transaction.
New Shares or Consideration Shares	They are the consideration shares in Budget Saudi, which will be issued to SEDCO (the Seller) and Development Company as a result of the Acquisition Transaction, amounting to seven million (7,000,000) ordinary shares with a nominal value of ten (10) Saudi riyals per share.
Target Share	Three hundred thousand (300,000) ordinary shares with a nominal value of one thousand (1,000) Saudi riyals per share, representing one hundred percent (100%) of the capital of Al-Jazira Equipment Company.
Financial Year	The year ending on December 31 of each Gregorian year.
Capital Increase	Capital increase of Budget Saudi Company from seven hundred and eleven million six hundred and sixty-six thousand six hundred and eighty (711,666,680) Saudi riyals to seven hundred and eighty-one million six hundred and sixty-six thousand six hundred and eighty (781,666,680) Saudi riyals with a nominal value of ten (10) Saudi riyals per share.
Preconditions	The conditions precedent to the completion of the Acquisition Transaction specified in the Sale Agreement and set forth in Section No. (6) " Legal Information " of this Circular.
Business Day	Any business day except Fridays and Saturdays and any day that is an official holiday in Saudi Arabia or any day on which banking institutions are close in accordance with the laws in force and other government procedures.
Vision 2030	The National Strategic Economic Program, which aims to reduce dependence on oil derivatives, diversify the Saudi economy and develop public services.
Market	The Saudi Stock Exchange "Tadawul" which includes, where the context allows, any committee, subcommittee, employee, official, affiliate or agent that may be assigned for the time being to carry out any of the functions of the Market. The phrase "in the Market" means any activity carried out through or by means of the equipment provided by the Market.
Closing Price	The last price traded on the relevant trading day according to the mechanism specified by the Saudi Stock Exchange (Tadawul).
Share Listing	Listing of securities on Tadawul
Share	An ordinary share of the shares of Budget Saudi fully paid with a nominal value of ten (10) Saudi riyals per share.
Taxes/Zakat	Any fees, taxes, Zakat dues, deductions or withdrawals bearing the tax capacity in any place imposed or collected by or in support of any governmental, national, federal, regional, local or other authority, including (for example, but not limited to) tax levied on gross or net income, profits or revenues (including any tax on capital profits), taxes imposed on receipts, usufruct, ownership, privilege, transfer of ownership, value added, personal property, social security subscriptions and related taxes, as well as any fines and/or penalties related to the foregoing. Any fines, surcharges, interest, burdens, or additions to the taxes due in relation to any of the above types of taxes.
Retained Earnings	Excess of profit for the year after deducting the value of the provision for reserves and dividends.
Doubtful Debts	These are debts that the Company is unsure of its ability to collect from the customer.
Corporate Governance Regulations	The Corporate Governance Regulations issued by the CMA Board, pursuant to the Companies Law, by virtue of Resolution No. 8-16-2017 dated 16/05/1438H (corresponding to 13/02/2017G), as amended by CMA Board Resolution No. 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023G) and any modifications thereto.
H	The Hijri calendar.
G	The Gregorian calendar.

2. Risk Factors

The shareholders of Budget Saudi Company shall carefully consider all the information contained in this circular, including in particular the risk factors contained in this section. This shall be made before the vote of approval or rejection of the resolutions submitted to the Extraordinary General Assembly of Budget Saudi Company in relation with the acquisition transaction. Noting that the risks described herein does not include all the risks that Budget Saudi Company may face on the date hereof. There are other risks that are currently unknown, other than the risks mentioned in this section, which are not known to the Board of Directors of Budget Saudi Company currently or are not considered by the Board of Directors of Budget Saudi Company as one of the influential risk factors at the present time that may negatively affect Budget Saudi Company.

To the best of their knowledge and belief and after conducting the reasonably possible studies, the members of the Board of Directors acknowledge that there are no other material risks that may affect the decision of the shareholders of Budget Saudi Company to vote on the acquisition transaction, except for the risks indicated below until the date of this circular.

Al-Jazira Equipment Company may share with Budget Saudi Company in facing some risk factors, and may face its own risk factors. Knowing that the acquisition transaction usually involves its own risk factors, and other risks related to investing in the transport sector, given the concentration of Al-Jazira Equipment Company's activity in this sector.

The realization of the risks contained in this section will negatively affect the activity of Budget Saudi Company, its financial position, the results of its operations, its financial flows, its future prospects and the profitability of its shares. Any other risks (other than the risks mentioned below), which are not mentioned in this section, either not known to the Board of Directors of Budget Saudi Company or not classified by the Board of Directors of Budget Saudi Company as substantial, but found to be substantial when they occur, will also adversely affect Budget Saudi Company's activity, financial position, results of its operations, financial flows, future prospects and profitability of its shares.

In the event that any of the shareholders has any doubt regarding the content of this circular, they shall obtain a private financial consultation from an independent financial advisor licensed by the Capital Market Authority "CMA". In this context, it shall be clarified that the risks identified below are not listed in order of importance, and additional risks that are currently unknown or immaterial may have the same impact as mentioned in this circular.

The breakdown of risks into the categories described below does not limit the expected impact of any of the risks, and the risks order below does not reflect the importance, possibility of occurrence or expected impact of the risks.

2.1 Risks Related to the Market, Sector and Regulatory Environment in which Al-Jazira Equipment Company Operates

2.1.1 Risks Related to Structural Changes in the Transport Sector

In general, the transport sector is subject to continuous development and is exposed to fundamental structural changes, as public transport projects such as: Riyadh Train, Haramain High-speed railway, and companies that provide new transport service models, including vehicle routing services through electronic applications such as Uber, Careem, or self-driving vehicles, may affect the volume of demand for short-term rental cars and may lead to a change in customer preferences and uses. Some of these companies may have the ability to provide significant capital, innovative technologies, or launch services at a relatively low cost. Budget Saudi Company and Al-Jazira Equipment Company will face the risks of increased price competition and a decrease in the volume of demand for short-term and long-term leasing if competitors can improve transport efficiency, change customer driving patterns, provide their services at more competitive prices, make more effective use of mobile platforms, or conduct intensive marketing campaigns. Accordingly, the ability of Budget Saudi Company and Al-Jazira Equipment Company to continuously improve their current operations and offers in response to structural changes in the transportation sector in general and technical changes is essential to maintain their competitive position and current customer satisfaction levels. The absence of a clear and comprehensive methodology to deal with such changes and keep abreast of them may lead to the loss of competitive advantage and key partners, and thus negatively affect the profitability, market share and ability of Budget Saudi Company and Al-Jazira Equipment Company to achieve growth targets, which would negatively and fundamentally affect Budget Saudi Company and Al-Jazira Equipment Company's business, financial position, results of operations and future prospects.

2.1.2 Risks Related to Competition and Market Share of Both Companies

Budget Saudi Company and Al-Jazira Equipment Company compete in KSA with companies that operate in the field of car rental, both short-term and long-term, where competitive factors include price, quality of vehicles, brand spread, geographic presence, innovation, and customer service. Additionally, the means of technology enabled customers to compare the prices available from car rental companies with greater ease and convenience. Therefore, if Budget Saudi Company and Al-Jazira Equipment Company try to increase their prices, their competitors may seek to increase competition for prices. Budget Saudi Company and Al-Jazira Equipment Company may not be able to maintain or enhance their market position or overall share of the car rental market due to some of Budget Saudi and Al-Jazira Equipment Company's competitors having greater financial and marketing resources than Budget Saudi and Al-Jazira Equipment Company. Furthermore, high competition may lead to lower prices, increased offers and incentives in sales, lower gross profit margins, and increased sales expenses, marketing programs, and expenses dedicated to expanding marketing channels. Budget Saudi and Al-Jazira Equipment Company's competitors, including new companies, may also reduce prices to obtain, among other things, a competitive advantage and greater market share or as compensation for the stagnation of short-term rental activity. They may also provide vehicles that exceed what Budget Saudi Company and Al-Jazira Equipment Company provide in terms of quality and market acceptance. Accordingly, Budget Saudi Company and Al-Jazira Equipment Company may not be able to maintain or enhance their market position or overall share in the short-term and long-term leasing markets. If Budget Saudi Company and Al-Jazira Equipment Company are unable to meet these competitive challenges, this will negatively and materially affect Budget Saudi and Al-Jazira Equipment Company's business, financial position, results of operations and future prospects.

2.1.3 Risks Related to Changes in Regulatory Landscape

The car rental and vehicle leasing sector is subject to several laws and regulations in KSA, which may materially affect or restrict the business and operations of Budget Saudi Company and Al-Jazira Equipment Company or may increase their costs in the future. Accordingly, both companies may be subject to fines or penalties in the event of non-compliance with these laws or regulations or the fulfillment of licensing requirements, which may change from time to time, resulting in the two companies incurring higher costs or exposure to reputational damage, which would reduce the competitive position of the two companies and the demand for their products. For example, in the financial year ended December 31, 2022G, the government obliged vehicle rental companies to update their buses with SASO stickers. Consequently, Al-Jazira Equipment Company was forced to recall its fleet of buses to comply with these requirements, resulting in an average cost of SAR 600,000 in the financial year ended 31 December 2022G. In addition, according to the new law, the car rental company shall have enough yards to stop its fleet during idle time. In this context, Al-Jazira Equipment Company leased 3 new yards during the financial year ended 31 December 2022G in Jeddah, Riyadh and Yanbu at an annual cost of SAR 603,000.

2.1.4 Risks Related to Force Majeure and the Occurrence of Natural Disasters

Climatic conditions in the Kingdom, particularly in areas where Budget Saudi Company and Al-Jazira Equipment Company do business, such as: extreme cold, high heat, floods, storms, or other natural disasters can affect Budget Saudi and Al-Jazira Equipment Company's fleet. Additionally, climate change can intensify adverse weather events. Severe weather conditions, regardless of their cause, can affect the business of Budget Saudi Company and Al-Jazira Equipment Company by:

Short-term rental channels are disrupted as follows:

- Damage to the Company's infrastructure or facilities.
- Inefficient or out of the ordinary operational practices due to unforeseen adverse events and circumstances.
- Damage to the assets of Budget Saudi Company and Al-Jazira Equipment Company, especially vehicles.

Any of these factors will have a significant negative impact on Budget Saudi Company and Al-Jazira Equipment Company's business, financial position, results of operations and future prospects.

2.1.5 Risks Related to Political Instability and Security Concerns in the Middle East

Budget Saudi Company, Al-Jazira Equipment Company's assets, operations and customer base are located in the Kingdom. The Middle East region is exposed to a number of geopolitical and security risks that may affect the GCC countries, including the Kingdom. Furthermore, investment in the Middle East region, which suffers from continuous political, economic and social developments, is considered unstable, and any unexpected changes in the political, social, economic or other conditions in the Middle East may have a negative and substantial impact in the markets in which Budget Saudi Company and Al-Jazira Equipment Company conduct business, as well as in the ability of Budget Saudi Company and Al-Jazira Equipment Company to attract and retain customers in those areas, as well as in the investments that Budget Saudi Company and Al-Jazira Equipment Company have implemented or may implement in the future, which will have a negative and fundamental impact on the business of Budget Saudi Company and Al-Jazira Equipment Company and its financial position, results of its operations and future prospects.

2.1.6 Risks Related to Consumer Spending Due to Poor Economic Conditions

General economic conditions may have a negative and material impact on Budget Saudi and Al-Jazira Equipment Company's business, results of its operations, financial position and future prospects. The car rental sector may be adversely affected by any decline in consumer confidence, consumer spending, decrease in wages, availability of consumer credit, changes in unemployment rates, increase in fuel prices, decrease in travel rates, increase in interest rates and tax rates, inflationary changes, significant deflation, regulatory events, or disruptive geopolitics that can reduce consumer spending or the level of consumer confidence, and thus negatively affect the revenues of Budget Saudi Company and Al-Jazira Equipment Company. Poor economic conditions have caused bankruptcies, staff reductions and hiring freezes, as well as financial difficulties, which may lead them to reduce spending on long-term or short-term rental services, or lead to defaults, and these conditions may continue to cause the same results in the future. In addition, some competitors in such circumstances may resort to lowering and promoting prices, which in turn increases pressure on Budget Saudi Company and Al-Jazira Equipment Company, which would negatively and materially affect Budget Saudi and Al-Jazira Equipment Company's business, financial position, results of operations and future prospects.

2.1.7 Risks Related to Non-compliance with VAT Regulations

The VAT Law entered into force on 01/01/2018G, where 5% VAT was imposed on a number of products and services. The Ministry of Finance has announced an increase in VAT to 15% as of 01/07/2020G. Due to the recent implementation of this law and the increase in the VAT rate, it cannot be ruled out that any violation or wrong application of the VAT laws by the executive management of Budget Saudi Company and Al-Jazira Equipment Company or its employees may increase the operational costs and expenses that will be borne by Budget Saudi Company and Al-Jazira Equipment Company or may expose Budget Saudi Company and Al-Jazira Equipment Company to fines or penalties or may damage its reputation. Furthermore, in the event that Budget Saudi Company and Al-Jazira Equipment Company cannot increase their prices to match any future VAT increase, Budget Saudi and Al-Jazira Equipment Company's profit margins will be adversely affected. In the event that Budget Saudi Company and Al-Jazira Equipment Company pass on the VAT increase to their customers, demand for their products may decline. The occurrence of any of the above risks will have a negative and material impact on Budget Saudi Company and Al-Jazira Equipment Company's business, financial position, results of its operations and future prospects.

2.1.8 Risks Related to Zakat and Income Tax Calculation Mechanism Change

Zakat, Tax and Customs Authority issued Circular No. 6768/16/1438 dated 05/03/1438H (corresponding to 05/12/2016G), which obliges Saudi companies listed in the Capital Market to calculate income and zakat based on the nationality of shareholders and actual ownership among Saudi, Gulf and other citizens as described in the "Tadawulat" at the end of the year. Prior to the issuance of this circular, companies listed on the financial market were generally subject to the payment of zakat or tax on the basis of the ownership of their founders in accordance with their statutes, and the impact of listed shares was not taken into account in determining the zakat base. This circular was to be applied in the financial year ended 31 December 2016G and subsequent years. However, the Zakat, Tax and Customs Authority issued its letter No. 12097/16/1438 dated 19/04/1438H (corresponding to 17/01/2017G), which requires postponing the implementation of the circular for the financial year ended 31 December 2017 and future years. Until the Zakat, Tax and Customs Authority issues its directives regarding the mechanisms and procedures for implementing this circular, the implementation of this circular, including the final requirements that shall be met, is still under consideration, especially the rules that impose income tax on all non-Gulf residents participating in listed Saudi companies and that apply withholding tax on dividends to non-resident shareholders regardless of their nationality. Budget Saudi Company did not assess the financial impact of this circular and take sufficient steps to ensure compliance therewith. If the financial impact of this circular if applied is significant or if Budget Saudi Company incurs additional costs to take the necessary steps to ensure compliance therewith, this will negatively affect its business, results of operations, financial position and future prospects.

2.1.9 Risks Related to Changes in Energy Prices

Budget Saudi Company and Al-Jazira Equipment Company are affected by the high prices of diesel and gasoline, which operate vehicles used by customers. The Ministry of Energy issued a statement on 24/03/1439H (12/12/2017G) regarding the plan of the Fiscal Balance Program to improve the prices of energy products. This resulted in an increase in the prices of 91 petrol, 95 petrol, diesel (for industry and utilities), diesel (for transport) and kerosene as of 14/04/1439H (01/01/2018G), noting that the prices of energy products are subject to monthly review in accordance with the procedures for the governance of adjusting the prices of energy and water products. Saudi Aramco raised diesel prices of 2024G by 53% to SAR 1.15 (\$0.30) per liter from SAR 0.75, as part of the annual price adjustment. Accordingly, any further increases in diesel and gasoline prices will have an impact on the behavior of Budget Saudi Company and Al-Jazira Equipment Company customers who may be looking for other transportation alternatives for short-term and long-term leasing, especially with the expected launch of a number of initiatives related to public transportation in the Kingdom, which will have a negative and fundamental impact on Budget Saudi Company and Al-Jazira Equipment Company's operations, financial position, results of operations

and future prospects. The Executive Committee for the Amendment of Energy and Water Prices in the Kingdom announced on 30/11/1442H (corresponding to 10/07/2021G) the issuance of a royal order to adopt a maximum price of gasoline as of the date of the announcement. Accordingly, prices will be reviewed periodically so that the maximum limit is not exceeded. Although the recent amendment to the price of diesel and asphalt products made by the Saudi Arabian Oil Company (Saudi Aramco) as of 27/05/1443H (corresponding to 31/12/2021G) in accordance with the governance procedures for adjusting the prices of energy and water products in the Kingdom did not have a material impact, there is no guarantee that any future amendments will not have a material impact on Budget Saudi Company and Al-Jazira Equipment Company, which will have a negative and fundamental impact on the business of Budget Saudi Company and Al-Jazira Equipment Company and its financial position and the results of its operations and future prospects.

2.1.10 Risks Related to the Expected Launch of a Number of Public Transport Related Initiatives in the Kingdom

In light of the launch of the first phase of the public transport project on March 19, 2023G, which consists of a train network and a parallel bus network, which is being established in accordance with the comprehensive public transport plan developed by the Royal Commission for Riyadh City in order to provide integrated public transport solutions in the capital and provide the city's residents and visitors with appropriate public transport services that meet their current and future needs. These initiatives include the King Abdulaziz Public Transport Project in Riyadh, which includes a comprehensive train and bus network of up to 22 lines and 6,765 bus stations with a length of 1,200 km, in addition to a number of planned public bus networks and taxi transfer projects in major cities. The project aims to build and operate a rapid public transport network according to the latest international technologies, which provides the population with economic mobility options that contribute to reducing the excessive use of private vehicles, enhancing the local economy, preserving the environment, in addition to facilitating traffic and linking various parts of the city. As of the date of this circular, Budget Saudi Company and Al-Jazira Equipment Company have not assessed the impact of the launch of public transport projects on the car rental sector in general and on its business in particular. In the event that this impact is material or the revenues of Budget Saudi Company and Al-Jazira Equipment Company decrease accordingly, this will negatively and materially affect its business, financial position, results of operations and future prospects.

2.2 Business Risks Related to Al-Jazira Equipment Company and Operations

2.2.1 Risks Related to Al-Jazira Equipment Company Indebtedness

Due to the expansion of the Company's operations and the growth in the size of its fleet, which increased from 11,230 vehicles as of 31 December 2020G to 13,666 vehicles as of 31 December 2022G, the Company relied on long-term loans to finance these vehicles and purchases. Due to the increase in loan balances from SAR 324.9 million as of 31 December 2020G to SAR 608.7 million as of 31 December 2022G, this increase was accompanied by an increase in the debt-to-equity ratio of the Company, which rose from 1.28x to 1.66x as of 30 September 2023G, and the debt-to-equity ratio decreased to 1.23x after the capital increase by SAR 120.0 million during the year.

Budget Saudi's debt-to-equity ratio after completion of the Acquisition Transaction will reach 0.5x as of September 30, 2023, compared to 0.3x before the completion of the Acquisition Transaction.

Table 1: Debt to Equity Ratio of Al-Jazira Equipment Company

	31 December 2020G	31 December 2021G	31 December 2022G	30 September 2023G
Total Loans (SAR '000)	324,931	392,040	608,707	648,861
Net Assets (SAR '000)	254,673	316,136	365,990	527,145
Debt to Equity Ratio (x)	(1.28)	(1.24)	(1.66)	(1.23)
Lending Ratio	4.0%	3.0%	4.3%	8.3%

Source: Al-Jazira Equipment Company

With the increase in the debt-to-equity ratio, the Company was unable to repay its loan payments only from the cash flow generated from operations (excluding vehicle additions) with the debt-to-service coverage decreasing from 1.5x in the financial year ended 31 December 2020 to 0.49x in the financial year ended 31 December 2021 and 0.76x in the financial year ended 31 December 2022. Thus, the Company obtained annual loans to finance the purchase of cars and cover the installments of previous loans. During the financial year ended December 31, 2022, the Company achieved a cash flow from operating activity of SAR 205.5 million, however, it had loan payments of SAR 269.8 million and purchased cars with a total value of SAR 388.7 million, which was partially funded by loan proceeds of SAR 486.5 million. During 2023, the debt service coverage ratio improved to 1.01x, driven by a capital increase of SAR 120.0 million used to finance the purchase of new cars.

Table 2: Debt Service Coverage at Al-Jazira Equipment Company

(SAR in 000s)	31 December 2020G	31 December 2021G	31 December 2022G	30 September 2023G
Cash flow for operations (excluding additions to vehicles)	304,451	174,420	205,508	232,137
Loan disbursements	(202,111)	(354,474)	(269,808)	(228,845)
Debt Service Coverage Ratio (x)	1.51	0.49	0.76	1.01
Loan proceeds	231,911	421,582	486,475	269,000
Addition to vehicles	(370,347)	(230,670)	(388,683)	(381,375)

Source: Al-Jazira Equipment Company

Al-Jazira Equipment Company's business depends on its ability to obtain credit facilities from third parties to finance its operations. The total indebtedness of Al-Jazira Equipment Company on September 30, 2023G is approximately SAR 648,861,189, which is approximately (1.28x), (1.18x), (1.69x) and (1.35x) of the total shareholders' equity, as of December 31, 2020G, 2021G, 2022G and September 30, 2023G.

Al-Jazira Equipment Company has entered into the following credit facilities:

- Credit facilities concluded with Alinma Bank on 17/07/2022G and expired on 31/07/2023G amounting to two hundred million (200,000,000) Saudi riyals and the amounts used thereof amounted to one hundred and twenty-nine million eight hundred and twenty thousand (129,820,000) Saudi riyals.
- Credit facilities concluded with Banque Saudi Fransi on 07/11/2021G and renewed on 18/01/2023G amounting to three hundred million (300,000,000) Saudi riyals and the amounts used thereof amounted to two hundred and fourteen million (214,000,000) Saudi riyals. The validity of these facilities is as follows:

Facilities	Type	Amount (SAR Millions)	Expiration Date
Specific facilities related to the financing of the working capital of AutoWorld Company (Multipurpose up to SAR 100 million)	Financing the purchase and sale of goods (Tawarruq)	26,7	01/09/2024G
	Financing the purchase and sale of goods (Tawarruq)	18	01/07/2024G
	Financing the purchase and sale of goods (Tawarruq)	12,2	01/12/2024G
	Financing the purchase and sale of goods (Tawarruq)	17,9	30/04/2025G
	Financing the purchase and sale of goods (Tawarruq)	16,2	31/12/2025G
	Multiple Import:		
	a. Letter of Credit	15	31/01/2024G
	b. Use of the Letter of Commendation		
	c. LC Acceptance		
	Multi-Correlation:		
a. Bid Bonds	15	31/01/2024G	
b. Advance Payment Bonds			
c. Performance Bonds			
d. Retention Bonds			
Payment Guarantees	15	31/01/2024G	
Specific facilities related to the financing of 3 contracts with Saudi Radwa Food Company Limited, Danya Foods Limited and the General Directorate of the Saudi General Investigation	Financing the purchase and sale of goods (Tawarruq)	78,3	01/01/2026G
Specific facilities related to financing 70% of contracts with the leading integrated modern services company and the Ministry of Health	Financing the purchase and sale of goods (Tawarruq)	62,6	31/05/2026G
	Financing the purchase and sale of goods (Tawarruq)	46	28/02/2026G

- Credit facilities concluded with Riyad Bank on 12/04/2023G, which expire on 12/04/2026G and amounted to three hundred and seventy million (370,000,000) Saudi riyals and the amounts used thereof amounted to three hundred and five million (305,000,000) Saudi riyals.

It is worth mentioning that the Company has a total balance of SAR 237.0 million of the remaining unutilized banking facilities as of 31 December 2022G, as follows:

Table 3: Balance of Debts with Al-Jazira Equipment Company as of 31 December 2022G

(SAR in 000s)	Riyad Bank	Banque Saudi Fransi	Development	Total
Used vehicles	305,000	214,000	129,800	648,861
Unused vehicles	65,000	86,000	70,200	221,200
Total	370,000	300,000	200,000	870,000

Source: Al-Jazira Equipment Company

The facility agreements include several guarantees issued by Al-Jazira Equipment Company, the most prominent of which are order bonds issued with a total value of nine hundred and seventy-seven million five hundred and ninety-four thousand (977,594,000) Saudi riyals and a waiver of the revenues of the projects affiliated with Al-Jazira Equipment Company. The guarantees of Al-Jazira Equipment Company do not include any mortgage on any real estate asset. Moreover, the Facility Agreements include a number of restrictions on its business such as not to dispose of any of the guarantees provided under the Facility Agreements and not to enter into any other obligations that may limit Al-Jazira Equipment Company's ability to fulfil its obligations under the Facility Agreements. In the event that Al-Jazira Equipment Company is unable to pay the amounts due on time or reschedule the payments in the event of its inability to pay, or in the event that it breaches any guarantee, obligation, or record in the credit facility agreements, this will be considered a fundamental breach that may result in a right for the creditor to claim payment of all the amount of the debt before its actual maturity date. It shall also be noted that in the event that Al-Jazira Equipment Company breaches any of its obligations under any of the credit facility agreements, this may lead to its automatic breach of some other facility agreements, which gives a right to these creditors under those agreements to demand Al-Jazira Equipment Company to pay all the amount of indebtedness under the facilities agreements concluded with them before their actual maturity date. In the event that Al-Jazira Equipment Company is unable to pay, these creditors can implement the guarantees provided to them (such as bonds), which will have a negative and material impact on Al-Jazira Equipment Company's business and financial position and the results of its operations and future prospects and thus will negatively affect Budget Saudi Company after the completion of the acquisition transaction.

2.2.2 Risks Related to Delayed Payment to Insurers

In the course of its business, Al-Jazira Equipment Company shall record dues from insurance companies pending approvals and payment of claims. Al-Jazira Equipment Company faced challenges with the accumulation of dues from the insurers, primarily due to settlement differences between the Company's books and those of the insurers, which delayed the payment of their claims. The total dues from insurance companies amounted to SAR 60,307 million as of September 30, 2023G, of which SAR 41,836 million were more than 181 days old. This was offset by payments to insurance companies amounting to SAR 38,411 million, of which SAR 31,832 million were more than 181 days old.

Table 4: Claims from Insurers as of 30 September, 2023G

(SAR in 000s)	Current	0 to 90 days	91 to 180 days	181 to 270 days	271 to 365 days	Over one year	Total
Allianz Saudi Fransi Insurance Company	3,454	6,988	7,995	8,332	9,701	7,680	44,150
National Insurance Company	-	35	-	930	1,138	13,138	15,240
Total	3,454	7,023	7,995	9,262	10,839	20,818	59,391

Source: Al-Jazira Equipment Company

Table 5: Claims to Insurance Companies as of 30 September 2023G

(SAR in 000s)	Current	0 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	Over one year	Total
Allianz Saudi Fransi Insurance Company	398	314	1,050	550	3,218	23,596	8,236	37,362
National Insurance Company	-	-	-	-	-	95	1,815	1,910
Total	398	314	1,050	550	3,218	23,692	10,051	39,272

Source: Al-Jazira Equipment Company

In the event that the insurance companies delay the payment of the claims of Al-Jazira Equipment Company or do not pay them or pay them with discounts, this will affect the financial position of Al-Jazira Equipment Company and thus will negatively affect Budget Saudi Company after the completion of the acquisition transaction.

2.2.3 Risks related to Al-Jazira Equipment Company's Inability to Achieve its Expected Objectives or Strategies

The future performance of Al-Jazira Equipment Company depends on its ability to successfully implement its objectives and achieve its current strategies. The ability of Al-Jazira Equipment Company to implement its current strategies is subject to various factors, some of which are beyond its control. In the event that Al-Jazira Equipment Company is unable to achieve its objectives and strategies for any reason, this will adversely and fundamentally affect the work of Al-Jazira Equipment Company, its financial position, the results of its operations and future prospects, and thus will adversely affect Budget Saudi Company, its financial position and the results of its operations.

There is also no guarantee that the successful implementation of Al-Jazira Equipment Company's strategy will bear fruit in the results of its operations. Al-Jazira Equipment Company may incur additional costs that include attracting qualified employees and working with consultants to prepare the necessary studies to reach alternative plans and develop new strategies, which would have a material and negative impact on Al-Jazira Equipment Company's financial position and its future expectations in the event that the financial impact of these alternative plans and new strategies is not as expected, and thus will adversely affect Budget Saudi Company, its financial position and the results of its operations.

2.2.4 Risks Related to Management Decisions

The results of Al-Jazira Equipment Company's business depend mainly on the ability of its management to make the right and appropriate decisions regarding Al-Jazira Equipment Company's business and activities. In the event that the decisions of the management of Al-Jazira Equipment Company regarding its business are found to be unsound, this will adversely and materially affect the business of Al-Jazira Equipment Company, its financial position, the results of its operations and future expectations, and thus will adversely affect Budget Saudi Company, its financial position, the results of its operations and future prospects.

2.2.5 Risks Related to Employee Misconduct and Errors

The misconduct or errors of employees that may result in a violation of any laws, regulations or instructions in force in the Kingdom may lead to the imposition of penalties or financial obligations on Al-Jazira Equipment Company from the competent authorities or result in damage to the reputation of Al-Jazira Equipment Company. Al-Jazira Equipment Company does not guarantee the absence of cases of misconduct or errors by its employees, including, but not limited to, their illegal activities, misuse of information, disclosure of confidential information, involvement in the dissemination of misleading information, non-compliance with the internal controls of Al-Jazira Equipment Company, or negligence in the provision of services. When cases of misconduct or mistakes by employees occur, this will affect the reputation of Al-Jazira Equipment Company and may result in the imposition of penalties by the competent authorities, which will negatively and materially affect the business of Al-Jazira Equipment Company, its financial position, and the results of its operations and future expectations. Consequently, it will negatively affect Budget Saudi Company, its financial position and the results of its operations.

2.2.6 Risks Related to Employing and Sponsoring Non-Saudi Employees

The Ministry of Human Resources and Social Development officially announced the launch of the **"Improving the Contractual Relationship"** initiative, which includes a number of policies and controls, including the approval of the employment contract system between the employer and the migrant worker to replace the sponsorship system, which entered into force on 14/03/2021G. This initiative comes within the framework of the Kingdom's efforts to improve and raise the efficiency of the work environment, increase the flexibility, effectiveness and competitiveness of the labor market, raise its attractiveness in line with international best practices, and activate the contractual reference in the labor relationship between the employer and the worker based on the labor contract documented between them through the contract documentation program. The job mobility service also allows expatriate workers to move to another job upon the expiry of their employment contract without the need for the employer's consent. The initiative also determines the mechanisms of transition during the validity of the contract provided that the notice period and specific controls are adhered to. The exit and return service allows expatriate workers to travel outside the Kingdom when submitting the application with the employer's electronic notification. The final exit service enables expatriate workers to leave immediately after the expiry of the contract with the employer's electronic notification without requiring his consent, in addition to the possibility of leaving the Kingdom with the worker bearing all the consequences of the termination of the contract. All these services are available through "Absher" Platform and the Strengths platform of the Ministry of Human Resources and Social Development. The percentage of non-Saudi employees of the total employees of Al-Jazira Equipment Company reached (67%), (55%), (55%), and (53%)

during the years 2020G, 2021G, and 2022G, September 30, 2023G. AJEC may be adversely affected as a result if a large number of employees decide to move to other companies as Al-Jazira Equipment Company will only be able to prevent them under their employment contracts, and therefore Al-Jazira Equipment Company may face difficulties in contracting new employees in their place. In the event that Al-Jazira Equipment Company loses a large number of its employees as a result of their transfer to other companies and the inability of Al-Jazira Equipment Company to contract new employees to replace them, this will have a negative and material impact on Al-Jazira Equipment Company's business, financial position, results of its operations and future prospects. Consequently, it will negatively affect Budget Saudi Company, its financial position and the results of its operations.

2.2.7 Risks Related to Geographical Concentration of Al-Jazira Equipment Company's Business

All the business of Al-Jazira Equipment Company is located in KSA and its assets and business are highly concentrated in the main cities, the most important of which is Al-Khobar, where the revenues resulting from the business in the city of Al-Khobar represented (42%), (35%), (34%) and (29%) of the total revenues of Al-Jazira Equipment Company during the years 2020G, 2021G, and 2022G, September 30, 2023G. Therefore, any deterioration in the economic, regulatory, geographical, weather, epidemics or other conditions that may occur in the Kingdom in general or Al-Khobar in particular or one of the cities in which Al-Jazira Equipment Company practices its business will have a significant impact compared to the deterioration itself and compared to other companies with assets distributed inside or outside the Kingdom, which in turn will negatively and materially affect Al-Jazira Equipment Company's business, financial position, results of operations and future prospects, and thus will negatively affect Budget Saudi Company after the completion of the acquisition transaction.

2.2.8 Risks Related to the Concentration of Revenues of Al-Jazira Equipment Company from Operating Leasing

Al-Jazira Equipment Company's services are divided into three main segments: (i) operating lease, (ii) maintenance, and (iii) sale of used vehicles. Below is an overview of each of these activities.

2.2.8.1 Operating Leasing

It is the main activity, including the rental of cars, trucks and other vehicles for long-term periods ranging from one to five years for business customers. Operating leases include other services such as maintenance, providing a replacement vehicle in case of breakdown, modifying the vehicle, providing a driver, and others.

The following table shows the number of vehicles owned by Al-Jazira Equipment Company, the number leased from them, the contracts, and the operating rental revenues and their percentage of the total revenues of Al-Jazira Equipment Company, at the end of each financial period shown.

Table 6: Operating Leasing Information

Financial period	Number of Owned Vehicles	Revenue (SAR)	Percentage of total revenue
Financial year ended December 31, 2020G	11,619	247,388,319	61.5%
Financial year ended December 31, 2021G	12,488	274,901,267	71.9%
Financial year ended December 31, 2022G	13,953	320,436,890	74.5%
The nine-month period ending September 30, 2023G	16,493	289,971,682	77.8%

Source: Al-Jazira Equipment Company

2.2.8.2 Maintenance and Workshops

This includes a number of service and maintenance centers that carry out periodic preventive maintenance of the car, in centers equipped for the maintenance and repair of various types of cars. These centers are located in most of the major cities in the Kingdom and are supervised by a technically trained team that is good at carrying out all repair, plumbing, blacksmithing and painting works. The following table shows the number of maintenance centers and workshops owned by Al-Jazira Equipment Company, the revenues resulting from maintenance work and their percentage of the total revenues of Al-Jazira Equipment Company, at the end of each financial period shown.

Table 7: Service and Maintenance Centers and Workshops

Financial period	Number of service and maintenance centers and workshops	Revenue (SAR)	Percentage of total revenue
Financial year ended December 31, 2020G	4	10,392,070	2.6%
Financial year ended December 31, 2021G	5	15,076,665	3.9%
Financial year ended December 31, 2022G	6	27,150,202	6.3%
The nine-month period ending September 30, 2023G	8	13,854,802	3.7%

The center is currently under construction.

2.2.8.3 Used Cars

This activity includes the sale of vehicles used by Al-Jazira Equipment Company through the auction system to individuals or others, after completing their rental.

Table 8: Used Cars Sold

Financial period	Number of Vehicles Sold	Average age of vehicle when sold (year)	Revenue (SAR)	Percentage of Total Revenue
Year 2020G	4,137	4.30	144,573,463	35.9%
Year 2021G	2,011	3.73	92,600,509	24.2%
Year 2022G	1,825	3.59	82,460,794	19.2%
The nine-month period ending September 30, 2023G	1,558	3.83	68,839,540	18.5%

Source: Al-Jazira Equipment Company

The revenues resulting from the work related to the operating lease represented (61.5%), (71.9%), (74.5%) and (77.8%) of the total revenues of Al-Jazira Equipment Company during the years 2020G, 2021G and 2022G, September 30, 2023G. Accordingly, any deterioration in the economic or organizational conditions or decline in the number of customers related to the operating lease or any loss of operating lease contracts and the inability to conclude new contracts will have a significant impact compared to the deterioration itself and compared to other companies whose revenues and services vary, which in turn will negatively and fundamentally affect the business of Al-Jazira Equipment Company and its financial position and the results of its operations and future prospects and thus will negatively affect Budget Saudi Company after the completion of the acquisition transaction.

2.2.9 Risks Related to Non-collection of Receivables

The total balance of the Company's receivables amounted to approximately SAR (199,815,000), SAR (222,948,484), SAR (275,638,515) and SAR (383,010,357) as of 2020G, 2021G, 2022G and 30 September 2023G, respectively. The balance of the provision for the expected credit loss in its collection for Al-Jazira Equipment Company amounted to SAR (79,044,478), SAR (79,044,478), SAR (90,776,054) and SAR (90,776,054) as of 2020G, 2021G, 2022G and 30 September 2023G, respectively.

As of 30 September 2023G, the total receivables between the ages of one and three years amounted to SAR 28,212,977, and the total receivables over the age of three years amounted to SAR 63,052,595.

Table 9: Ages of Trade Receivables and Dues from Related Parties as of 31 December 2020G, 2021G and 2022G

SAR in 000s	As of 31 December, 2020G			As of 31 December, 2021G			As of 31 December, 2022G		
	Book Value	ECL Provision	ECL Provision Ratio	Book Value	ECL Provision	ECL Provision Ratio	Book Value	ECL Provision	ECL Provision Ratio
Traded	45,144	1,672	3.7%	63,218	786	1.2%	59,132	716	1.2%
0 – 90 days	38,434	1,831	4.8%	48,002	1,444	3.0%	59,655	1,557	2.6%
91 – 180 days	14,024	1,451	10.3%	16,384	1,706	10.4%	29,681	2,016	6.8%
181 – 270 days	12,876	1,640	12.7%	8,930	1,838	20.6%	20,216	3,604	17.8%
271 – 360 days and more	97,392	73,351	75.3%	94,189	73,271	77.8%	115,442	82,882	71.8%
Balance at the end of the year	207,871	79,944	38.5%	230,723	79,044	34.3%	284,127	90,776	31.9%

Source: Audited financial statements of Al-Jazira Equipment Company for the financial years ended 31 December 2021G and 2022G and administration information.

Table 10: Ages of Trade Receivables and Dues from Related Parties as of 31 December 2022G and as of 30 September, 2023G

SAR in 000s	As of 31 December, 2022G			As of 30 September, 2023G		
	Book Value	ECL Provision	ECL Provision Ratio	Book Value	ECL Provision	ECL Provision Ratio
Traded	59,132	716	1.2%	91,151	720	0.8%
0 – 90 days	59,655	1,557	2.6%	69,442	752	1.1%
91 – 180 days	29,681	2,016	6.8%	51,780	2,212	4.3%
181 – 270 days	20,216	3,604	17.8%	29,447	2,706	9.2%
271 – 360 days and more	115,442	82,882	71.8%	143,754	84,385	58.7%
Balance at the end of the year	284,127	90,776	31.9%	385,575	90,776	23.5%

Source: Al-Jazira Equipment Company's unaudited interim financial statements for the nine-month period ended 30 September, 2023G and administration information.

The ageing schedule of receivables and dues from related parties includes (1) the book value of accounts receivable (2) dues from related parties and (3) unbilled accounts receivable.

Al-Jazira Equipment Company follows policies regarding credit, collection and write-off of bad debts in accordance with the International Financial Reporting Standards (IFRS) adopted in KSA and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants. In the event that the financial position of any of Al-Jazira Equipment Company's customers is adversely affected, this will have a negative impact on the ability of Al-Jazira Equipment Company to collect all outstanding receivables and thus will adversely affect Budget Saudi Company after the completion of the acquisition.

2.2.10 Risks Related to Adequacy of Insurance Coverage

Al-Jazira Equipment Company's operations may be affected by a number of hazards and events, including errors, traffic accidents and their consequences, natural disasters, accidents, terrorist acts, sabotage and war-related events, for which adequate insurance coverage may not be available on commercially reasonable terms. Furthermore, the seriousness and frequency of various events such as sudden accidents and other unfortunate incidents, work interruptions or potential damage to Al-Jazira Equipment Company's facilities, property and equipment caused by bad weather, human error, pollution, wars and natural disasters all cause Al-Jazira Equipment Company to incur significant losses and expose it to numerous liabilities.

Al-Jazira Equipment Company will maintain several policies to cover these events but cannot guarantee that the insurance coverage will be sufficient to cover losses resulting from any or all of these events, or that it will be able to renew the insurance coverage on commercially reasonable terms or even do so at all.

Moreover, insurance policies include a number of events that are excluded from insurance coverage, as well as other restrictions related to insurance coverage that are negotiated with insurance companies. The possibility of Al-Jazira Equipment Company obtaining the compensation due thereto by the relevant insurance company depends on the solvency of the insurance company and its ability to meet the value of this compensation. Therefore, the insurance may not cover all the losses that may be incurred by Al-Jazira Equipment Company as these losses may exceed the limits of the insurance policies or be outside the scope of the insurance coverage contained in these policies. In the event that Al-Jazira Equipment Company does not have sufficient insurance coverage for any future risks or accidents, this may lead to the loss of its property, contracts and future revenues related to these contracts. In some cases, it may also be exposed to financial obligations related to the damaged property. In the event of any of these risks, this will have a negative impact on the business of Al-Jazira Equipment Company, its financial position, the results of its operations and future prospects, and thus will negatively affect Budget Saudi Company after the completion of the acquisition transaction.

2.2.11 Risks Related to the Sale of Vehicles by Al-Jazira Equipment Company at the end of their Use

Due to the fact that Al-Jazira Equipment Company's fleet lacks a buy-back obligation from car dealerships, the potential sale of Al-Jazira Equipment Company's vehicles after commissioning (with a default period of 3-5 years) is susceptible to market trends and, in particular, uncertainty over usual prices in the used car market. The selling price of these vehicles, whether through auctions or company exhibitions, may fall below the previously estimated residual value.

The Company typically sells cars at the expiration of each lease, which generally falls between the third and fifth year of the lease term. This approach can lead to a higher number of vehicle sales in a given year, especially when a higher number of leases expire. This situation was observed in the financial year ended 31 December, 2020G when a larger quantity of vehicles (4,137 vehicles) was sold compared to the financial year ended 31 December 2021G and 2022G with 2,011 and 1,825 vehicles respectively, primarily due to a larger number of lease agreements expiring, especially those with key customers such as the National Water Company "NWC".

The table below shows the number of cars sold during the financial years ended 31 December 2021G, 2022G and 30 September 2023G and the revenues generated from these sales:

Table 11: Used Cars Sold

Financial period	Number of Vehicles Sold	Average age of vehicle when sold (year)	Revenue (SAR)
Year 2020G	4,137	4.30	144,573,463
Year 2021G	2,011	3.73	92,600,509
Year 2022G	1,825	3.59	82,460,794
Nine months ended 30/09/2023G	1,558	3.83	68,839,540

Source: Al-Jazira Equipment Company

Furthermore, as the Company's fleet size has increased from 11,230 vehicles as of 31 December 2020G to 16,235 vehicles as of 30 September 2023G, the Company needs to manage the challenge of selling a larger number of vehicles once the leases expire. This presents a potential risk in terms of selling these vehicles quickly while maintaining an appropriate recovery rate.

Although used vehicle sales revenue exceeded its net book value in the financial years ended December 31, 2020G, 2021G, 2022G, and the nine-month periods ended September 30, 2021G, and 2022G, with increases of 35.9%, 24.2%, and 19.2%, respectively, the Company's ability to sell vehicles in the used vehicle market may face severe constraints due to various

factors. These factors include the economic climate, model changes, legal requirements (such as amendments to car sales laws and regulations or vehicle taxes), inventory levels, new car prices, fuel costs, and tariffs. The low prices of used vehicles or the lack of liquidity in the used vehicle market may significantly hinder the Company's ability to resell its vehicles without incurring financial losses, which negatively affects the business, financial position, results of operations and future expectations and thus will negatively affect Budget Saudi Company after the completion of the acquisition transaction.

2.2.12 Risks Related to Changes in Useful life, Residual Value and Methods of Calculating Vehicle Consumption

The life expectancy of the vehicles shall be determined by the management of Al-Jazira Equipment Company taking into account their expected use and material consumption. Furthermore, an annual review is conducted to assess useful life, residual values and vehicle consumption methods. If any discrepancies are identified compared to previous periods, adjustments are made to future depreciation fees.

The useful life of the Company's vehicles shall be determined by the Company on the basis of the maturity of the lease contracts. Typically, these vehicles are sold once the leases expire, at which point, they are transferred to inventory at their net book value. The net book value is subsequently recorded as the cost of the vehicles at the time of sale. The typical useful life of vehicles follows the rental period, and we have presented below the new versus old consumption policies (3 years and above is the only affected category):

Table 12: New versus Old Consumption Policies for Al-Jazira Equipment Company

Lease Period	Old consumption policy	New Consumption Policy
Year	4 years	4 years
Two (2) years	5 years	5 years
Three (3) years and over	6 years	7 years

Source: Al-Jazira Equipment Company

It shall be noted that due to the difficulty of calculating the policy change across vehicles sold in the financial year ended 31 December 2021G, the policy came into effect as of 01 January 2022G. However, with respect to the rental sector, the impact of the policy can be seen in the financial ending 31 December 2021G onwards. To estimate the impact of this policy on earnings before interest, taxes, depreciation and amortization for the financial year ended 31 December 2021G for automotive sales, we calculated an adjustment of SAR 8.2 million to reflect the additional cost resulting from this new policy.

In connection with adjusting the useful life of cars during the financial year ended December 31, 2021G from 6 to 7 years, the average annual consumption of each vehicle decreased from SAR 12.3 thousand in the financial year ended December 31, 2020G to SAR 9.6 thousand in the financial year ended December 31, 2021G.

Furthermore, depreciation is a major component of the cost of long-term rental income (about 43% of total rental income on average), therefore, the decrease in annual depreciation fees has positively affected the total long-term rental margin, rising from 32.4% in the financial year ended 31 December 2020G to 47.6% in the financial year ended 31 December 2021G.

With regard to the sale of motor vehicles, due to the change in consumption policy, vehicles with an average age of less than 7 years are now sold at a higher net book value compared to the previous policy. Thus, this change reduced the gross margin from the sale of vehicles and compensated for the increase in the margin of the rental sector.

However, in the financial year ended 31 December 2021G, the new depreciation policy did not apply to vehicles already sold during that year, which maintained the same margin for car sales at approximately 36%. Then, in the financial year ended December 31, 2022G, total margin from vehicle sales witnessed a decline to 18.3%, driven by the application of a longer useful life for vehicles sold and the sale of vehicles with shorter lifespans and relatively lower profitability.

2.2.13 Risks Related to the Inability to Secure New Contracts or Renew Existing Contracts

The contractual relationships with Al-Jazira Equipment Company's key customers do not provide any guarantee as to sales volume or continuity, and Al-Jazira Equipment Company's association with such customers is subject to change at any time. Typically, contracts with major vehicle rental clients extend for an average of two to three years and are renewable through agreement. Additionally, there is a risk that Al-Jazira Equipment Company may not be able to maintain its corporate customers in general or specific customers, which may result in a significant loss of revenue that may not be offset by other customers. Such an outcome could negatively impact Al-Jazira Equipment Company's business, financial position, operating results and future prospects. Al-Jazira Equipment Company's revenues depend heavily on management's ability

to attract new customers in the vehicle rental sector. Due to the competitive situation, the Company lost contracts with customers within the oil and gas sector due to intense competition and the cyclical nature of these sectors. However, the Company also witnessed a growth in the leasing sector throughout the period under analysis, which contributed positively to revenue and profitability. This expansion was a strategic part of the Company's focus on entering new areas in the central and western regions. This was accompanied by the Company's success in securing new contracts from companies in the food and beverage, transportation and logistics, trade and services sectors, with a particular focus on other vehicle categories such as trucks and buses. However, the competitive landscape has led to the loss of contracts from customers in the oil and gas sector, due to intense competition and the cyclical nature of the industry.

Table 13: Rental Revenues for the Financial Years Ended December 31, 2020G to 2022G for Al-Jazira Equipment Company

SAR in 000s	Amounts
Financial year ended 31 December 2020G	247,521
Existing contracts	23,104
New Contracts	73,357
Expired Contracts	23,546
Financial year ended 31 December 2022G	320,437

Source: Al-Jazira Equipment Company

Table 14: Rental Revenues for Al-Jazira Equipment Company (from the beginning of 2022G until 30/09/2023G)

SAR in 000s	Amounts
Since the beginning of 2022G	236,934
Existing contracts	15,298
Contracts lost during 2023G	15,891
New contracts during 2023G	53,631
Profit until 30/09/2023G	289,972

Source: Al-Jazira Equipment Company

The table below also shows the revenues that have arisen from government agencies as a result of contracts concluded therewith:

Table 15: Revenues from Long-term Leases Concluded with Government Agencies for the Financial Years ended 31 December 2020G, 2021G and 2022G

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Nine- month period ended 30 September 2022G	Nine- month period ended 30 September 2023G	Annual Change 2020G-2021G	Annual Change 2021G-2022G	2020G-2022G CAGR	Percentage change in the Nine months period ended 30 September 2022G and 30 September 2023G
Leases with government entities	40,722	44,560	43,976	37,074	59,462	9.4%	(1.3%)	3.9%	60.4%
Total Long-Term Contract Revenues	247,388	274,901	320,437	236,934	289,972	11.1%	16.6%	13.8%	22.4%
Percentage of total long-term contract revenues					Percentage points				
Long-term leases with government entities	16.5%	16.2%	15.9%	15.7%	20.1%	(0.25)	(0.25)	(0.53)	4.4

Source: Al-Jazira Equipment Company

As of 30 September 2023G, the total residual value of Al-Jazira Equipment Company's existing contracts with existing customers was SAR 970,242 million. If in the future the management of Al-Jazira Equipment Company is unable to secure new customers in the vehicle rental sector or maintain its existing customer base, this may adversely affect the Company's business, financial position, operating results and overall prospects and consequently will adversely affect Budget Saudi Company following the completion of the Acquisition Transaction.

The Company has consistently generated an average revenue of approximately 16% of total long-term rental revenue during the historical period (for financial years 2020G-2022G) from government entities. Moreover, the Company succeeded in securing contracts with new government agencies during the financial year 2022G such as the Qassim Municipality, the Saudi General Investigation Department and King Salman bin Abdulaziz Royal Center. Obtaining contracts from government agencies involves a competitive bidding process. The Company shall offer competitive prices compared to other bidders while providing outstanding services and maintaining strong customer relationships.

As a result, part of the Company's revenue is under intense scrutiny and the Company operates within a different competitive landscape compared to its other main accounts, which may lead to certain pressures on margins and working capital.

2.2.14 Risks Related to Increased Premiums

Al-Jazira Equipment Company's profitability can be negatively impacted by higher insurance costs. The cost of insurance for Al-Jazira Equipment Company as a percentage of revenues increased from an average of approximately 5% during the period from 2020G to 2022G to approximately 8% in the nine-month period ending in September 2023G resulting from the increase in insurance premiums resulting from: (1) an increase in the market price of the insurance policy by 30%, (2) the change in the fleet mix towards categories that require higher insurance premiums, and (3) an increase in the loss ratio of Al-Jazira Equipment Company.

Table 16: Al-Jazira Equipment Company Loss Ratio from Insurance

%	31/12/2020G	31/12/2021G	31/12/2022G
The percentage of the Company's loss from insurance	87%	125%	115%

Table 17: Cost of Insurance from Revenues and Car Book Value of Al-Jazira Equipment Company

%	31/12/2020G	31/12/2021G	31/12/2022G	30/09/2023G
The cost of insurance from the book value of the cars	2.2%	2.2%	1.9%	2.9%
The cost of insurance from revenues	4.6%	5.4%	5.2%	8.2%

Source: Al-Jazira Equipment Company

Accordingly, high insurance costs can negatively affect profitability, especially when operating with a larger fleet size across different categories and a more comprehensive customer portfolio. This will have a negative impact on Al-Jazira Equipment Company, its financial position, the results of its operations and future expectations, and therefore, will negatively affect Budget Saudi Company, its financial position, the results of its operations and future prospects.

2.2.15 Risk Related to Liquidity

The trading ratio of Al-Jazira Equipment Company was (0.48), (0.55), (0.53), and (0.58) as in December 2020G, 2021G, 2022G, and 30 September 2023G. The cash ratio of Al-Jazira Equipment Company was (0.20), (0.20), (0.30), and (0.02) as in December 2020G, 2021G, 2022G, and 30 September 2023G. It shall be noted that Al-Jazira Equipment Company's operations require sufficient liquidity to fund its future operating business and capital expenditures. In the event that Al-Jazira Equipment Company is unable to maintain sufficient cash resources or secure funding in the future, Al-Jazira Equipment Company will be negatively and materially affected as will its financial position, results of its operations and future prospects, and therefore this will adversely affect Budget Saudi Company, its financial position, results of its operations and future prospects. The liquidity risk is that Al-Jazira Equipment Company will not be able to meet its obligations as they fall due, will not be able to restructure its loans or will only be able to meet its liquidity obligations by incurring a high cost. Al-Jazira Equipment Company may not be able to obtain additional funding in the future if necessary or may not be able to provide sufficient guarantees required from financiers to obtain the necessary funding. There is no guarantee that Al-Jazira Equipment Company will be able to maintain high liquidity rates in the future, nor is there any guarantee that Al-Jazira Equipment Company will be able to meet its obligations on maturity dates. In the event that Al-Jazira Equipment Company is unable to provide sufficient liquidity in the future to cover its operating business and capital expenditures, either through its internal resources or by obtaining external funding, this will have a negative impact on Al-Jazira Equipment Company,

its financial position, the results of its operations and future expectations, and thus will negatively affect Budget Saudi Company, its financial position, the results of its operations and future expectations.

2.2.16 Risks Related to the Agreement of The Parties Contracting with Al-Jazeera Equipment Company to the Acquisition Transaction

Al-Jazira Equipment Company is a party to several contracts, some of which are essential and some of which are not essential to its business. Some of these contracts contain restrictions or conditions that may be interpreted as requiring the consent of the other party before Al-Jazira Equipment Company completes the Acquisition Transaction or notifies it of the Acquisition Transaction.

The Company has entered into the following contracts which require the consent of the other party prior to the completion of the Acquisition Transaction:

1. Obtain a No-Objection Letter from Al-Jazira Equipment Company's financiers for the Acquisition Transaction in accordance with the terms of the following financing agreements obtained by Al-Jazira Equipment Company as of the date of this Circular:
 - Credit Facilities Agreement and related documents concluded between [Al-Jazira Equipment and Alinma Bank] on 17/07/2022G.
 - Financing agreement and related documents concluded between Al-Jazira Equipment and [Banque Saudi Fransi] on 18/01/2023G.
 - Islamic Financing Agreement and related documents concluded between Al-Jazira Equipment Company and [Riyadh Bank] on 12/04/2023G.
2. Obtaining a No Objection Letter from a number of parties and entities contracted with Al-Jazira Equipment Company on the Acquisition Transaction.

In the event that Budget Saudi Company is unable to identify all the contractual approvals required under the substantial agreements of Al-Jazira Equipment Company, and the completion of the Acquisition Transaction by Al-Jazira Equipment Company and Budget Saudi Company regardless, Al-Jazira Equipment Company may be considered in breach of its obligations under the relevant contracts. This breach may result in several things that vary according to the terms and conditions of the relevant contracts. The contract may give the other party the right to terminate the contract or claim an amount of compensation or otherwise. If this occurs and Al-Jazira Equipment Company is unable to negotiate a waiver from the other party, Al-Jazira Equipment Company may not be able to find a suitable replacement from a third party in a timely manner or at a reasonable cost or may even be unable to find any replacement at all, which will directly affect Al-Jazira Equipment Company's ability to manage some of its facilities or breach financing contracts.

The realization of any of these risks will have a negative and material impact on the business of Al-Jazira Equipment Company, its financial position, the results of its operations and future expectations, and thus will adversely affect Budget Saudi Company after the completion of the Acquisition Transaction.

2.2.17 Risks Related to Financing and Guarantees Operations

It shall be noted that Al Jazira Equipment Company has issued the following letters of guarantee:

Table 18: Letters of Guarantee for Al-Jazira Equipment Company Customers

Customer Name	Amount (SAR)	Date of Issue	End date
Customer 1	74,000	13/03/2022G	30/04/2023G
Customer 2	70,000	13/03/2022G	30/04/2023G
Customer 3	637,500	05/12/2021G	01/03/2023G
Customer 4	200,000	10/09/2019G	10/09/2024G
Customer 5	5,500,000	19/12/2019G	15/12/2023G
Customer 6	73,510	11/11/2021G	20/09/2024G
Customer 7	690,000	06/10/2021G	04/10/2025G
Customer 8	275,000	05/12/2021G	31/12/2024G

Customer Name	Amount (SAR)	Date of Issue	End date
Customer 9	241,748	11/04/2022G	04/04/2027G
Customer 10	999,810	15/05/2022G	18/08/2025G
Customer 11	184,064	15/05/2022G	15/10/2025G
Customer 12	258,255	14/06/2022G	10/08/2025G
Customer 13	3,494,745	01/08/2022G	10/09/2025G
Customer 14	846,909	08/08/2022G	10/09/2025G
Customer 15	179,179	22/08/2022G	20/10/2025G
Customer 16	441,704	15/09/2022G	15/11/2025G
Customer 17	836,276	31/10/2022G	01/10/2026G
Customer 18	1,800,000	22/08/2023G	30/11/2023G
Total	16,802,700		

Source: Al-Jazira Equipment Company

In the event that Al-Jazira Equipment Company breaches any of its obligations stipulated in the agreements concluded with the customers, this will give the customers the right to demand payment of the amounts stipulated in the letters of guarantee, and in the event that Al-Jazira Equipment Company is unable to pay, this will have a negative and material impact on Al-Jazira Equipment Company's business, financial position, results of its operations and future expectations, and thus will negatively affect Budget Saudi Company after the completion of the Acquisition Transaction.

2.2.18 Risks Related to Dealing with Related Parties and Documentation

Al-Jazira Equipment Company has ongoing and close business relationships with related parties (which are all companies in which SEDCO owns shares directly or indirectly) which include entering into contracts related to car rental.

The Company has entered into transactions with the following related parties:

Table 19: Amounts Due from Related Entities

Parties	Nature of relationship	Nature of Transactions	31 December 2020G	31 December 2021G	31 December 2022G	30 September 2023G
Saudi Economic and Development Company	Shareholder	Operating lease	7,303,791	6,816,918	6,839,731	111,390
Almahmal for Trading	Other Related Entities	Operating lease	137,513	508,845	1,092,385	1,916,979
Elaf Hotels	Other Related Entities	Operating lease	177,600	58,849	335,879	322,745
Elaf Travel & Tourism Co., Ltd.	Other Related Entities	Operating lease	194,528	220,991	101,902	105,611
Enmaa For Development & Real Estate Investment	Other Related Entities	Operating lease	31,905	111,950	56,802	16,803
Al Nahdi Medical Company SJSC	Other Related Entities	Operating lease	-	13,940	14,180	-
Bonnon Co., Ltd.	Other Related Entities	Operating lease	5,611	5,611	5,611	5,611
Arabian Entertainment Co. Ltd. (Tarfeeh)	Other Related Entities	Operating lease/royalties	182,690	-	5,191	
Donia Al-Aswaf Trading Company Limited (Al-Shiaka)	Other Related Entities	Operating lease	-	-	36,852	33,375
Elaf Red Sea Mall	Other Related Entities	Operating lease	21,719	37,693	-	52,004
Total			8,055,357	7,774,797	8,488,533	2,564,518

Source: Al-Jazira Equipment Company

Table 20: Revenue from Related Entities

Parties	Nature of relationship	Nature of Transactions	31 December 2020G	31 December 2021G	31 December 2022G	30 September 2022G	30 September 2023G
Saudi Economic and Development Company	Shareholder	Operating lease	-	-	71,846	12,506	31,586
Almahmal for Trading	Other Related Entities	Operating lease	119,577	516,119	4,092,673	3,070,196	3,212,792
Elaf Hotels	Other Related Entities	Operating lease	156,000	65,000	239,948	97,175	38,870
Elaf Travel & Tourism Co., Ltd.	Other Related Entities	Operating lease	654,960	192,166	615,651	460,393	458,736
Enmaa For Development & Real Estate Investment	Other Related Entities	Operating lease	84,300	26,180	43,326	35,449	20,942
Al Nahdi Medical Company SJSC	Other Related Entities	Operating lease	206,160	61,650	81,150	58,337	-
Arabian Entertainment Co. Ltd. (Tarfeeh)	Other Related Entities	Operating lease/royalties	233,097	23,320	7,997	7,997	(5,191)
Donia Al-Aswaf Trading Company Limited (Al-Shiaka)	Other Related Entities	Operating lease	-	-	43,756	25,359	112,753
Elaf Red Sea Mall	Other Related Entities	Operating lease	152,640	38,992	-	67,275	-
Total			1,606,734	923,427	5,196,347	3,834,687	3,870,488
Percentage of total revenue			0.4%	0.2%	1.2%	1.2%	1.0%

Table 21: Amounts Due to Related Parties

Parties	Nature of relationship	Nature of Transactions	31 December 2020G	31 December 2021G	31 December 2022G	30 September 2023G
Saudi Economic and Development Company	Shareholder	Loan	19,465,774	20,855,391	20,868,718	50,000,000

Source: Al-Jazira Equipment Company

Al-Jazira Equipment Company may not be able to renew contracts with related parties upon expiry or renewal on terms commensurate with Al-Jazira Equipment Company's objectives, especially after Al-Jazira Equipment Company's ownership structure has changed. Al-Jazira Equipment Company may not be able to conclude alternative contracts on the same terms or on commercially acceptable terms. Therefore, if any of the agreements with the relevant parties are terminated or Al-Jazira Equipment Company is unable to renew them on appropriate terms, or find alternative contracts with third parties, this will have a negative impact on Al-Jazira Equipment Company's business, financial position, results of its operations and future expectations, and thus will negatively affect Budget Saudi Company after the completion of the Acquisition Transaction.

Article 27, paragraph (27) (1) of the Companies Law also stipulates that neither the director of the company, nor a member of its board of directors, may have any direct or indirect interest in the business and contracts carried out for the company's benefit except with the permission of the partners, the general assembly, the shareholders or those they authorize. This provision is new in the Companies Law in relation to limited liability companies.

The General Assembly of the partners of Al-Jazira Equipment Company has not approved any of the transactions with the related parties stipulated above. In the event that the relationship of the shareholder (SEDCO) with the members of the Board is interpreted as an interest for them, this may be interpreted as requiring approval on these agreements.

In the event that its director or a member of its board of directors violates the first paragraph (27) (1) of the Companies Law, the company has the right to claim before the competent judicial authorities to invalidate the contract or oblige it to pay any profit or benefit achieved for it therefrom.

According to the regulations of the Capital Market Authority, the company shall disclose these contracts in accordance with the disclosure requirements stipulated in the relevant regulations and that these contracts are reviewed by the Audit Committee. Failure of the company to define and identify the relevant parties or to understand the regulatory environment

surrounding it may affect its obligation to monitor these transactions and ensure that they are reviewed by the Audit Committee and disclosed, which may expose the company to several risks, including sanctions from the Capital Market Authority, in addition to not making sure that the terms of these transactions are conducted for the interest of the company. If fines are imposed, or if these contracts are not in the interest of the company, this may have a negative impact on the company's business, financial position, results of its operations and future expectations and thus will negatively affect Budget Saudi Company after the completion of the Acquisition Transaction.

2.2.19 The Inability of Budget Saudi Company and Al-Jazira Equipment Company to Achieve the Benefits Resulting from the Acquisition Transaction

Among the factors that the success of the Acquisition Transaction depends on is the ability of Budget Saudi Company and Al-Jazira Equipment Company to achieve the expected benefits that may result from the acquisition of Budget Saudi Company on Al-Jazira Equipment Company, including - for example, but not limited to - reducing costs, integrating revenues, and promoting investment in growth opportunities.

The expected benefits of the acquisition of Budget Saudi Company on Al-Jazira Equipment Company contained in this circular are based on the preliminary estimates of the Board of Directors of Budget Saudi Company, which are subject to possible inaccuracies in the reports or data on which these estimates are based. While the Board of Directors of Budget Saudi Company is not aware of any of these errors that currently affect its estimates of the merits of the Acquisition Transaction, it cannot be guaranteed the absence of such errors. Consequently, there is no guarantee that the benefits derived from the Acquisition Transaction are achievable, as these benefits may be reduced by any unexpected errors in the underlying data. No updates will be provided with regard to these data or reports after the date of circular unless these updates or publications are required by the Authority or under the relevant legislation. If Budget Saudi Company and Al Jazira Equipment Company do not achieve their objectives with regard to the Acquisition Transaction, the required benefits from the Acquisition Transaction may not be fully realized. Assuming any benefits are achieved, the positive impact of these benefits may take longer than expected, which will negatively and significantly affect Budget Saudi Company and Al Jazira Equipment Company and its operations, future expectations, and/or the market value of Budget Saudi's shares.

2.2.20 Incompatibility of the Operational Results of Budget Saudi Company and Al-Jazira Equipment Company with the Pro Forma Financial Statement Contained in This Circular

Section (4.10) ("**Pro Forma Financial Statements for Budget Saudi Company After the Acquisition Transaction**") of this Circular includes the Pro Forma Financial Statements showing the expected financial position and revenues of Budget Saudi Company, assuming that the Acquisition Transaction will be completed on 1 January 2022G. These statements have also been provided for clarification purposes only, and are based on the notes detailed in Section No. 4.11 ("**Comparison of Budget Saudi Company KPIs according to the Pro Forma Financial Statements versus the Consolidated Financial Statements**") of this circular, and does not necessarily refer to the results of operations or the consolidated financial position, and this is achieved if the Acquisition Transaction is completed on 1 January 2022G. It does not take into account any amendments made to the rules of the fair share value account under the rules and regulations of Saudi Organization for Chartered and Professional Accountants. Moreover, it is impossible to compare the activities, quality, value, revenues and costs of Budget Saudi Company after the completion of the Acquisition Transaction for that of Budget Saudi Company before the completion of the Acquisition Transaction, which can show the net negative impact on future operations, expectations, operational results and financial position of Budget Saudi Company and/or the market value of Budget Saudi Company's shares. Budget Saudi Company's shareholders shall be aware that the pro forma financial statements contained in this circular are not a guarantee of Budget Saudi's financial position.

2.2.21 Risks Related to Acquisition of Budget Saudi Company's Business and its Market Value

The Acquisition Transaction may lead to (a) shifting the focus of the administration of Budget Saudi Company to work on completing the Acquisition Transaction, which may affect the level of services provided to current or potential customers, which may lead them not to deal with Budget Saudi Company, (b) the emergence of price instability of Budget Saudi Company's share until the Acquisition Transaction is completed, as the increase in the capital of Budget Saudi Company represents (9.84%) of the current capital of Budget Saudi Company and represents (8.96%) of the capital of Budget Saudi Company after the Acquisition Transaction. Moreover, the share price of Budget Saudi Company is subject to decline if the incorporation of the financial and administrative reporting of Budget Saudi Company and Al-Jazira Equipment Company is not successful and the Acquisition Transaction is effectively completed, and/or Budget Saudi Company does not achieve the targeted benefits of the Acquisition Transaction at the speed or volume expected by the Board of Directors of Budget Saudi Company, and/or the impact of the Acquisition Transaction on the financial results does not match the expectations of the Board of Directors of Budget Saudi Company, and/or other economic and/or commercial factors. Accordingly, it is possible that the share price of Budget Saudi Company at the time of completion of the Acquisition Transaction will differ significantly from its price at the time of issuance of this circular, which will affect the value of Budget Saudi Company market.

Budget Saudi's inability to effectively deal with and manage these potential repercussions will negatively affect Budget Saudi's business, its financial results, and share price.

2.2.22 Risks Related to the Evaluation of The Price of Budget Saudi Company's Share and its Rise in the Market Compared to the Price of Budget Saudi Company's Share Agreed Upon in the Purchase Agreement

According to the purchase agreement, the parties agreed that the price of the Saudi Budget Company's share shall be evaluated for the purpose of the Acquisition Transaction at a value of sixty-five (65) Saudi riyals per share using the volume-weighted average price (VWAP) for six (6) trading months for the period from 24/02/2023G to 24/08/2023G, so that the fair market value of Saudi Budget Company is four billion six hundred and twenty-five million eight hundred and thirty-three thousand four hundred and twenty (4,625,833,420) Saudi riyals, representing sixty-five (65) Saudi riyals per share. Accordingly, the number of shares to be issued in Budget Saudi Company for the benefit of the owner of the capital of Al-Jazira Equipment Company has been calculated at seven million (7,000,000) ordinary shares (for more details on the evaluation process, please refer to Section No. (4.7) "Valuation of Al-Jazira Equipment Company" of this circular). It shall be noted that after agreeing on the share price of Budget Saudi Company described above, the procedures for preparing the documents required by the government agencies to obtain the necessary approvals were completed, and the review of the documents by the relevant government agencies was started, and the approvals of the relevant government agencies were obtained. During that period between the agreement on the share price, the signing of the purchase agreement and the completion of the procedures required to complete the Acquisition Transaction, Budget Saudi Company's share price witnessed a remarkable rise in the market, where the share price of Budget Saudi Company as of the date of 26/11/1445H (corresponding to 03/06/2024G) (the last trading day preceding the publication of this circular) amounted to seventy-five riyals and seventy halalas (75.70) Saudi riyals (an increase of (16.46%) over the price agreed upon in the purchase agreement). The following table shows the share price of Budget Saudi Company in different periods compared to the share price of Budget Saudi Company agreed upon in the purchase agreement.

Table 22: Budget Saudi's Share Price at Different Periods Compared to Budget Saudi's Share Price Agreed in the Sale Agreement

Event	Share price (SAR)	Percentage of difference compared to the share price of Budget Saudi agreed upon in the sale agreement
The first draft of the purchase agreement dated 07/05/1445H (corresponding to (21/11/2023G)	70.90	9.08%
Upon signing the purchase agreement on 08/06/1445H (corresponding to 21/12/2023G)	77.30	18.92%
Budget Saudi share price at the earliest closing date on 26/11/1445H (corresponding to 03/06/2024G)	75.70	16.46%

Source: Saudi Stock Exchange (Tadawul)

It shall be noted that the share price of Budget Saudi Company is subject to increase or decrease until the date of completion of the Acquisition Transaction (i.e. the date on which the new shares are issued for the benefit of SEDCO and Development Company). The purchase agreement did not stipulate that the number of new shares will be changed accordingly, as the share price of Budget Saudi Company was approved, and Al-Jazira Equipment Company was evaluated as in the purchase agreement signed on (08/06/1445H) corresponding to (21/12/2023G) (the final agreement to proceed with the Acquisition Transaction). It shall be noted that the price of the shares of Budget Saudi Company agreed upon in the purchase agreement will be relied upon, and therefore 7,000,000 ordinary shares will be issued in favor of SEDCO and Development Company, and profits will be divided according to the number of shares of Budget Saudi Company's current company, amounting to 71,166,668 ordinary shares, in addition to the new shares (amounting to 7,000,000 ordinary shares) and the total number of shares of Budget Saudi Company after the completion of the Acquisition Transaction, which amounts to 78,166,668 ordinary shares. The future profits will not be divided according to the number of shares of Budget Saudi Company if the share price of Budget Saudi Company is approved on the date of 26/11/1445H (corresponding to 03/06/2024G) (the last trading day preceding the publication of this circular), which, if approved, the total number of shares of Budget Saudi Company after the completion of the Acquisition Transaction will become eighty-seven million one hundred and sixty-six thousand six hundred and sixty-eight (78,166,668) ordinary shares (the number of current shares is seventy-one million one hundred and sixty-six thousand six hundred and sixty-eight (71,166,668) ordinary shares plus new shares based on the share price of Budget Saudi Company amounting to (65) Saudi riyals per share, i.e. seven million (7,000,000) new ordinary shares. Accordingly, not relying on the share price of Budget Saudi Company as of the date of 26/11/1445H (corresponding to 03/06/2024G) (the last trading day preceding this circular).

2.2.23 Risks Related to Relying on Data Not Contained in this Circular

Some public sources may refer to financial and/or commercial details related to Al-Jazira Equipment Company and the Acquisition Transaction, which may not disclose many of the related risks mentioned in this circular. Therefore, shareholders shall not rely on these sources alone or rely on them in the first place. The shareholders shall also take all the information contained in this circular into account before voting on the decision to increase the capital of Budget Saudi Company. These or other sources may also include statements that have not been directly attributed and/or may be incorrectly attributed to members of the Board of Directors of Budget Saudi Company and its officers and/or employees, and/or may include incorrect reports of statements submitted by them and/or may be submitted by members of the Board of Directors of Budget Saudi Company and/or its officers and/or employees, and/or may include misleading statements due to the omission of information provided by Budget Saudi Company and/or its directors, officers and/or employees. Therefore, the shareholders shall rely only on the information contained in this circular when taking any decision on whether to accept an increase in the capital of Budget Saudi Company and/or not, as the shareholders shall – in case of doubt - obtain a special consultation by an independent financial advisor licensed by CMA about the Acquisition Transaction and the process of increasing the capital.

2.2.24 Risks Related to the Change of External Auditor

During the financial year ended 31 December 2022G, the Company changed its external auditor from KPMG to EY as part of the routine audit rotation. This change has led to different adjustments in the reclassification of specific accounts, so that the financial year ending on 31 December 2021G and 2022G are comparable, but the financial year ending on 31 December 2020G has a different classification. These classifications relate to the income statement and the balance sheet, as follows:

- Under the previous classification, vehicles owned by the company were recorded as a separate item on the balance sheet under “assets held for lease,” and under the new classification they were classified as “property and equipment.” It is noteworthy that this change in classification did not affect the net book value of the vehicles.
- Right-of-use assets as of 31 December 2020G have been classified as “property and equipment”. According to the new classification, they are classified in a separate item.
- Related party balances have been classified as “trade receivable balances”, with the corresponding ECL balance, and according to the new classification, these balances have been classified as a separate item. However, it shall be noted that the ECL balance is still recorded under trade receivables.

Different accounts were classified in separate items under gross profit including (i) ECL provisions, (ii) impairment of property and equipment, and (iii) provisions for inventory, and were transferred to cost of sales. According to the new external auditor, these expenses are linked to the long-term rental sector and shall be classified under the cost of sale.

2.2.25 Risks Related to High Interest Rates

Due to the company's reliance on bank loans to finance the purchase of cars through fixed-rate loans in addition to SIBOR, the average increase in the 3-month of SIBOR from 0.81% in the financial year ended 31/12/2021G to 6.22% in the third quarter of financial year 2023G has significantly led to (i) an increase in the lending rate from 2.9% on 31 December 2021G to 4.0% and 8.3% on 31 December 2022G and 30 September 2023G, respectively, and (ii) pressure on the net margin of the cost of financing as a percentage of revenue that ranged from 3.0% on 31 December 2021G to 5.6% and 10.8% on 31 December 2022G and 30 September 2023G, respectively.

The continued increase in SIBOR prices, along with the absence of hedging strategies, is expected to put additional pressure on the company's capital cost and profitability in the future.

2.3 Legal Risks

2.3.1 Risks of Relying on Trademarks and Intellectual Property Rights

Al-Jazira Equipment Company registered the trademark (Auto World) in the Kingdom of Saudi Arabia, but Al-Jazira Equipment Company could not register (Auto World) as a trade name because it was registered by another person. Thus, the name of the company (Al-Jazira Equipment) is different from the brand (Auto World) used by the company to market its business, which may create confusion among customers or lack of knowledge that the two names belong to the same company, and the likelihood of using the corresponding mark or name from other people, and this will negatively and fundamentally affect the work of Al-Jazira Equipment Company, its financial position, the results of its operations and future expectations, as this can lead to a decrease in the turnout of customers on the name of Al-Jazira Equipment, and therefore this will negatively affect Budget Saudi Company, its financial position and the results of its operations.

It may be difficult for Al-Jazira Equipment Company to follow up on unauthorized uses and other violations of this mark, and in the event that Al-Jazira Equipment Company fails to protect its intellectual property rights for any reason, or in the event that others misuse, damage or violate the mark, this poses a risk to the value of the trademark and will negatively and materially affect the work of Al-Jazira Equipment Company, its financial position, the results of its operations and future expectations. The damage to the reputation of Al-Jazira Equipment Company will lead to a decrease in customer demand, and therefore will negatively affect Budget Saudi Company, its financial position and the results of its operations.

In addition, the reputation of Al-Jazira Equipment Company may be affected in the event that the trademarks are used by others in a manner contrary to the vision and directions of Al-Jazira Equipment Company. From time to time, Al-Jazira Equipment Company may have to file a lawsuit to protect its rights over its trademark. Others may claim that Al-Jazira Equipment Company infringes their intellectual property rights or that Al-Jazira Equipment Company misuses those rights. This may result in taking judicial action from Al-Jazira Equipment Company or against it incurring significant costs, which will adversely affect Al-Jazira Equipment Company's business, financial position, results of its operations and future expectations. Consequently, it will negatively affect Budget Saudi Company, its financial position and the results of its operations.

2.3.2 Risks of Al-Jazira Equipment Company Not Obtaining Government Licenses, Permits and Approvals or Being Unable to Renew Them

Al-Jazira Equipment Company is subject to many laws and regulations that require it to obtain the licenses, permits and regulatory approvals required from the competent regulatory authorities in the Kingdom to carry out its activity. Al-Jazira Equipment Company currently operates under a number of licenses, certificates and permits related to its activities, including, but not limited to, the licenses of the General Authority for Transport to practice car rental activities, commercial registration certificates for Al-Jazira Equipment Company and its branches issued by the Ministry of Commerce, trademark registration certificate, Chamber of Commerce membership certificates, municipal licenses, civil defense permits, and Saudization, zakat and social insurance certificates. Such licenses shall remain in effect on an ongoing basis through Al-Jazira Equipment Company's compliance with the laws and regulations relating to such licenses.

Al-Jazira Equipment Company and its branches have obtained municipal licenses, but the licenses related to the company, a branch in Riyadh and a branch in Jeddah, have expired.

It also did not obtain a municipal license related to two branches in Riyadh, two branches in Jeddah, and a branch in Dammam.

Failure to obtain a municipal license or not renewing the municipal license is a violation of the requirements of the Ministry of Municipal and Rural Affairs and Housing, which may expose the violating branch to the penalties stipulated in the schedule of penalties for municipal violations for the year 2023G, which may reach fifty thousand (50,000) Saudi riyals, in addition to closing the branch, which will negatively affect its operations.

The company has also obtained the necessary licenses from the General Authority for Transport except for its two branches in Riyadh and its branch in Dammam.

Failure to obtain a license from the Transportation General Authority violates the regulations of the Ministry of Transportation, which will expose Al-Jazira Equipment Company to penalties and fines that may reach five thousand (5,000) Saudi riyals.

Al-Jazira Equipment Company and its branches have obtained civil defense licenses, but the licenses related to the company and its branch in Saihat and its branch in Yanbu, Dammam and Jeddah have expired.

It also did not obtain a civil defense license related to its branches in Riyadh, two branches in Jeddah, a branch in Dammam and a branch in Yanbu.

Failure to obtain a civil defense license violates the Civil Defense Law issued by Royal Decree No. (M/10) dated 10/05/1406H (corresponding to 21/01/1986G) and amended by Royal Decree No. (M/66) dated 02/10/1424H (corresponding to 26/11/2003G), which will expose the company to penalties and fines stipulated in Article Thirty (30) of the same law, which stipulates the imposition of a penalty on the violator of any of the provisions of this law or its regulations or the decisions issued accordingly with imprisonment for a period not exceeding six months, or a fine not exceeding thirty thousand (30,000) Saudi riyals or both. Failure to obtain a civil defense license will also result in the company being unable to renew the municipality's license, and in the event that it is unable to obtain a safety license from the civil defense, this may lead to the closure of the headquarters until the legal procedures are completed.

The company and its branches have also obtained a certificate from social insurance, but all of them have expired.

Most of the existing licenses of Al-Jazira Equipment Company and its subsidiaries are subject to conditions under which those licenses may be suspended or revoked if Al-Jazira Equipment Company and its subsidiaries fail to meet and comply with those established conditions. In addition, there is no guarantee that Al-Jazira Equipment Company and its branches will be able to obtain the approval of the concerned authority when seeking to renew or expedite any license, or in the event that it approves the renewal, this authority may impose conditions that will negatively and materially affect the work of Al-Jazira Equipment Company, its financial position, results of its operations and future expectations. Consequently, it will negatively affect Budget Saudi Company, its financial position and the results of its operations.

In the event that Al-Jazira Equipment Company is unable to maintain the validity of these licenses, it may not be able to renew the existing licenses or obtain new ones that it may need for expansion purposes, which may result in the suspension or default of Al-Jazira Equipment Company or the imposition of financial fines on it from the competent government agencies and thus will negatively and materially affect the work of Al-Jazira Equipment Company and its financial position and the results of its operations and future expectations. Consequently, it will negatively affect Budget Saudi Company, its financial position and the results of its operations.

2.3.3 Risks Related to Saudization Requirements

Compliance with the requirements of Saudization is a legal requirement in the Kingdom, according to which all companies operating in the Kingdom, including Al-Jazira Equipment Company, are obligated to employ a certain percentage of Saudi employees among their total employees and maintain that percentage. The Saudization rate for Al-Jazira Equipment Company on 05/12/2023G was (53%). Although Al-Jazira Equipment Company is committed to the Saudization requirements, as it is classified within the (Platinum) range according to the Nitaqat program, but the risks related to the Saudization requirements may be substantial in the event that the required Saudization rate for Al-Jazira Equipment Company for the current year is not adhered to according to the Nitaqat program, or in the event that the Saudization rate increases in the transport sector. Al-Jazira Equipment Company may not be able to comply with any regulatory requirements that may be imposed with regard to the Saudization of jobs or sector. Accordingly, it will face obstacles such as the inability to obtain additional visas or the inability to replace Saudi employees instead of non-Saudi employees, and thus Al-Jazira Equipment Company may be forced to employ non-Saudi employees, which results in a decrease in the Saudization rate, which will have a negative impact on Al-Jazira Equipment Company and its financial position and future prospects, and thus will negatively affect Budget Saudi Company, its financial position and the results of its operations.

2.3.4 Risks Related to Al-Jazira Equipment Company's Involvement in Lawsuits and Regulatory Actions

As of 12 December, 2023G:

- There are (7) cases filed by the company, with a total claim amount of SAR (22,198,477). These are claims in the ordinary course of the Company's business.
- There are (6) cases filed against it, with a financial claim amount of (65,990). It shall be noted that there is no specific claim amount for some of these cases, and therefore the total amount incurred may be more than the mentioned amount.
- The company has (5) claims in its favor in progress, with a total amount of approximately (22,049,643) Saudi riyals, and (4) other cases in which judgments were issued in favor of the company, but the amounts were not collected, with a total amount of (7,039,444) Saudi riyals.

It shall also be noted that a criminal case against a former senior executive and his two assistants for suspected embezzlement is currently under consideration. Note that the company has incurred the loss in advance, and therefore there is no material negative financial impact expected in the event of the non-collection of the misappropriated amounts. With regard to these former employees, there is a labor case filed by one of the assistants demanding the end of service in the amount of (119,420) Saudi riyals, which has been suspended until the criminal case is heard, knowing that there is a provision for this amount.

Other than as disclosed above, Al-Jazira Equipment Company has confirmed to Budget Saudi Company, during the Professional Care Studies proceedings, that there is no lawsuit or claim (including any ongoing lawsuit or threatened to be filed) that could materially affect Al-Jazira Equipment's business or financial position.

However, there is no guarantee that Al-Jazira Equipment Company will not face any litigation procedures in the future. Any unfavorable result in any future legal and regulatory procedures or high litigation costs incurred by Al-Jazira Equipment Company to defend such claims will have a significant financial burden on Al-Jazira Equipment Company, which will have a negative and fundamental impact on Al-Jazira Equipment Company's business, financial position, results of its operations and future expectations, and thus will negatively affect Budget Saudi Company and its financial position, results of its operations and future expectations.

2.3.5 Risks Related to Leases

The Company has entered into twenty-three (23) Leases. According to the Resolution of the Council of Ministers No. 292 dated 16/05/1438H (corresponding to 13/02/2017G), a lease contract that is not registered in the electronic network for rental services "Ejar Platform" is not a valid contract that has its administrative and judicial effects. Al-Jazira Equipment Company confirmed that all its contracts are registered on a rental platform except for the lease contract related to the city of Riyadh, which expired on 26/03/2023G.

The inability of Al-Jazira Equipment Company to maintain the continuity of lease contracts related to the sites it occupies and renew them under the same current conditions or on preferential terms, or its inability to use the leased property for the purpose assigned to it for any reason whatsoever, will force it to vacate the leased property and find other more suitable places to practice the company's activity, without guaranteeing the terms of appropriate lease contracts, which may have a negative and fundamental impact on the business of Al-Jazira Equipment Company, its financial position and future prospects, and thus will negatively affect Budget Saudi Company after the completion of the Acquisition Transaction.

The non-registration of future leases in "Ejar" Platform, or their incomplete or accurate registration, also results in the possibility that unregistered leases are not considered valid contracts that have their administrative and judicial effects, which may affect the ability of Al-Jazira Equipment Company to enforce these contracts before the judiciary and claim its rights according to these contracts. In the event thereof, it may have a negative impact on the business of Al-Jazira Equipment Company, its financial position, the results of its operations and future expectations, and thus will negatively affect Budget Saudi Company after the completion of the Acquisition Transaction.

2.3.6 Risks Related to Government Fees Applicable to the Employment of Non-Saudis

The government has approved a number of resolutions aimed at implementing comprehensive reforms in the labor market in the Kingdom, in conjunction with the imposition of additional fees for each non-Saudi worker working for Saudi entities and companies on 14/04/1439H (01/01/2018G), in addition to increasing the fees for issuing residence permits and renewal fees for non-Saudi families (which entered into force as of 07/10/1438H (01/07/2017G), knowing that the fees are determined based on the rate of Saudization in the facility, i.e. those fees are subject to increase or decrease according to these variables. In addition, increased fees for issuing and renewing residence permits may result in increased living costs, which may lead the foreign worker to seek employment in other countries at a lower cost of living. In this case, it will be difficult for Al-Jazira Equipment Company to retain its non-Saudi employees. Al-Jazira Equipment Company may have to bear additional government fees related to the issuance and renewal of residence permits for non-Saudi employees and their family members, which will have a negative and fundamental impact on Al-Jazira Equipment Company's business, financial position, results of its operations and future expectations, and thus will negatively affect Budget Saudi Company and its financial position, results of its operations and future expectations.

2.3.7 Risks Related to the New Corporate Law

Al-Jazira Equipment Company, in its management and facilitation of its various business and activities, is subject to the provisions of the Companies Law issued by the Council of Ministers Resolution No. 678 dated 29/11/1443H and the regulatory controls and procedures issued in implementation of the Companies Law for Limited Liability Companies. The Companies Law imposes some requirements related to the organization and governance of limited liability companies, which Al-Jazira Equipment Company shall comply with. This requires Al-Jazira Equipment Company to carry out some procedures to comply with these requirements. The Companies Law also imposed strict penalties for violating its provisions. Therefore, it is possible for Al-Jazira Equipment Company to be subjected to such penalties in the event that it does not comply with such provisions. (For example, the Companies Law stipulates that each company or official in a company does not observe the application of regulations and decisions and does not comply with the instructions, circulars or controls issued by the competent authority, without giving a reasonable reason for this, it shall be punished with a fine not exceeding five hundred thousand (500,000) Saudi riyals, which will have a negative impact on Al-Jazira Equipment Company and its financial position and the results of its operations and future expectations, and negatively affect Budget Saudi company and its financial results.

2.4 Risks Related to Acquisition Transaction and Issuance of New Shares.

2.4.1 Risk Related to Change in Ownership of Existing Shareholders and Associated Decrease in Voting Power

After the completion of the Acquisition Transaction, the percentage of ownership of the current shareholders of Budget Saudi Company will decrease from 100% to (91.04%), which is equivalent to a decrease of (8.96%). Therefore, the ability of the shareholders of Budget Saudi Company to influence the decisions taken by the shareholders of Budget Saudi Company, such as the election of the members of the Board of Directors of Budget Saudi Company and other important strategic decisions of Budget Saudi Company, will decrease. In addition, their share of the net profits of Budget Saudi Company will decrease as it will be divided into a larger number of shares, after the completion of the Acquisition Transaction.

2.4.2 Risks Related to Sale of a Large Number of Shares of Budget Saudi Company

The capital increase represents (9.84%) of the capital of Budget Saudi Company before the capital increase and (8.96%) after the capital increase, and there is no obligation for the owner of the capital of Al-Jazira Equipment Company not to sell the new shares that will be issued in his favor. Thus, it is worth noting the continued danger to Budget Saudi Company represented in the sale of a large number of shares in Budget Saudi Company after the capital increase, especially by the major shareholders in the stock market after the completion of the Acquisition Transaction, and there is no guarantee that a large number of shares will be sold by the shareholders at any time. The sale of a large number of shares in the market after the completion of the Acquisition Transaction will negatively affect the share price of Budget Saudi Company and may lead to a decline in its price in the market.

2.4.3 Risks Related to Dividend Distribution

As of the date of this circular, Budget Saudi Company cannot determine the size of the profits that Budget Saudi Company and Al-Jazira Equipment Company will announce or distribute, because this depends on a number of factors, including, but not limited to, the economic situation, operational and financial performance, and the future prospects of Budget Saudi Company. Budget Saudi Company's ability to distribute its profits is also subject to the dividends it receives from Al Jazira Equipment Company. After the completion of the Acquisition Transaction, the Board of Directors of Budget Saudi Company will also have the absolute discretion to distribute any profits, announce the distribution operations, determine the size of these profits, and determine the timing of these announcements and distributions.

The distribution of profits in Budget Saudi Company is subject to restrictions, including, for example, but not limited to, the financial performance of Budget Saudi Company, the applicable statutory requirements, the availability of sufficient distributable reserves, the obligations and restrictions imposed on any financing and joint agreements, the availability of funds surplus to the need for commercial operations, and the ability to fulfill its due financial obligations. It is worth mentioning that the completion of the Acquisition Transaction does not entail obligations or restrictions imposed on the distribution of profits.

Therefore, there is no guarantee that Budget Saudi Company will announce or distribute the profits at any time after the completion of the Acquisition Transaction, and there is no guarantee of the size of the profits, if any, which Budget Saudi Company will announce or distribute in any particular financial year. Furthermore, there is no guarantee that the shareholders of Budget Saudi will receive dividends or entitled to dividends equivalent to those distributed by Budget Saudi Company or Al-Jazira Equipment Company in the past. Finally, the dividend policy may be amended by Budget Saudi Company from time to time after the completion of the Acquisition Transaction, which may affect the availability, method, and timing of any distributions.

2.4.4 Risks Related to Declining Earnings Per Share as a Result of Acquisition Transaction

The future earnings of Budget Saudi Company's stock depend on several factors, including the profitability of Budget Saudi Company and its ability to maintain its good financial position, capital needs, and general economic conditions. In addition, the Acquisition Transaction and capital increase may lead to a decrease in future earnings per share. However, the profits of Budget Saudi Company will be distributed to a larger number of shares as a result of its capital increase. In all cases, the earnings per share shall not be relied on as in the pro forma financial statements, and there is no guarantee that the earnings per share will continue at these levels or will rise. It is subject to change at any time, and this depends largely on the financial performance of Budget Saudi Company after the completion of the Acquisition Transaction.

3. Market and Industry Data

3.1 Introduction

The information provided in this section is based on the independent market study of the car rental and vehicle leasing industry in the Kingdom of Saudi Arabia prepared by Euromonitor International, which includes research estimates based on various official published sources, such as official government and trade data repositories and expert consultation conducted by Euromonitor with a sample of key players.

Euromonitor believes it used suitable sources of information and methodologies for this study however due to the dynamic nature of the data techniques and methodologies used in market research, Euromonitor does not guarantee nor pledge as to the accuracy or completeness of such information. Reference to Euromonitor should not be considered as the opinion of Euromonitor, the value of any security or the advisability of investing in the Group.

Euromonitor has no reason to believe that the information contained in this report is false or misleading or that any material fact has been omitted that would render the information false or misleading. The information prepared by Euromonitor and set out in this Industry and Market Data section has not been independently verified by The United International Transport Co. or any other party, and neither The United International Transport Co nor Euromonitor give any representations as to the accuracy, and the information should not be relied upon in making or refraining from making any investment decision.

3.2 Macroeconomic Landscape

Saudi Arabia remained the dominant economy in the Middle East and North Africa in 2022G, contributing 26.2% of the region's GDP, reaching SAR 4.2 billion. With a robust 7.0% CAGR between 2018G and 2022G, propelled by strong private consumption and non-oil private investments, the nation's economy thrived, notably driven by mega projects. Under Vision 2030, efforts to diversify the economy away from oil reliance have bolstered infrastructure development, attracted investments, and boosted private consumption. Initiatives like NEOM, Amaala, and Diriyah Gate reshaped sectors like housing and tourism, fueling demand for transportation. Inflation fell from 3.4% in 2020G to 2.5% in 2022G, aided by slower price rises in transport and food, alongside government support for low- and middle-income households. However, a projected uptick to 2.6% in 2023G is expected, due to housing market pressures.

Table 23: Macroeconomic Indicators in the Kingdom of Saudi Arabia (2018G-2023G)

Category	Unit	2018G	2019G	2020G	2021G	2022G	2023G	2018G-2022G CAGR
GDP	SAR billion	3,174.7	3,144.6	2,753.5	3,257.2	4,155.6	3,972.9	7.0%
Gross Value Added from Transport, Storage & Communication	SAR million	166,779	177,128	164,223	170,493	180,693	-	2.0%
Real GDP Growth	%	2.8	0.8	-4.3	3.9	8.7	1.7	-
Inflation	%	2.5	-2.1	3.4	3.1	2.5	2.6	-

Source: GASTAT Saudi Arabia, Saudi Central Bank and IMF

Simultaneously, economic reforms hinged on growth from non-oil sectors fueled a 27.6% GDP increase between 2021G and 2022G. As of 2022G, revenue from non-oil sources contributed to 42.2% of GDP and exhibited a strong 6.1% year-on-year growth in Q2 2023G, compared with the oil sector's 4.3% decline. Notably, transport, storage, and communication activities spearheaded this growth, propelled by robust consumption and swift project execution.

Table 24: Government Oil and Non-Oil Revenue (2018G-2022G)

Category	Unit	2018G	2019G	2020G	2021G	2022G	2018G-2022G CAGR
Oil Revenue	SAR billion	1,078	950	604	920	1,608	10.5%
Oil Revenue as % Contribution to GDP	%	34.0	30.2	21.9	28.2	38.7	-
Non-Oil Revenue	SAR billion	1,452	1,519	1,455	1,562	1,745	4.8%
Non-Oil Revenue as % Contribution to GDP	%	45.7	48.3	52.8	48.0	42.2	-

Source: GASTAT Saudi Arabia, Saudi Central Bank and IMF

3.3 Socio-Demographic Factors

Between 2018G and 2022G, Saudi Arabia's population grew at a 1.6% CAGR, to 32.2 million, driven largely by an influx of expatriates attracted by economic opportunities. The employment rate neared the historical high of 60.5% in 2021G, amid an increase in the economically active segment of the population. 59.5% of the population were employed as of 2022G, constituting 63.4% of the total population aged 15-49 in 2022G positively impacting the economic profile of Saudi nationals.

Disposable income per capita in the Kingdom increased by a 3.7% CAGR over 2018G-2022G predominantly fueled by improved economic conditions from SAR44,718.5 in 2021G to SAR45,910.1 in 2022G.

Urban areas such as Riyadh host 26.7% of the total population in the Kingdom (approximately 8.6 million in 2022G), likewise, key regions like Makkah, Madinah, and the Eastern area are fueling this urban growth.

Table 25: Socio-Demographic Indicators in the Kingdom of Saudi Arabia (2018G-2023G)

Category	Unit	2018G	2019G	2020G	2021G	2022G	2023G	2018G-2022G CAGR
Total Population	'000	30,196	30,064	31,553	30,784	32,175	32,661	1.6%
Population 0-34 years old	'000	17,176	17,055	17,606	16,771	17,166	17,126	0.0%
Population 35+ years old	'000	13,020	13,009	13,947	14,014	15,009	15,535	3.6%
Urbanization Rate	%	84%	84%	84%	85%	85%	85%	-

Source: GASTAT Saudi Arabia, Saudi Central Bank and IMF

The Asir region aims for tourism expansion, targeting eight million visitors by 2030G. Employment strategies have boosted female workforce participation, impacting spending on transportation and tourism, and contributing to the growth of Saudi Arabia's middle class, which represented 29.1% of households in 2022G.

Table 26: Socio-Demographic Indicators in the Kingdom of Saudi Arabia (2018G-2023G)

Category	Unit	2018G	2019G	2020G	2021G	2022G	2023F	2018G-2022G CAGR
Consumer Expenditure	SAR billion	1,245.3	1,327.3	1,222.6	1,381.7	1,492.0	1,628.6	4.6%
Disposable Income	SAR billion	1,199.1	1,263.8	1,213.6	1,376.6	1,477.2	1,571.3	5.4%
Disposable Income per Capita	SAR	39,709.1	42,036.5	38,462.8	44,718.5	45,910.1	48,108.9	3.7%
Middle Class	% of pop	29.4	29.4	29.2	29.2	29.1	29.1	-

Source: GASTAT Saudi Arabia, Saudi Central Bank and IMF

3.3.1 Travel and Tourism

Domestic travel in Saudi Arabia has surged significantly, backed by government initiatives. Domestic leisure trips doubled from 40.1 million trips in 2018G to 70.7 million in 2022G, while domestic business travel rose sharply, expected to hit 9.2 million trips in 2023G, due to growing projects and business tourism. A substantial SAR375 million commitment to the Tourism Development Fund aims to attract 100 million visitors by 2030G, backed by ventures like Al-Fursan islands and Qiddiya entertainment city. Inbound arrivals increased, with Hajj and Umrah visitors nearing a third of the 2030G target. In Q1 2023G, tourist arrivals rose to 7.8 million, surpassing pre-pandemic levels. The introduction of electronic visas in 2023G streamlined travel, supporting Umrah participants, including independent female travelers, promoting flexible itineraries and bolstering transportation services.

Table 27: Travel and Tourism Indicators in the Kingdom of Saudi Arabia (2018G-2023G)

Category	Unit	2018G	2019G	2020G	2021G	2022G	2023F	2018G-2022G CAGR
Business Arrivals	'000 trips	2,450.7	2,716.5	786.2	1,013.1	2,799.7	3,776.3	3.4%
Domestic Leisure Tourism	'000 trips	40,085.6	44,215.4	38,464.5	58,800.9	70,670.9	89,168.2	15.2%
Domestic Business Tourism	'000 trips	3,170.1	3,589.4	3,642.2	5,044.1	6,329.8	9,164.6	18.9%
Domestic Spending on Travel Modes	SAR million	6,633.2	7,611.5	12,608.4	23,199.8	40,303.1	46,960.7	57.0%

Source: Euromonitor International Passport Database

3.4 Business Trends

The government's focus on tourism and the 2023G introduction of electronic visas by the Ministry of Hajj and Umrah spearheaded this rebound. Investment in hotels, theme parks, and metro lines drove demand for car mobility services, particularly benefiting business travelers seeking cost-effective options. Medical tourism expansion also boosted rental car services. However, the increase in the base lending rates raised concerns about financing cost for car rental and operational leasing companies.

3.5 Technology Trends

Saudi Arabia's car rental and leasing industry is thriving, due in part to digital transformation. Car aggregator firms utilizing advanced digital technology have transformed the customer experience, offering accessible and cost-effective vehicle rental services. Embracing digital solutions has empowered rental companies to manage fleets efficiently, boosting rental opportunities compared to the past, when internet access was limited.

Table 28: Internet Penetration in the Kingdom of Saudi Arabia (2018-2023G)

Category	Unit	2018G	2019G	2020G	2021G	2022G	2023F	2018G-2022G CAGR
Percentage of Population Using the Internet	% of population	93.3	95.7	97.9	100.0	100.0	100.0	-
Mobile E-Commerce Payments	SAR Million	26,472.6	38,142.1	74,737.7	89,013.8	110,923.2	131,895.5	33.2%

Source: Euromonitor International Passport Database

3.6 Vision 2030 Programs

Saudi Arabia's Vision 2030 aims to diversify the economy and reduce the country's oil dependency. Programs like the National Industrial Development and Logistics Program (NIDLP) and the Privatization Program aim to enhance transportation infrastructure and engage the private sector, improving efficiency and competitiveness. The Saudi Logistics Hub and Public Transport Authority are modernizing logistics, enhancing trade and connectivity. In 2023G, the government allocated SAR34 billion in investment for infrastructure and transportation, promising better roads, railways, and transportation systems, benefiting mobility and road transport operators.

3.7 Regulatory Landscape

The Transport General Authority (TGA) governs the car rental and leasing ecosystem, setting minimum fleet sizes for different sectors to regulate and cater to market demands. The TGA reforms aim to consolidate and enhance industry standards.

Table 29: Licensing regime for Car Rental Companies in the Kingdom of Saudi Arabia

Category Classification	License Requirements
Category A	Fleet Size: Minimum of 3,000 vehicles. Services: Car rental and chauffeur services, and the provision of hourly rental services.
Category B	Fleet Size: Minimum of 300 vehicles. Services: Car rental and the provision of hourly rental services – branch-level operations.
Category C	Fleet Size: 100 vehicles or more. Services: Car rental.
Category D	Fleet Size: 15 vehicles or more. Services: Car rental and minimum operations at a city level.

Source: Euromonitor International Analysis

3.8 Industry Overview

The transportation landscape in Saudi Arabia relies heavily on private mobility for intracity travel, due to limited mass transportation. Residents and tourists, both domestic and international, predominantly utilize private modes of transportation.

Mass transportation in the Kingdom is still evolving, and the large size of the country hinders the speedy development of an integrated mass transportation network that supports intracity commuting. In 2022G, car rental penetration in Saudi Arabia stood at 0.4% of the population, which was lower compared to the UAE's 1%. Car rental penetration in Saudi Arabia does, however, surpass that of Western Europe, with a penetration rate of 0.2%, and significantly exceeds that of the Middle East and Africa region, with a rate of 0.02%. This indicates that there is a notable presence of car rental services within the Saudi market when compared to regional and global benchmarks, with room for growth.

3.9 Car Rental Market

3.9.1 Overview

The car rental market in Saudi Arabia reflects a dynamic landscape shaped by evolving customer preferences, digitization, government policies, and robust economic activity linked to tourism and infrastructure development. It comprises 794 domestic establishments operating nationwide or regionally, serving diverse customers like individuals, corporations, and public entities. The market is evolving, with tech integration like mobile payments and aggregators collaborating with smaller rental firms to compete with larger players. Platforms like Invygo facilitate service distribution, offering multiple access points for rental services across various locations.

3.9.2 Customer Landscape

In Saudi Arabia, car rental services primarily serve private customers, constituting around 79% of the industry in 2022G. These cater to individuals, offering convenience and flexibility for personal or leisure needs. Tourism within the Kingdom, spurred by events like “Riyadh Season” and cultural festivals, drives demand for rental services, which have witnessed a significant rise in domestic leisure tourists. Moreover, initiatives supporting Hajj and Umrah pilgrimages, aligned with Vision 2030, aim to host more visitors, contributing to demand for car rentals.

Table 30: Domestic Tourists ('000) in the Kingdom of Saudi Arabia (2021G-2022G)

Year	Religious	Business	Leisure	Other	Visiting Friends & Relatives
2022G	8,014	4,505	29,863	3,640	31,815
2021G	5,459	5,430	22,367	2,975	27,602

Source: Ministry of Tourism

Table 31: International Tourists ('000) in the Kingdom of Saudi Arabia (2021G-2022G)

Year	Religious	Business	Leisure	Other	Visiting Friends & Relatives
2022G	5,996	1,667	2,466	1,377	5,132
2021G	274	1,013	312	440	1,438

Source: Ministry of Tourism

Approximately 21% of car rental contracts target corporate clients, offering flexible subscription services beneficial for short or long-term business needs. The government has introduced several pro-business measures to establish Saudi Arabia as a global business hub, foster domestic economic activity and facilitate private mobility initiatives:

- **Project RHQ:** Encouraging the establishment of a presence by multinational companies in the Kingdom.
- **Short-term Work Visas:** Facilitated via the Qiwa platform, enabling international talent to work in the country on short projects.
- **Special Integrated Logistics Zone:** Aiming to elevate the region as a logistics hub, attracting foreign investment.

Anticipated business traveler growth of 39% in 2023G, linked to the National Transformation Plan and Vision 2030 initiatives, signifies burgeoning economic activities in the Kingdom.

3.9.3 Sales Channels

In Saudi Arabia, offline car rental channels, including direct bookings through car rental companies and intermediary collaborations with travel agencies, still dominate rental contracts, accounting for 78% of transactions in 2022G. Online bookings through car rental companies' digital platforms, as well as activities from aggregators like Ekar, are on the rise, particularly among tech-savvy users. The adoption of mobile-based transactions has spurred the growth of online sales in the car rental industry. Sales value through mobile e-commerce payments in the Kingdom increased by 33% CAGR between 2018G and 2022G. Aggregator platforms, such as Shift Inc, Carwah and Telgani, are collaborating with smaller car rental companies (Category C and D), enhancing their ability to compete with larger players. Telgani, for instance, coordinates new vehicle bids and dealership deliveries, streamlining the rental process.

The shift to digital bookings has also been boosted by the COVID-19 pandemic, which marked a major inflexion point away from physical bookings. In response, incumbent players are enhancing customer experience through the deployment of digital tools and technology solutions.

Table 32: Estimated Volume Split by Sales Channels in the Car Rental Market in the Kingdom of Saudi Arabia (2018G-2022G)

Sales Channel	2018G	2019G	2020G	2021G	2022G
Online (%)	12	14	18	18	22
Offline (%)	88	86	82	82	78

Source: Euromonitor International Analysis estimates from primary and secondary sources

3.9.4 Market Dynamics

In Saudi Arabia's car rental market, a diverse selection of vehicles cater to different preferences and needs. Sedans and economy cars make up to 60% of the available vehicle options providing practical and budget-friendly solutions for everyday use and short-term rentals. Sport Utility Vans (SUVs), Multi Utility Vans (MUVs), and trucks hold a share of approximately 33%, appealing to those seeking functionality across various terrains. Additionally, car rental companies offer premium options, accounting for an estimated 7% share, including luxury cars such as Mercedes-Benz, BMW, Rolls-Royce, and Bentley, providing travelers with an opulent and prestigious driving experience.

Fleet utilization averages 75%, with variations according to fleet size and car type. Small cars see higher usage (around 85%) due to their cost-effectiveness. SUVs and luxury cars have lower utilization due to higher prices and specialized usage patterns.

Car rental companies in Saudi Arabia are strategically leveraging government policies to expand. Budget Saudi secured a SAR39.8 million contract with SABIC in 2023G to enhance services. Theeb Rent a Car signed a SAR27.1 million deal with the Ministry of Human Resources and Social Development which runs until 2026G. Seera Group's Lumi expanded its footprint across key airports in 2021G, indicating a commitment to government engagements, market presence, and service accessibility.

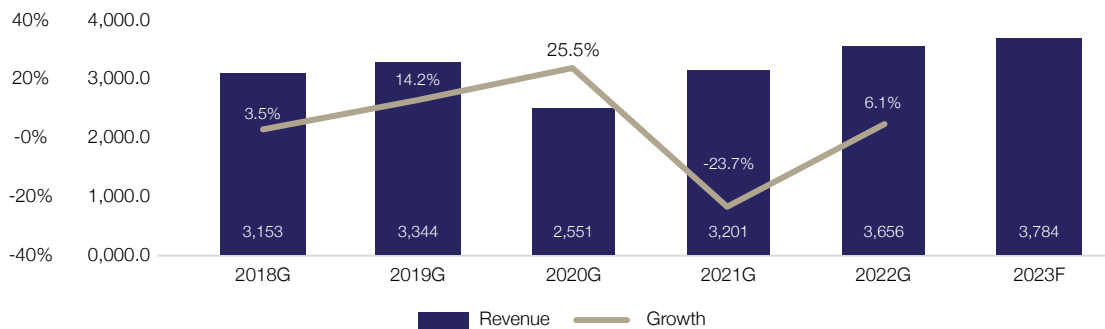
Table 33: Car Rental Market Size in the Kingdom of Saudi Arabia (2018G-2023G)

Category	Unit	2018G	2020G	2021G	2022G	2023G	2018G-2022G CAGR
Car rental: No of Cars	'000	127.4	117.3	123.1	146.2	157.7	3.5%
Car rental: No of Cars	% growth	-	-12.3%	5.0%	18.7%	7.8%	-
Car rental: Revenue	SAR million	3,153.2	2,550.6	3,201.8	3,655.7	3,783.9	3.8%
Car rental: Revenue	% growth	6.1%	23.7%	25.5%	14.2%	3.5%	-

Source: Euromonitor International Analysis

The car rental market in Saudi Arabia faced challenges during the pandemic, declining by 12.3% between 2019G and 2020G, to SAR2.6 billion. This compelled companies to restructure and adapt to unpredictable demand, impacting revenues and leading to consolidation among smaller players. However, recovery in car rental revenue began post-pandemic, showing 14.2% growth between 2020G and 2021G, reaching SAR3.7 billion. With the country's steady recovery, Vision 2030 initiatives, and continued tourism programs, the market is expected to maintain growth, and is projected to reach SAR3.8 billion in 2023G.

Figure 1: Car Rental Market Size in the Kingdom of Saudi Arabia (2018-2023F)



Source: Euromonitor International Analysis

3.10 Vehicle Leasing Market

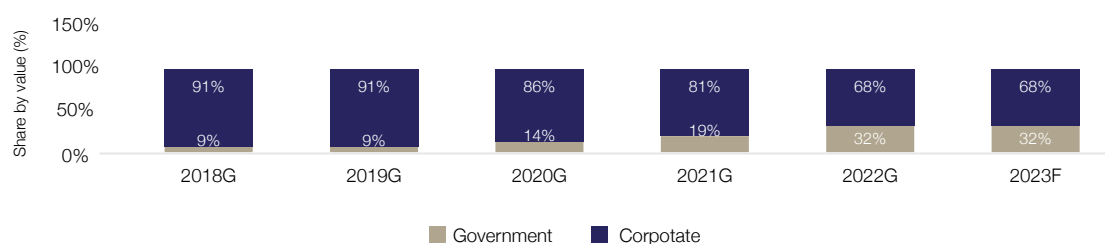
3.10.1 Overview

In the Saudi vehicle leasing value chain, agreements with dealerships and financing companies secure vehicle supply and funding. Operational leasing companies, often car rental firms, manage maintenance either internally or via external providers, serving corporate, governmental, and business end-users. The market offers operational and auto leasing services. Operational leasing involves long-term contracts between companies and institutional users, while auto leasing, overseen by the Saudi Arabian Monetary Authority (SAMA), caters to individuals through banks and financing firms. The operational leasing sector is thriving due to economic activity, Vision 2030, shifting preferences toward asset-light vehicle options, demand from public and semi-public institutions and recovering expatriate presence in the Kingdom.

3.10.2 Customer Landscape

In Saudi Arabia, historically, operational vehicle leasing was driven primarily by businesses and corporate entities seeking fleet flexibility without large capital investments. Factors like the logistics infrastructure in e-commerce, ongoing construction projects like NEOM and Red Sea Project, and the government's regional headquarters program fueled demand for leased vehicles in various sectors. The government's push for a global logistics hub and regional bases increased the need for vehicles, especially in the corporate sector. However, recent policy changes have shifted public entities towards leasing, stemming in part from the pandemic, which prompted companies to opt for asset-light vehicle options. The public and semi-public sectors now account for 32% of the car leasing market, with entities like the Public Investment Fund setting up multiple portfolio companies demanding efficient transportation systems to support national transformation programs.

Figure 2: Estimated User Segment Split for Car Leasing in Kingdom of Saudi Arabia (2018G-2023G)



Source: Euromonitor International based on primary and secondary research

3.10.3 Market Dynamics

In Saudi Arabia, vehicle leasing caters to a wide spectrum of industry demands. Demand for Sport Utility Vans and Multi Utility Vans are on the rise in the Kingdom owing to their adaptability across diverse terrains, these vehicle types account for up to 40% of leased vehicles. Sedans and economy cars represent an estimated 40% while pick-up trucks and other vehicles constitute approximately 20% of leased vehicles. Trucks and mini-vans are mostly used for logistics and in the construction and infrastructure sectors.

Operational leasing companies in Saudi Arabia compete by offering value-added services like replacement vehicles, with demand varying by industry. For instance, food delivery firms may require more replacement vehicles, estimated at one for every 10 leased vehicles, compared to the construction sector's ratio of one for every 20. This makes operational leasing capital-intensive and reliant on bank financing. Rising interest rates and vehicle costs, along with declining Average Revenue Per Car (ARPC), have impacted profitability. The ARPC for operational leasing companies in the Kingdom has seen a decline of up to 19% over 2018G to 2022G, reminiscent of lower purchase cost of cars. Customers are opting for less expensive car manufacturers and brands, such as Chinese cars to navigate the high inflation environment and supply chain disruptions caused by geo-political challenges in the world. The substitution to less expensive brands is expected to increase demand volumes as more companies will be willing to acquire cheaper cars, thereby compensating for the lower ARPC in the long run.

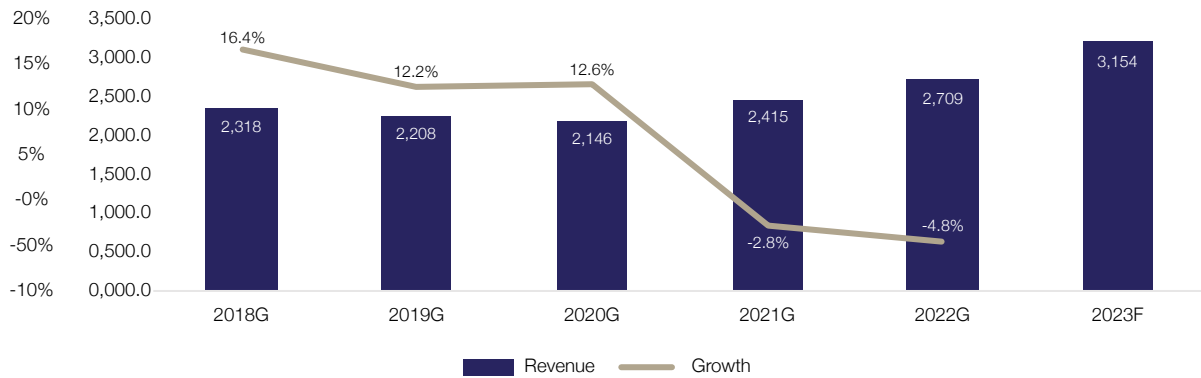
Table 34: Vehicle Leasing Market Size in the Kingdom of Saudi Arabia (2018-2023G)

Category	Unit	2018G	2020G	2021G	2022G	2023F	2018G-2022G CAGR
Operational Leasing: No of Cars	'000	83.7	96.0	100.8	115.0	136.2	8.3%
Operational Leasing: No of Cars	% growth	-	9.7%	5.0%	14.1%	18.4%	-
Operational Leasing: Revenue	SAR million	2,318.4	2,145.5	2,415.3	2,709.4	3,153.8	4.0%
Operational Leasing: Revenue	% growth	-	-2.8%	12.6%	12.2%	16.4%	-

Source: Euromonitor International Analysis

The pandemic altered consumer behavior in Saudi Arabia's operational leasing sector, seen in delayed payments, reduced renewal budgets, and a preference for more economical vehicles. As the economy recovered, the segment expanded, reaching SAR2.7 billion in 2022G, a 12.2% increase from the previous year, with 115,000 cars leased. Forecasts are for 16.4% growth between 2022G and 2023F, leading to a value of SAR3.2 billion for the segment.

Figure 3: Car Leasing Market Size Value (SAR million) in the Kingdom (2018G-2023G)



Source: Euromonitor International Analysis

3.11 Trends and Opportunities

3.11.1 Emerging Trends

The car rental and vehicle leasing industry witnessed significant changes over the period 2018G to 2022G:

Car Rental Market

- Growth in rental contracts, driven by economic, entertainment, and religious events, fostering domestic and international tourist activity.
- Stringent regulatory requirements complicate operational capacities, increasing set-up costs for car rental companies.
- Emergence of car-sharing apps and rental aggregating platforms reshapes market dynamics, transforming how consumers access and use transportation services.

Vehicle leasing Market

- Pandemic-related supply chain disruptions favored Chinese vehicles, due to geopolitical conflicts nearby, altering the vehicle mix stocked by leasing companies.
- Shifting customer demographics in operational leasing from corporate to government clients, with government entities leasing more than 30% of vehicles in 2022G, compared to 15% in 2018G, signaling a change in market dynamics.
- Environmental consciousness under Vision 2030 is prompting a gradual push toward electric vehicle (EV) integration. Broader awareness is leading to a significant shift toward acquiring new electric cars, evident in strategic partnerships like Naghi Motors Co committing to supply electric vehicles, and Almajdouie Motors Co providing undisclosed quantities to various rental companies in 2023G.

3.11.2 Demand Trends

- **Tourism Boost:** Saudi Arabia's tourism industry has surged, increasing demand for short-term car rentals. Both local and international travelers increasingly opt for rental cars to explore the Kingdom's diverse attractions, with airport arrivals rising by 81.7% in 2022G, to 88.5 million passengers, signifying a recovery in tourism. Airport-based car rental companies are well-positioned to benefit from this surge in activity.
- **Economic Empowerment:** The rise in demand for car rental, with annual growth rates of 25.5% and 14.2% in 2021G and 2022G is also attributed to the enhanced economic landscape of the country following the pandemic. Labour reforms introduced to empower women and the working population have led to an increase in household incomes. The employed female population increased by a 8.3% CAGR over 2018G to 2022G and is set to increase by 7.0% in 2023G.
- **Urbanization and Transport Demand:** The expanding population in cities and rising urban concentration have fueled the need for adaptable transportation options in bustling urban areas. This trend reflects the evolving preferences shaped by urbanization, with a 5.6% CAGR in disposable income between 2018G and 2022G, and a growing emphasis on convenient mobility solutions.
- **Corporate Relocation Impact:** Companies' shift toward an asset-light approach, and expatriates' preference for leased cars over ownership for shorter contracts have altered transportation preferences, favoring reliable transportation without ownership commitments.
- **Logistics and Technology Influence:** The logistics sector's reliance on short-term rentals has surged, benefiting the car rental and leasing market, in the context of a 20.0% increase in the Kingdom's non-oil revenue between 2020G and 2022G. Technological advancements, reflected in a 33% mobile e-commerce payment CAGR between 2018G and 2022G, have reshaped the market, fostering innovation through aggregator apps and vertical arrangements, streamlining car rental processes.
- **Government Policy Changes:** Government policies promoting reduced asset acquisitions have significantly impacted the vehicle leasing market, aligning with financial efficiency and sustainability drives across government institutions.

3.11.3 Opportunities

Rental and leasing firms in Saudi Arabia are leveraging strategic shifts:

- **Diversification:** By offering subscription models, long-term rentals, and partnering with ride-hailing services, companies aim to attract a wider customer base, positioning themselves as versatile mobility providers.
- **E-Mobility Embrace:** Amid the country's sustainability push and EV advocacy, rental and leasing companies aim to expand their fleets with electric vehicles, aligning with governmental green initiatives for a competitive edge.
- **Technological Advancements:** Integration of advanced tech solutions, such as user-friendly mobile apps, Internet-of-Things for fleet management, and AI-driven maintenance systems, promises to enhance operational efficiency and customer satisfaction, setting firms which offer such solutions apart in the market.

4. Acquisition Transaction

4.1 Overview of Al-Jazira Equipment Company's Operations

4.1.1 The Company

Al-Jazira Equipment Company is a one-person limited liability company, registered under Commercial Registration No. (2051005734) dated 12/03/1400H (corresponding to 30/01/1980G) and headquartered in Al-Khobar, Kingdom of Saudi Arabia. The current capital of Al-Jazira Equipment Company is three hundred million (300,000,000) Saudi Riyals divided into three hundred thousand (300,000) ordinary shares of equal value, each of which is worth one thousand (1,000) Saudi Riyals. The following table shows the ownership structure of Al-Jazira Equipment Company as of this Circular.

Table 35: Ownership Structure of Al-Jazira Equipment Company as at the date of this circular

Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
Saudi Economic and Development Company (SEDCO)	300,000	1,000	300,000,000	100%
Total	300,000	-	300,000,000	100%

Source: Al-Jazira Equipment Company

4.1.2 Al-Jazira Equipment Company History and Evolution of Capital and Ownership Structure

This section explains the fundamental historical changes in the ownership and capital structure of Al-Jazira Equipment Company.

Al-Jazira Equipment Company Ltd. was established as a limited liability company by Ahmed bin Salem bin Mahfouz and the Saudi Economic and Development Company (SEDCO) in Riyadh, with a capital of five hundred thousand (500,000) Saudi riyals divided into five thousand (5,000) in-cash shares of equal value, each worth one hundred (100) riyals. The following table shows the ownership structure of Al-Jazira Equipment Company upon incorporation:

Table 36: Al-Jazira Equipment Company Ownership structure upon incorporation

Sr.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1	Ahmed Bin Salem Bin Mahfouz	3,000	100	300,000	60%
2	Saudi Economic and Development Company (SEDCO)	2,000	100	200,000	40%
Total		5,000	-	500,000	100%

Source: Al-Jazira Equipment Company

Pursuant to the partners' resolution to amend the Articles of Association dated 24/07/1405H (corresponding to 15/04/1985G), the capital was increased from five hundred thousand (500,000) Saudi Riyals to twenty million (20,000,000) Saudi Riyals divided into two hundred thousand (200,000) in-cash shares of equal value, each worth one hundred (100) Saudi riyals. The capital increased by transferring the amount of nineteen million five hundred thousand (19,500,000) Saudi riyals from SEDCO's creditor current account. Furthermore, the company's headquarters was relocated from Riyadh to Al-Khobar. The following table shows Al-Jazira Equipment Company's ownership structure after capital increase and change in ownership:

Table 37: Al-Jazira Equipment Company's ownership structure pursuant the Articles of Association dated 24/07/1405H (corresponding to 15/04/1985G)

Sr.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1	Ahmed Salem Bin Mahfouz	3,000	100	300,000	1.5%
2	Saudi Economic and Development Co. Ltd. (SEDCO)	197,000	100	19,700,000	98.5%
Total		200,000	-	20,000,000	100%

Source: Al-Jazira Equipment Company

Pursuant to the resolution of the partners of Al-Jazira Equipment Company to amend the Articles of Association dated 15/11/1413H (corresponding to 06/05/1993G), the entire shares of the Saudi Economic and Development Company (SEDCO) amounting to one hundred and ninety-seven thousand (197,000) shares were transferred to Saleh Salem bin Mahfouz. The following table shows the ownership structure of Al-Jazira Equipment Company after the change of ownership:

Table 38: Al-Jazira Equipment Company's Ownership structure pursuant to the Articles of Association dated 15/11/1413H (corresponding to 06/05/1993G)

Sr.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1	Ahmed Salem Bin Mahfouz	3,000	100	300,000	1.5%
2	Saleh Salem Bin Mahfouz	197,000	100	19,700,000	98.5%
Total		200,000	-	20,000,000	100%

Source: Al-Jazira Equipment Company

Pursuant to the partners' resolution to amend the Articles of Association dated 29/01/1417H (corresponding to 15/06/1996G), a part of the shares owned by Saleh Salem bin Mahfouz was transferred to Ahmed Salem bin Mahfouz and new partners in the Company, and the shares were divided to have a nominal value of one (1) Saudi riyal. The following table shows Al-Jazira Equipment Company's ownership structure after the change of ownership and division:

Table 39: Al-Jazira Equipment Company's ownership structure pursuant to the Articles of Association dated 29/01/1417H (corresponding to 15/06/1996G)

Sr.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1	Muhammad Salem Bin Mahfouz	2,153,846	1	2,153,846	10.76923%
2	Saleh Salem Bin Mahfouz	2,153,846	1	2,153,846	10.76923%
3	Abdullah Salem Bin Mahfouz	2,153,846	1	2,153,846	10.76923%
4	Ahmed Salem Bin Mahfouz	2,153,848	1	2,153,848	10.76924%
5	Aisha Muhammad Kaaki	2,769,226	1	2,769,226	13.84613%
6	Fatima Salem Bin Mahfouz	1,076,923	1	1,076,923	5.384617%
7	Fawziah Salem Bin Mahfouz	1,076,925	1	1,076,925	5.384625%
8	Ibtisam Salem Bin Mahfouz	1,076,923	1	1,076,923	5.384617%
9	Laila Salem Bin Mahfouz	1,076,923	1	1,076,923	5.384617%
10	Haifa Salem Bin Mahfouz	1,076,923	1	1,076,923	5.384617%
11	Rawya Salem Bin Mahfouz	1,076,923	1	1,076,923	5.384617%
12	Sawsan Salem Bin Mahfouz	1,076,923	1	1,076,923	5.384617%
13	Thanaa Salem Bin Mahfouz	1,076,925	1	1,076,925	5.384625%
Total		20,000,000	-	20,000,000	100%

Source: Al-Jazira Equipment Company

Pursuant to the partners' resolution to amend the Articles of Association dated 20/06/1421H (corresponding to 18/09/2000G), the entire shares of the thirteen partners, amounting to twenty million (20,000,000) shares were transferred as follows: ten million (10,000,000) shares were transferred to Al-Keflain Commercial Holding Company Ltd., as a new partner in the company, and ten million (10,000,000) shares to Hassid Commercial Holding Company Ltd., as a new partner in the company. The following table shows Al-Jazira Equipment Company's ownership structure after the change of ownership:

Table 40: Ownership structure of Al-Jazira Equipment Company under the Articles of Association dated 20/06/1421H (corresponding to 18/09/2000G)

Sr.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1	Al-Keflain Commercial Holding Company Ltd.	10,000,000	1	10,000,000	50%
2	Hassid Commercial Holding Company Ltd.	10,000,000	1	10,000,000	50%
Total		20,000,000	-	20,000,000	100%

Source: Al-Jazira Equipment Company

Pursuant to the partners' resolution to amend the Articles of Association dated 20/11/1429H (corresponding to 18/11/2008G), the capital was increased by the partners from twenty million (20,000,000) Saudi riyals to forty million (40,000,000) Saudi riyals through cash deposits, and by maintaining the structure equally. The following table shows Al-Jazira Equipment Company's ownership structure after the capital increase and change in ownership:

Table 41: Al-Jazira Equipment Company's ownership structure pursuant to the Articles of Association dated 20/11/1429H (corresponding to 18/11/2008G)

Sr.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1	Al-Keflain Commercial Holding Company Ltd.	20,000,000	1	20,000,000	50%
2	Hassid Commercial Holding Company Ltd.	20,000,000	1	20,000,000	50%
Total		40,000,000	-	40,000,000	100%

Source: Al-Jazira Equipment Company

Pursuant to the partners' resolution to amend the Articles of Association dated 23/06/1431H (corresponding to 06/06/2010G), the entire shares of Al-Keflain Commercial Holding Company Ltd., amounting to twenty million (20,000,000) shares, were transferred to the Saudi Economic and Development Company (SEDCO). The twenty million (20,000,000) shares owned by Hassid Commercial Holding Company Ltd. were transferred as follows: nineteen million six hundred thousand (19,600,000) shares to the Saudi Economic and Development Company (SEDCO) and four hundred thousand (400,000) shares to SADAD Trading Company Ltd. The following table shows Al-Jazira Equipment Company's ownership structure after the change of ownership:

Table 42: Al-Jazira Equipment Company's ownership structure pursuant to the Articles of Association dated 23/06/1431H (corresponding to 06/06/2010G)

Sr.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1	Saudi Economic and Development Company (SEDCO)	39,600,000	1	39,600,000	99%
2	SADAD Trading Company Ltd.	400,000	1	400,000	1%
Total		40,000,000	-	40,000,000	100%

Source: Al-Jazira Equipment Company

Pursuant to the Articles of Association amended on 27/10/1437H (corresponding to 01/08/2016G), the capital was increased from forty million (40,000,000) Saudi Riyals to one hundred twenty million (120,000,000) Saudi Riyals by an increase of eighty million (80,000,000) Saudi Riyals through (1) a long-term loan transfer granted by a partner in the amount of (36,540,541) Saudi Riyals, (2) a short-term loan transfer of (40,301,667) Saudi Riyals, and (3) capitalization of retained earnings amounting (3,157,792) Saudi Riyals. Furthermore, the shares were merged and the nominal value increased from one (1) Saudi Riyal to one thousand (1,000) Saudi Riyals per share. The following table shows Al-Jazira Equipment Company's ownership structure after capital increase and change in ownership:

Table 43: Al-Jazira Equipment Company's ownership structure pursuant to the Articles of Association dated 27/10/1437H (corresponding to 01/08/2016G)

Sr.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1	Saudi Economic and Development Company (SEDCO)	118,800	1,000	118,800,000	99%
2	SADAD Trading Company Ltd.	1,200	1,000	1,200,000	1%
Total		120,000	-	120,000,000	100%

Source: Al-Jazira Equipment Company

Pursuant to Al-Jazira Equipment Company partners' resolution as endorsed by Ministry of Commerce and published in Aamaly E-Magazine on 09/02/1443H (corresponding to 16/09/2021G), the capital was increased from one hundred twenty million (120,000,000) Saudi riyals to one hundred and eighty million (180,000,000) Saudi riyals through the transfer of partner loans worth fifty-two million (52,000,000) Saudi riyals and the capitalization of retained earnings of eight million (8,000,000) Saudi riyals. The following table shows Al-Jazira Equipment Company's ownership structure after capital increase and change in ownership:

Table 44: Al-Jazira Equipment Company's ownership structure after the capital increase and change in ownership in accordance with the Articles of Association published on 09/02/1443H (corresponding to 16/09/2021G)

Sr.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1	Saudi Economic and Development Company (SEDCO)	178,200	1,000	178,200,000	99%
2	SADAD Trading Company Ltd.	1,800	1,000	1,800,000	1%
Total		180,000	-	180,000,000	100%

Source: Al-Jazira Equipment Company

Pursuant to Al-Jazira Equipment Company partners' resolution as endorsed by Ministry of Commerce and published in Aamaly E-Magazine on 21/12/1444H (corresponding to 09/07/2023G), the Articles of Association were amended by transferring the entire shares of SADAD Trading Company Ltd. to the Saudi Economic and Development Company (SEDCO), so that Al-Jazira Equipment Company will be wholly owned by Saudi Economic and Development Company (SEDCO). The following table shows Al-Jazira Equipment Company's ownership structure after the change of ownership.

Table 45: Al-Jazira Equipment Company Ownership Structure after the change in ownership pursuant to the Articles of Association published on 21/12/1444H (corresponding to 09/07/2023G)

Sr.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1	Saudi Economic and Development Company (SEDCO)	180,000	1,000	180,000,000	100%
Total		180,000	-	180,000,000	100%

Source: Al-Jazira Equipment Company

Pursuant to the decision of the owner of Al-Jazira Equipment Company's capital as endorsed by the Ministry of Commerce and published in Aamaly E-Magazine on 06/03/1445H (corresponding to 21/09/2023G), the capital was increased from one hundred eighty million (180,000,000) Saudi riyals to three hundred million (300,000,000) Saudi riyals through the capitalization of additional capital contributions amounting to one hundred twenty million (120,000,000) Saudi riyals received before its due date. The following table shows Al-Jazira Equipment Company's ownership structure after the capital increase.

Table 46: Al-Jazira Equipment Company ownership structure after the capital increase pursuant to the Articles of Association published on 06/03/1445H (corresponding to 21/09/2023G)

Sr.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1	Saudi Economic and Development Company (SEDCO)	300,000	1,000	300,000,000	100%
Total		300,000	-	300,000,000	100%

Source: Al-Jazira Equipment Company

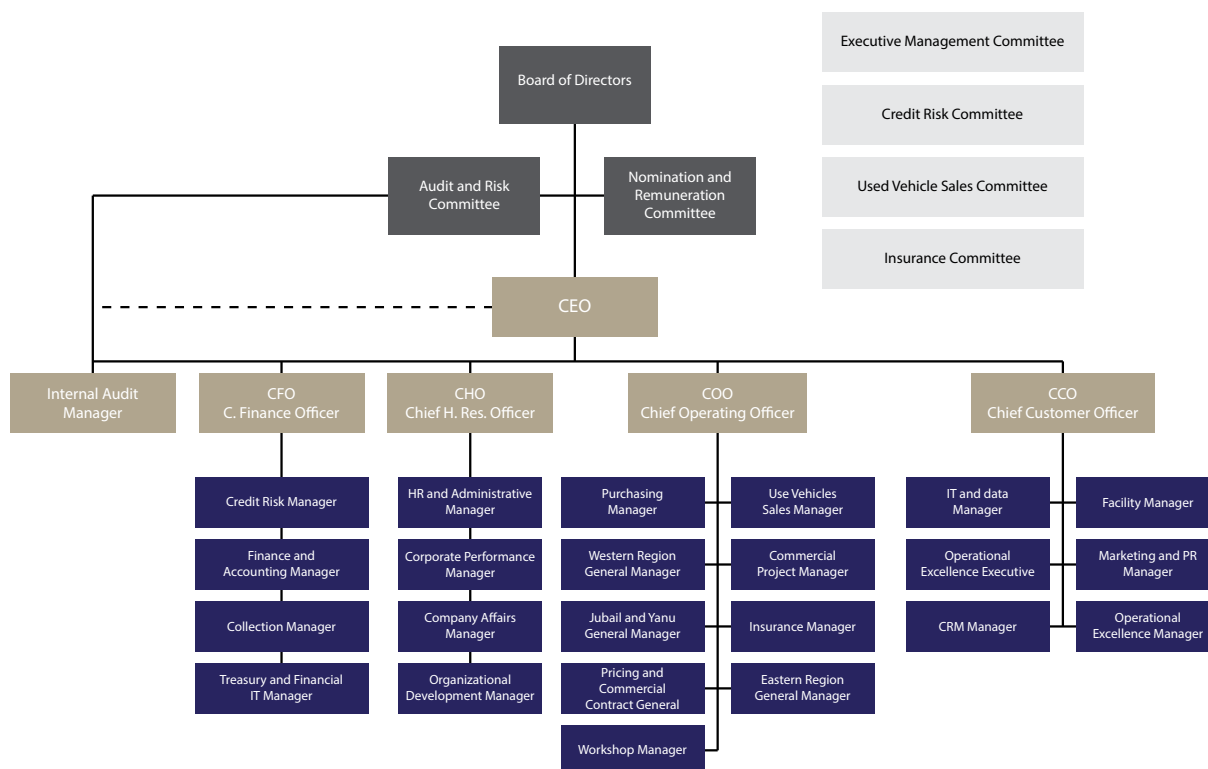
4.1.3 Al-Jazira Equipment Company Organizational Structure

Al-Jazira Equipment Company is managed by a Board of Directors consisting of five (5) directors, who were appointed by an independent decision for a period of three years until 25/10/2025G as follows:

1. Abdullah Mubarak Abdullah Baarmah – Saudi national – Chairman of the Board of Directors
2. Waleed bin Mohammed bin Salem bin Mahfouz – Saudi national – Board Member
3. Osama Ahmed Suleiman Banaja – Saudi national – Board Member
4. Simon Balthorpe – British national – Board Member
5. Bassel Hassan Hamwi – Lebanese – Board Member

The following chart shows the organizational structure of Al-Jazira Equipment Company:

Figure 4: Organizational structure of Al-Jazira Equipment Company



Source: Al-Jazira Equipment Company

The following is a detailed table showing the ownership structure of the Saudi Economic and Development Company (SEDCO) as of the date of this Circular:

Table 47: SEDCO ownership Structure as of the date of this Circular

Shareholder	Number of shares	Ownership (%)
Ibtisam Bint Salem Bin Ahmed Bin Mahfouz	1,941,076	6.5%
Ahmed Bin Salem Bin Ahmed Bin Mahfouz	3,396,020	11.3%
Ahmed bin Mubarak bin Abdallah Baarmah	181,440	0.6%
Thanaa Bint Salem Bin Ahmed Bin Mahfouz	1,693,560	5.6%
Dana Saeed Mobarak Baarmah	24,192	0.1%
Rawya Bint Salem Bin Ahmed Bin Mahfouz	1,956,076	6.5%
Rowaida bint Muhammad Bin Salem Bin Mahfouz	301,080	1.0%
Rayan Bin Muhammad Bin Salem Bin Mahfouz	602,160	2.0%
Zain bint Abdulaziz bin Mohammed Kaaki	387,478	1.3%
Zeina Saeed Mubarak Baarmah	24,192	0.1%
Sarah Saeed Mubarak Baarmah	24,192	0.1%
Sarah bint Muhammad bin Salem bin Mahfouz	270,972	0.9%
Salem Bin Muhammad Bin Salem Bin Mahfouz	602,160	2.0%
Salwa Bint Hamid Bin Abdulkarim Khan	22,680	0.1%
Salwa bint Sami bin Mubarak bin Abdullah Baarmah	40,610	0.1%
Sameer Bin Mubarak Bin Abdullah Baarmah	181,440	0.6%
Suhaila bin Sami bin Mubarak bin Abdullah Baarmah	60,510	0.2%
Sawsan Bint Salem Bin Ahmed Bin Mahfouz	1,693,560	5.6%
Qosor Alhanaa Urban Development Company Ltd.	1,653,630	5.5%
Saleh Bin Salem Bin Ahmed Bin Mahfouz	3,478,750	11.6%
Abdullah bin Salem bin Ahmed bin Mahfouz	3,870,960	12.9%
Abdullah bin Mubarak bin Abdullah Baarmah	181,440	0.6%
Awatef bint Mubarak bin Abdullah Baarmah	90,720	0.3%
Fawziah Bint Salem Bin Ahmed Bin Mahfouz	1,698,458	5.7%
Lamia Bint Mubarak bin Abdullah Baarmah	90,720	0.3%
Laila Bint Salem Bin Ahmed Bin Mahfouz	1,941,076	6.5%
Mubarak bin Abdullah bin Awad Baarmah	613,420	2.0%
Mariam Saeed Mubarak Baarmah	24,192	0.1%
Mazna Saeed Mubarak Baarmah	24,192	0.1%
Mona bint Mubarak bin Abdullah Baarmah	90,720	0.3%
Hunaida bint Muhammad bin Salem bin Mahfouz	301,080	1.0%
Haifa Bint Salem Bin Ahmed Bin Mahfouz	1,935,480	6.5%
Waleed Bin Muhammad Bin Salem Bin Mahfouz	602,764	2.0%
Total	30,001,000	100%

Source: Al-Jazira Equipment Company

The following table shows SEDCO's ownership structure as of the date of this Circular:

Table 48: SEDCO Ownership Structure as of this Circular

Sr.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1	Saudi Economic and Development Company (SEDCO)	3,000	1,000	3,000,000	100%
Total		3,000	-	3,000,000	100%

Source: Al-Jazira Equipment Company

4.1.4 Summary of Al-Jazira Equipment Company Core Activities

According to its commercial register, Al-Jazira Equipment Company activities are summarized in car rentals and leasing without chauffeurs. According to its Bylaw, the core activities are as follows:

Table 49: Company Activities

Section	Category
Transformational Industries	Manufacture of structures (vehicle fit-out works) for motor vehicles, manufacture of trailers and semi-trailers.
Construction.	Other specialized construction activities
Wholesale, retail and repair of motor vehicles and motorcycles	Sale of motor vehicles
Transportation & Storage	Road transport of passengers in cities and suburbs.
Transportation & Storage	Road transport of goods.
Transportation & Storage	Warehousing
Administrative and Support Services	Motor Vehicle Rental
Administrative and Support Services	Rental of machinery, other equipment and real goods.

Source: Al-Jazira Equipment Company

4.1.5 Summary of Al-Jazira Equipment Company Core Activities

Over forty years, Al-Jazira Equipment Company has built a strong brand and reputation throughout the Kingdom of Saudi Arabia, from its regional offices in the Eastern, Western and Central Provinces, as well as the Yanbu office. In addition, Al-Jazira Equipment Company has eight maintenance workshops in various regions of the Kingdom.

Mission

Achieve high value for its customers by providing the best services in the field of mobility, supporting the growth of its employees, contributing to the development of society and achieving a sustainable return for shareholders.

To bring value to clients through best-in-class mobility services, to support its employees' growth, to contribute to the development of its community, leading to sustainable and attractive business returns for our shareholders.

Vision

To be a forward-looking solution provider rooted in the mobility space, driven by operational excellence and in partnership with its employees and clients.

Al-Jazira Equipment Company core services are divided into three main segments: (1) Operational Leasing, (2) Maintenance, and (3) Sale of Used Vehicles. The following is an overview of each of these activities.

4.1.5.1 Operational Leasing

It is the main activity, including the leasing of cars, trucks and other vehicles for long-term periods ranging from one to five years for corporate clients. Operating leasing include other services such as maintenance, provision of a replacement vehicle in the event of breakdown, modification of the vehicle, chauffeur services, and others.

The following table shows the number of vehicles owned by Al-Jazira Equipment Company, the number of leased vehicles, leasing and rental contracts, operating rental revenues and their percentage of the total revenues of Al-Jazira Equipment Company at the end of each financial period.

Table 50: Operational Lease Information

Financial Period	Number of Owned Vehicles	Revenues (SAR)	Percentage of total revenue
Financial year ended 31 December 2020G	11,619	247,388,319	61.5%
Financial year ended 31 December 2021G	12,488	274,901,267	71.9%
Financial year ended 31 December 2022G	13,953	320,436,890	74.5%
Nine months ended 30 September 2023G	16,493	289,971,682	77.8%

Source: Al-Jazira Equipment Company

4.1.5.2 Maintenance

This includes service and maintenance centers that carry out periodic vehicle preventive maintenance as the maintenance centers are equipped to maintain and repair various types of cars. The maintenance centers are spread throughout the most major cities in the Kingdom and supervised by a technically and professionally trained team who master all repair, car body-repair, blacksmithing and painting work. The following table shows Al-Jazira Equipment Company maintenance centers and workshops, their locations and the capacity of their respective services, as of the nine-month period ended 30 September 2023G.

Table 51: Service and maintenance centers and workshops

Sr.	Centre	Region	Repair	Quick Service	Technicians	Electricity	Total
1	Nabiyah	Dammam	9	7	10	3	29
2	King Fahad	Dammam	-	14	8	2	24
3	Jubail	Jubail	8	4	3	1	16
4	Exit 18	Riyadh	22	-	7	-	29
5	Khurais	Riyadh	-	10	12	2	24
6	Afsan	Jaddah	14	8	7	2	31
7	Palestine	Jaddah	-	7	2	1	10
8	Yanbu	Yanbu	-	3	1	-	4
Total			53	53	50	11	167

¹ The center is currently under construction.

Source: Al-Jazira Equipment Company

4.1.5.3 Used Vehicles

This activity includes the sale of vehicles used by Al-Jazira Equipment Company through the auction to individuals or others, after the completion of their leasing.

Table 52: Sold Used Vehicles

Financial Period	Number of vehicles sold	Average vehicle age at sale (years)	Revenue (SAR)
year 2020G	4,137	4.30	144,573,463
Year 2021G	2,011	3.73	92,600,509
Year 2022G	1,825	3.59	82,460,794
Nine-Months Period Ended 30/09/2023G	1,558	3.83	68,839,540

Source: Al-Jazira Equipment Company

4.1.6 Key Performance Indicators

The table below shows Al-Jazira Equipment Company KPIs for the previous three years ended 31 December 2020G, 2021G and 2022G and the nine months ended 30 September 2023G.

Table 53: Key Performance Indicators

	2020G	2021G	2022G	Change 2020G-2021G	Change 2021G-2022G	2020G-2022G CAGR
KPIs						
Car Leasing				Change %		
Number of vehicles at the end of the year	11,230	12,274	13,666	9.3%	11.3%	10.3%
Weighted average of car rental fleet (number of cars)	10,718	11,377	13,020	6.1%	14.4%	10.2%
Average monthly rate per car lease (SAR)	1,924	2,014	2,051	4.7%	1.8%	3.2%
Car Sale						
Number of Cars Sold (Number of Cars)	4,137	2,011	1,825	(51.4%)	(9.2%)	(33.6%)
Average selling price per car (SAR)	34,946	46,047	45,184	31.8%	(1.9%)	13.7%
Number of Branches	4	5	6	25.0%	20.0%	22.5%

Source: Al-Jazira Equipment Company

	Nine months ended 30 September 2022G	Nine months ended 30 September 2023G	Period change percentage
KPIs			
Car Leasing			Percentage change
Number of cars at the end of the year	12,604	16,493	28.8%
Weighted average of car rental fleet (number of cars)	12,560	14,746	17.4%
Average monthly rate per car lease (SAR)	2,096	2,185	4.2%
Car Sale			
Number of Cars Sold (Number of Cars)	1,339	1,558	16.2%
Average selling price per car (SAR)	46,655	44,213	(5.2%)
Number of Branches	6	6	-

Source: Al-Jazira Equipment Company

4.1.7 Summary of Al-Jazira Equipment Company Financial Information

A. Summary of statement of profit

Table 54: Summary table of statement of profit

SAR (Thousands)	FY 2020G	FY 2021G	FY 2022G	Change 2020G-2021G	Change 2021G-2022G	2020G-2022G CAGR
Revenue	402,354	382,578	430,048	(4.9%)	12.4%	2.2%
Gross Profit	139,389	170,549	162,646	22.4%	(4.6%)	5.3%
Operating Profit	30,306	72,639	50,039	139.7%	(31.1%)	18.2%
Profit for the year	15,768	61,458	26,763	289.8%	(56.5%)	19.3%

Source: Audited financial statements of the financial years ended 31 December 2021G and 2022G and the management information.

SAR (Thousands)	Nine months ended 30 September 2022G	Nine months ended 30 September 2023G	Period change percentage
Revenue	317,672	372,666	17.3%
Gross Profit	127,746	163,918	28.3%
Operating Profit	41,135	73,787	79.4%
Profit for the year	26,004	39,956	53.7%

Source: Condensed interim financial statements for the nine months ended 30 September 2022G and 30 September 2023G, and the management information.

B. Summary Statement of Financial Position

Table 55: Statement of Financial Position Summary Table

SAR (Thousands)	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Total non-current assets	611,508	694,337	923,429
Total current assets	158,118	184,328	237,165
Total Assets	769,626	878,665	1,160,595
Total Equity	254,673	316,136	346,687
Total non-current liabilities	185,318	229,302	368,487
Total current liabilities	329,636	333,227	445,422
Total Liabilities	514,954	562,529	813,908
Total liabilities and equity	769,626	878,665	1,160,595

Source: Audited financial statements of the financial years ended 31 December 2021G and 2022G and the management information.

SAR (Thousands)	As of 31 December 2022G	As of 30 September 2023G
Total non-current assets	941,737	1,178,664
Total current assets	238,161	352,222
Total assets	1,179,898	1,530,886
Total Equity	365,990	527,145
Total non-current liabilities	368,487	396,403
Total Current Liabilities	445,422	607,338
Total Liabilities	813,908	1,003,741
Total liabilities and equity	1,179,898	1,530,886

Source: Interim condensed financial statements for the nine months ended 30 September 2023G, and the management information.

For further details about Al-Jazira Equipment Company's financial information, please see Section 5 ("Financial Information and Management Discussion and Analysis").

4.2 Overview of Aljozoor Alrasekha Transportation Company Ltd

4.2.1 The Company

Aljozoor Alrasekha Transportation Company is a Saudi one-person limited company, headquartered in Jeddah, registered under Commercial Registration No. (4030228349) dated 22/06/1433H (corresponding to 13/05/2012G), and its current capital is one hundred million (100,000,000) Saudi Riyals, divided into one million (1,000,000) in-cash and in-kind shares, the value of each share is one hundred (100) Saudi Riyals (hereinafter referred to as “**Aljozoor Alrasekha Company**”).” or “**Budget Saudi Subsidiary**”), wholly owned by Budget Saudi Company.

4.2.2 Summary of the Core Activities of Aljozoor Alrasekha Transportation Company Ltd

The core activities of Aljozoor Alrasekha Transportation Company Ltd include car rental, machinery rental, equipment and real goods, road transportation of passengers, road transport of goods, storage, service activities related to land transport, sale of motor vehicles, maintenance and repair of motor vehicles, and sale of car parts and accessories.

4.3 Overview of the Acquisition Transaction

The Acquisition Transaction will be entered into pursuant to the Purchase Agreement and the approval of Budget Saudi Company shareholders at the Extraordinary General Assembly, under which all capital shares of Al-Jazira Equipment Company will be transferred to Aljozoor Alrasekha Transportation Company in exchange for issuing seven million (7,000,000) new shares by Budget Saudi Company with a nominal value of ten (10) Saudi Riyals per share to SEDCO and Development Company by increasing the Budget paid-up capital from seven hundred and eleven million, six hundred and sixty-six thousand, six hundred and eighty (711,666,680) Saudi riyals to seven hundred and eighty-one million, six hundred and sixty-six thousand, six hundred and eighty (781,666,680) Saudi riyals, with a nominal value of ten (10) Saudi riyals per share which represents the increase in the shares of Budget Saudi Company from seventy-one million one hundred sixty-six thousand six hundred sixty-eight (71,166,668) ordinary shares to seventy-eight million one hundred sixty-six thousand six hundred sixty-eight (78,166,668) fully paid-up shares in compliance with the terms mentioned in the Purchase Agreement and summarized in Section 6 (“**Legal Information**”) of this Circular.

The number of new shares has been determined based on the valuation of all shares of Al-Jazira Equipment Company in the amount of four hundred and fifty-five million (455,000,000) Saudi Riyals and the valuation of the share price of Budget Saudi Company for the purpose of the acquisition transaction at a value of sixty-five (65.00) per share based on the use of the volume-weighted average price (VWAP) for six (6) trading months for Budget Saudi Company for the period from 24/02/2023G to 24/08/2023G, representing the average daily closing price for six (6) trading months.

It is worth noting that the completion of the acquisition will be announced following the Extraordinary General Assembly Meeting and upon completion of all preconditions in accordance with the Purchase Agreement summarized in Section (6) (“**Legal Information**”) of this Circular.

It should be noted that on 08/02/1445H (corresponding to 24/08/2023G), a Memorandum of Understanding was signed between Saudi Budget Company and the Saudi Economic and Development Company “SEDCO” regarding the Acquisition Transaction.

On 08/06/1445H corresponding to (21/12/2023G), a Purchase Agreement was signed between Budget Saudi Company and SEDCO, under which the entire Target Shares in Al-Jazira Equipment Company will be transferred to Aljozoor Alrasekha in exchange for the issuance of seven million (7,000,000) new shares in Budget Saudi Company with a total value of four hundred and fifty-five million (455,000,000) Saudi riyals. For further details on the Purchase Agreement between Budget Saudi Company and SEDCO, please refer to Section (6) “**Legal Information**” of this Circular.

Budget Saudi Company also confirms that the transaction structure does not violate the relevant laws and regulations.

4.4 Consideration for Acquisition Transaction

The parties agreed that the sole consideration for the acquisition will be the issuance of the new shares by Budget Saudi Company in favour of SEDCO and Development Company and that SEDCO will have no cash consideration in the acquisition under the Purchase Agreement.

Saudi Budget Company will issue seven million (7,000,000) new shares in Budget Saudi Company with a nominal value of ten (10) Saudi Riyals per share in favour of SEDCO with three million nine hundred eight thousand three hundred and thirty-three (3,908,333) new shares, and Development Company with three million ninety-one thousand six hundred and

sixty-seven (3,091,667) new shares, representing 8.96% of the total capital of Budget Saudi Company after the Acquisition Transaction, which will be issued upon a valuation of the Budget share price for the purpose of the acquisition transaction which amounts to SAR 65 per share. The valuation is based on the use of the Volume-Weighted Average Price (VWAP) for six (6) trading months for Budget Saudi Company for the period from 24/02/2023G to 24/08/2023G. The total market value of Budget Saudi Company, for the purpose of the acquisition transaction, is an amount of four billion, six hundred and twenty-five million, eight hundred and thirty-three thousand, four hundred and twenty (4,625,833,420) Saudi riyals, in exchange for the purchase of three hundred thousand (300,000) shares with a nominal value of one thousand (1,000) riyals per share, representing 100% of Al-Jazira Equipment Company capital. The total value of the new shares, based on the number of new shares and the valuation of Budget Saudi Company's share price which amounts to SAR 65 per share, is the amount of four hundred and fifty-five million (455,000,000) Saudi riyals.

The following table shows the total consideration value:

Table 56: Total consideration value

Partner	Al-Jazira Equipment Company's Ownership				Number of shares to be issued in Budget Saudi Company in exchange for the acquisition transaction
	Number of shares sold	Direct Ownership Percentage	Percentage of indirect ownership	Total direct and indirect ownership percentage	
Saudi Economic and Development Company (SEDCO)	300,000	100%	N/A	100%	7,000,000 shares
Total	300,000	100%	-	-	7,000,000 shares

Source: Al-Jazira Equipment Company

Table 57: Ownership structure of SEDCO and SEDCO's wholly-owned subsidiary Development Company in Budget Saudi Company Pre-and-Post Acquisition

Shareholder	Pre-Acquisition Transaction				Post-Acquisition Transaction			
	Number of shares	Direct ownership Percentage	Indirect ownership percentage	Total ownership percentage (direct and indirect)	Number of shares	Direct ownership percentage	Indirect ownership percentage	Total ownership percentage (direct and indirect)
Saudi Economic and Development Company (SEDCO)			N/A		3,908,333	5.00%	3.96%	8.96%
Development Company			N/A		3,091,667	3.96%	0%	3.96%
Total	N/A		N/A		7,000,000	8.96%	3.96%	8.96%

It includes indirect ownership in the Development Company owned by SEDCO (100%), as it owns (3,091,667) shares in Budget Saudi Company after the acquisition transaction.

4.5 Motives and Implications of Acquisition Transaction for Budget Saudi Company

On 11/06/1445H corresponding to 24/12/2023G, Budget Saudi Company announced that it has signed up a Purchase Agreement so that Aljozoor Alrasekha can acquire the shares of Al-Jazira Equipment Company by increasing the capital of Budget Saudi Company through issuing new shares to SEDCO and Development Company in Budget Saudi Company.

The acquisition transaction is in line with Budget Saudi Company's long-term strategy and direction to expand into the transportation sector, as Budget Saudi currently owns 100% of Aljozoor Alrasekha capital. The acquisition of Al-Jazira Equipment Company is an important step to increase Budget Saudi Company's market share in the transport sector and capitalize on the growth opportunities available in the transport sector.

The acquisition transaction is expected to achieve a number of objectives that will benefit Budget Saudi Company's current and future shareholders, including, but not limited to:

- Benefit from the expected growth in the transport sector.
- Positive impact on earnings per share in the future.
- Higher risk tolerance after capital appreciation.
- Maximize the return on equity for the Budget Saudi Company shareholders.

Following the completion of the acquisition transaction, the current shareholders of Budget Saudi Company will own (91.04%) of Budget Saudi Company shares. On the other hand, the direct ownership of SEDCO will be 5% of Budget Saudi Company's capital after the capital increase. Furthermore, the indirect ownership of SEDCO will be 3.96% of Budget Saudi Company's capital after the capital increase and the Development Company's direct ownership will be 3.96% of Budget Saudi Company's capital.

4.6 Intended Changes in the Board of Directors of Budget Saudi Company or in the Executive Management of Budget Saudi Company following the Completion of the Acquisition Translation

Budget Saudi is currently managed by a Board of Directors consisting of eight (8) members as follows:

4.6.1 Current Board Members of Budget Saudi Company:

Table 58: Members of the Board of Directors of Budget Saudi Company as of (13/6/1445H) corresponding to (26/12/2023G):

Name	Post	Organic status	Start date of the Council	End date of the Council's term	Before completing the acquisition			After the completion of the acquisition transaction		
					Direct Ownership Percentage	Percentage of indirect ownership	Total ownership ratio (direct and indirect)	Direct Ownership Percentage	Percentage of indirect ownership	Total ownership Percentage (direct and indirect)
Bassem Abdullah Abdulrahman Alem	Chairman of the Board of Directors	Non-Executive	21/06/2021G	20/06/2024G	0.0054604%	None	0.0054604%	0.0049711%	None	0.0049711%
Khalid Abdullah Khalid Aldabal	Vice Chairman	Non-Executive	21/06/2021G	20/06/2024G	None	None	None	None	None	None
Abdullah Jarallah Ibrahim Alsaawi	Board Member	Non-Executive	21/06/2021G	20/06/2024G	None	None	None	None	None	None
Mohammed Abdulaziz Fahad Alghannam	Board Member	Non-Executive	21/06/2021G	20/06/2024G	None	None	None	None	None	None
Abdulrahman Hasan Yassin Bekhit	Board Member	Non-Executive	21/06/2021G	20/06/2024G	None	None	None	None	None	None
Meqead Abdullah Abdulmohsen Alkhamis	Board Member	Independent	21/06/2021G	20/06/2024G	None	None	None	None	None	None
Yousef Abdullah Abdulaziz Alrajhi	Board Member	Independent	21/06/2021G	20/06/2024G	0.0733054%	None	0.0733054%	0.0667372%	None	0.0667372%
Ahmed Abdullatif Ahmed Albarak	Board Member	Independent	21/06/2021G	20/06/2024G	None	None	None	None	None	None

Source: Budget Saudi Company

4.6.2 Senior Executives

Current Senior Executives at Budget Saudi Company:

Table 59: Senior Executives in Saudi Budget Company on (13/06/1445H) corresponding to (26/12/2023G):

Name	Position	Date of appointment
Fawaz Abdullah Ahmed Danish	CEO	19/01/2002G
Ravish Muhammad Hussein Tatli	CFO	11/01/2003G

Source: Budget Saudi Company

It should be noted that it was agreed that:

- If the completion date of the acquisition occurs before the end of the nomination period for the 2024G Board of Directors' session, there will be no change in the current Board of Directors of Budget Saudi Company.
- If the date of completion of the acquisition occurs after the end of the nomination period for the 2024 Board of Directors' session, the expansion of the Board will be proposed by adding a seat, and the appointment of the nominee by SEDCO or by the Board to this seat will be approved as part of the acquisition resolutions that will be presented to the shareholders of Budget Saudi Company.

4.7 Valuation of Al-Jazira Equipment Company

Under the Purchase Agreement, it was agreed that the valuation of Budget Saudi Company's share price for the purpose of the acquisition transaction will be approximately sixty-five (65) Saudi riyals per share, based on the use of the volume-weighted average price (VWAP) for six (6) months of trading for Budget Saudi Company in the capital market for the period from 24/02/2023G to 24/08/2023G. The parties also agreed that the valuation of Al-Jazira Equipment Company shall be four hundred and fifty-five million (455,000,000) Saudi riyals. For further details about the Purchase Agreement and related conditions, please refer to Section (6.6) ("**Substantial Terms and Conditions and Preconditions or Representations Contained in the Other Documents or Agreements of the Acquisition Transaction**") of this Circular.

This section provides a summary of the Valuation Report of Budget Saudi Company prepared by the financial advisor (EFG Hermes KSA) on the acquisition of Al-Jazira Equipment Company.

Below is a detailed table of consideration for the acquisition transaction:

Table 60: Consideration for the Acquisition Transaction

Sr.	Item	Description	Clarifications
1	Budget Saudi capital	Seven hundred eleven million six hundred sixty-six thousand six hundred eighty (711,666,680) Saudi Riyal	-
2	Number of shares of Saudi Budget Company	Seventy-one million one hundred and sixty-six thousand six hundred sixty-eight (71,166,668) ordinary shares	Nominal value per share is ten (10) Saudi Riyals
3	Valuation of Budget Saudi Company's share price and market value (for acquisition purposes)	Sixty-five (65) Saudi Riyals per share. The market capitalization of Budget Saudi Company is an amount of four billion, six hundred and twenty-five million, eight hundred and thirty-three thousand, four hundred and twenty (4,625,833,420) Saudi riyals.	The valuation is based on the use of the Volume-Weighted Average Price (VWAP) for six (6) trading months in the Capital Market for the period from 24/02/2023G to 24/08/2023G, which represents the date of signing the Memorandum of Understanding between Budget Saudi and the shareholders of Al-Jazira Equipment Company.
4	Al-Jazira Equipment Company Capital	Three hundred million (300,000,000) Saudi Riyals	-
5	Al-Jazira Equipment Company Shares	Three hundred thousand (300,000) shares	With a nominal value of one thousand (1,000) Saudi riyals per share
6	Al-Jazira Equipment Company Valuation	Four hundred and fifty-five million (455,000,000) Saudi Riyals	For further information about the evaluation of Aljazeera Equipment Company, please refer to Table (61): " Valuation of Al-Jazira Equipment Company "
7	Total number of shares to be issued to SEDCO (Consideration Shares)	Seven million (7,000,000) ordinary shares	F+C
8	Nominal value of the consideration shares	Seventy million (70,000,000) Saudi Riyals	The nominal value of consideration shares is (ten) (10) Saudi Riyals per share, all have the same rights of the shares currently issued in Budget Saudi Company.
9	Total Value of Consideration Shares as per the valuation of Budget's Share Price	Four hundred and fifty-five million (455,000,000) Saudi Riyals	Number of consideration shares × valuation of Saudi Budget share price for the purpose of the acquisition transaction.

Sr.	Item	Description	Clarifications
10	Total Market Value of Consideration Shares by Nearest Closing Price	Five hundred twenty-nine million nine hundred thousand (529,900,000) Saudi Riyals	<ul style="list-style-type: none"> Number of Consideration shares × Budget Saudi Closing Price. According to the closing price of Budget Saudi Company (75.70) Saudi Riyal on 26/11/1445H (corresponding to 03/06/2024G), the market value of Consideration shares increased by (16.46%) compared to the total market value of Consideration shares as per the valuation of Budget share price.
11	The portion of the consideration that will be paid in cash	None	The compensation will be entirely through the issuance of shares.

4.7.1 Valuation of Budget Saudi Company's share price for acquisition transaction

Budget Saudi Company's share price for the acquisition was valued by the Budget's Financial Advisor (EFG Hermes KSA) at an agreed price of approximately sixty-five (65) SAR per share, using the volume-weighted average price (VWAP) for six (6) months of trading for the period from 24/02/2023G to 24/08/2023G. The total number of shares to be issued to SEDCO and Development Company was determined based on the final value of Al-Jazira Equipment Company, divided by the agreed share price of Budget Saudi Company.

4.7.2 Valuation of Al-Jazira Equipment Company's Share Price for the Purposes of the Acquisition Transaction

Al-Jazira Equipment Company was evaluated by Budget's Financial Advisor (EFG Hermes KSA) with several valuation models. Those models were selected in line with the nature of Al-Jazira Equipment Company's business and its financial and operational performance. In addition, weights were distributed for each valuation model based on the quality of market information available for similar companies and similar acquisitions transactions, future expectations as well as other factors taken into account during the valuation stage.

The following is Al-Jazira Equipment Company's valuation table:

Table 61: Valuation of Al-Jazira Equipment Company

Scope of valuation of equity value in Al-Jazira Equipment Company (Million Saudi Riyals)	Minimum	Average	Maximum
The value of equity in Al-Jazira Equipment Company	445	524	603

It was agreed between Budget Saudi and SEDCO as per the Share Purchase Agreement that the final value of the acquisition of the Target Shares will be an amount of four hundred and fifty-five million (455,000,000) Saudi riyals, representing one hundred percent (100%) of Al-Jazira Equipment Company's capital.

Table 62: Valuation Methodologies Conducted to Determine the Value of Al-Jazira Equipment Company

Assessment Method	Explanation of Methodology
Discounted Cash Flow (DCF)	A method used to estimate the value of an asset or the Company subject to valuation based on the future cash flows of the Company or asset being evaluated. Discounted cash flow calculates the expected value of the Company based on the future projections of cash flows for the asset or Company being evaluated. Discounted cash flow analysis calculates the Present Value of expected future cash flows using the discount rate and the Discount Rate is determined based on the evaluator's estimates of risks related to the realization of those cash flows the asset or Company under valuation.
Equity Multiplier of Net Profit	A method used to estimate the value of the equity under evaluation based on multipliers of similar companies traded in the capital markets. The equity multiplier of net profit is based on the net profit of companies within a group of similar companies.
Equity Multiplier of Book Value	A method used to estimate the value of the equity under evaluation based on multipliers of similar companies traded in the capital markets. The equity multiplier of book value is based on the book value of companies within a group of similar companies.
Similar Transactions	A method used to estimate the equity value based on similar transactions made in the capital markets. Similar transactions are based on analyzing the value of a group of similar transactions made in the capital markets to estimate the value of equity subject to valuation.

Based on the above valuation, Budget Saudi Company will increase its capital to seven hundred eighty-one million six hundred sixty-six thousand six hundred eighty (SAR 781,666,680) Saudi riyals and issue seven million (7,000,000) ordinary shares, with a nominal value of ten (10) riyals per share. Those ordinary shares will be registered in favour of SEDCO with three million nine hundred eight thousand three hundred and thirty-three (3,908,333) new shares, and in favour of Development Company, which is wholly owned by SEDCO, with three million ninety-one thousand six hundred and sixty-seven (3,091,667) new shares. The total market value of the new shares, based on the number of new shares and on the valuation of the Saudi Budget Company's share price for the purpose of the acquisition transaction, amounting to sixty-five (65) Saudi riyals per share, is an amount of four hundred and fifty-five million (455,000,000) Saudi riyals. It is worth mentioning that based on the closing price of Saudi Budget Company's share, which amounted to (77.30) Saudi riyals on the last trading day preceding the date of announcing the signing of the Purchase Agreement, i.e. on (08/06/1445H) corresponding to (21/12/2023G), the market value of the new shares amounted to five hundred forty-one million and one hundred thousand (541,100,000.) Saudi Riyal. Based on the closing price of Budget Saudi Company's share, which amounted to seventy-five riyals and seventy halalas (75.70) Saudi Riyals on the last trading day preceding the date of publication of this Circular, i.e. on 26/11/1445H (corresponding to 03/06/2024G), the market value of the new shares amounted to five hundred twenty-nine million and nine hundred thousand (529,900,000) Saudi Riyals. The market value of the new shares will be determined at a later date and will be reflected in Budget's financial statements based on the closing price of Budget Saudi Company's share price on the last trading day prior to the completion of the Acquisition Transaction.

4.8 Details of the Related Parties who have a Direct and Indirect Interest in the Acquisition Transaction

The Acquisition Transaction does not involve the presence of related parties. There are no Board members at Budget Saudi Company who have a direct and indirect interest in the Acquisition Transaction.

4.9 Budget Saudi Company's Ownership Structure Pre- and Post-Acquisition Transaction

Table 63: The ownership structure of Budget Saudi Company before and after the completion of the acquisition, as of (25/09/1445H) corresponding to (04/04/2024G)

Shareholder	Pre-Acquisition			Post-Acquisition			
	Number of Shares	Direct Ownership Percentage	Total Ownership Percentage (Direct and Indirect)	Number of Directly Owned Shares	Direct Ownership Percentage	Indirect Ownership Percentage	Total Ownership Percentage (Direct and Indirect)
Board Members and Senior Executives of Budget Saudi Company	56,056	0.08%	0.08%	56,056	0.07%	None	0.07%
Shares owned by major other than the public shareholders (Osool & Bakheet Fund – Mobility)	4,297,149	6.03%	6.03%	4,297,149	5.49%	None	5.49%
SEDCO Company		None		3,908,333	5.00%	3.96%	8.96%
Development Company		None		3,091,667	3.96%	None	3.96%
The Public	66,813,463	93.89%	N/A	66,813,463	85.48%		N/A
Total	71,166,688	100.00%	N/A	78,166,668	100.00%		N/A

Source: Budget Saudi Company

* It includes the indirect ownership in the Development Company, which is owned by SEDCO (100%), as it owns (3,091,667) shares in Budget Saudi Company after the Acquisition Transaction.

4.10 Pro Forma Financial Statements for Budget Saudi Company After the Acquisition Transaction

The following condensed and pro forma financial information prepared by the management of Budget Saudi with the assistance of pro forma financial statement advisor (Baker Tilly MKM - Certified public accountants) addresses the effect of the Acquisition Transaction on the consolidated historical financial position statement and the consolidated historical income statement on 30 September 2023G and 31 December 2022G, assuming that the Acquisition Transaction has already taken place as of 01 January 2022G. The presentation of the pro forma financial information is based on certain conceptual assumptions that have been prepared for illustrative purposes only. Due to its nature, the pro forma statement of financial position and the pro forma income statement address a pro forma situation and, therefore, do not represent or give a true picture of the financial position and financial performance of Budget Saudi Company after the completion of the Acquisition Transaction. Furthermore, the pro forma financial information is only meaningful in conjunction with the historical financial statements of Budget Saudi Company and Al-Jazira Equipment Company for the financial year ended 30 September 2023G and 31 December 2022G. For further details about the pro forma consolidated financial information and related amendments and clarifications, please refer to Appendix No. (11-1) "Budget Saudi Company Consolidated Pro Forma Financial Statements" of this Circular. The following is a summary of the pro forma consolidated financial statements:

4.10.1 Pro Form Statement of Financial Position as of 30 September 2023G

Table 64: Pro Form Statement of Financial Position as of 30 September 2023G and 31 December 2022G

	Note	As of 30 September 2023G				As of 31 December 2022G				
		Budget Saudi Company (Acquirer) (Non-Audited)	AutoWorld (acquired) (Non-Audited)	Conceptual modifications	Conceptual (Non-Audited)	Budget Saudi Company (Acquirer) (Historical Audit)	AutoWorld (acquired) (Historical Audit)	Other modifications	Conceptual modifications	Conceptual (Non-Audited)
(SAR in 000s)				(Note 4)			(Note 3)	(Note 4)		
Assets										
Non-current assets										
Property & Equipment		2,352,680	1,143,170	-	3,495,850	2,130,794	884,217	18,308	-	3,033,319
Right-of-use assets		98,033	30,986	-	129,019	81,141	34,280	-	-	115,421
Intangible assets		5,767	4,508	-	10,275	5,701	4,934	-	-	10,635
Goodwill 4c		-	-	9,055	9,055	-	-	-	9,055	9,055
Financial assets at fair value through other comprehensive income		15,000	-	-	15,000	15,000	-	-	-	15,000
		2,471,480	1,178,664	9,055	3,659,199	2,232,636	923,431	18,308	9,055	3,183,430
Current Assets										
Inventory		20,324	14,323	-	34,647	11,021	10,869	996	-	22,886
Commercial receivables		267,867	292,242	-	560,109	193,854	184,862	-	-	378,716
Due from related parties		-	2,557	-	2,557	-	8,489	-	-	8,489
Advance payments and other receivables		29,396	28,930	-	58,326	61,168	19,330	-	-	80,498
Cash and cash equivalent		35,465	14,170	-	49,635	21,428	13,615	120,000	-	155,043
		353,052	352,222	-	705,274	287,471	237,165	120,996	-	645,632
Total Assets		2,824,532	1,530,886	9,055	4,364,473	2,520,107	1,160,596	139,304	9,055	3,829,062
Equity										
Capital		711,667	300,000	(230,000)	781,667	711,667	180,000	120,000	(230,000)	781,667

	Note	As of 30 September 2023G				As of 31 December 2022G				
		Budget Saudi Company (Acquirer) (Non-Audited)	AutoWorld (acquired) (Non-Audited)	Conceptual modifications	Conceptual (Non-Audited)	Budget Saudi Company (Acquirer) (Historical Audit)	AutoWorld (acquired) (Historical Audit)	Other modifications	Conceptual modifications	Conceptual (Non-Audited)
(SAR in 000s)				(Note 4)			(Note 3)	(Note 4)		
4B Premium		-	-	466,200	466,200	-	-	-	466,200	466,200
Statutory reserve		224,429	29,068	(29,068)	224,429	224,429	29,068	-	(29,068)	224,429
Retained Earnings		857,285	198,077	(198,077)	857,285	788,606	156,922	19,304	(198,077)	747,452
F. Exchange Translation Reserve		(163)	-	-	(163)	(163)	-	-	-	(163)
Total Equity		1,793,218	527,145	9,055	2,329,418	1,724,539	365,990	139,304	9,055	2,219,585
Non-current liabilities										
Bank loans		339,199	358,375	-	697,574	162,186	323,367	-	-	485,553
Employee Benefits		72,126	14,798	-	86,924	66,399	16,646	-	-	83,045
Lease Obligations		62,270	23,229	-	85,499	42,669	28,474	-	-	71,143
		473,595	396,402	-	869,997	271,254	368,487	-	-	639,741
Current liabilities										
The current part of bank loans		260,709	290,486	-	551,195	209,858	285,340	-	-	495,198
Lease Obligations - Traded Part		24,417	9,679	-	34,096	29,609	5,562	-	-	35,171
Commercial and other payables		95,299	179,458	-	274,757	128,186	81,622	-	-	209,808
Accrued expenses and other liabilities		170,872	74,528	-	245,400	148,674	46,766	-	-	195,440
Amounts due to related parties		-	50,000	-	50,000	-	20,869	-	-	20,869
Zakat provision		6,422	3,188	-	9,610	7,987	5,263	-	-	13,250
		557,719	607,339	-	1,165,058	524,314	445,422	-	-	969,736
Total liabilities		1,031,314	1,003,741	-	2,035,055	795,568	813,909	-	-	1,609,477
Total Liabilities and Equity		2,824,532	1,530,886	9,055	4,364,473	2,520,107	1,179,899	139,304	9,055	3,829,062

4.10.2 Consolidated pro forma profit or loss statement for the nine months ended 30 September 2023G

Table 65: Consolidated pro forma profit or loss statement for the nine months ended 30 September 2023G

	Nine-months period ended September 30, 2023G				Financial year ended 31 December 2022G				
	Budget Saudi Company (Acquirer) (Unaudited)	AutoWorld (acquired) (Unaudited)	Conceptual modifications	Conceptual (Unaudited)	Budget Saudi Company (Acquirer) (Audited)	AutoWorld (acquired) (Audited)	Other modifications	Conceptual modifications	Conceptual (Unaudited)
(SAR in 000s)									
	(Note 4)					(Note 3)		(Note 4)	
Revenue	1,008,330	372,666	-	1,380,996	1,025,162	430,048	-	-	1,455,210
Cost of revenue	(680,776)	(208,748)	-	(889,524)	(666,810)	(267,402)	(174)	-	(934,386)
Total Profit	327,554	163,918	-	491,472	358,352	162,646	(174)	-	520,824
Other operating income, net	23,749	9,644	-	33,393	31,409	5,723	-	-	37,132
Selling and marketing expenses	(41,412)	(55,548)	-	(96,960)	(45,227)	(70,461)	-	-	(115,688)
General and administrative expenses	(60,127)	(34,583)	-	(94,710)	(64,727)	(42,146)	-	-	(106,873)
Loss of impairment of trade receivables	(5,909)	-	-	(5,909)	(11,528)	-	-	-	(11,528)
Operating Profit	243,855	83,431	-	327,286	268,279	55,762	(174)	-	323,867
Financing costs, net	(27,341)	(40,275)	-	(67,616)	(9,344)	(24,158)	-	-	(33,502)
Net profit before zakat and tax	216,514	43,156	-	259,670	258,935	31,604	(174)	-	290,365
Zakat & Tax	(5,411)	(3,200)	-	(8,611)	(6,926)	(4,841)	-	-	(11,767)
Net Profit for Period/Year	211,103	39,956	-	251,059	252,009	26,763	(174)	-	278,598
Other comprehensive income									
Items that will not be reclassified to profit:									
Re-measuring employee benefits	-	1,199	-	1,199	2,192	3,788	-	-	5,980
Total comprehensive income for the period/year	211,103	41,155	-	252,258	254,201	30,551	(174)	-	284,578
Earnings per share									
Basic and reduced earnings per share to the shareholders of the acquirer (SAR)	2.97		0.25	3.21	3.54			0.02	3.56
Weighted average number of shares (shares)	71,166,700			78,166,700	71,166,700				78,166,700

4.10.3 Notes to the Consolidated Pro Forma Financial Information for the Nine Months Ended 30 September 2023G and Financial Year Ended 31 December 2022G

4.10.3.1 Companies Overview

United International Transport Co.

United International Transportation Company (“Budget Saudi Company” or the “Acquirer”) is a Saudi joint stock company registered in Jeddah, Kingdom of Saudi Arabia under Commercial Registration No. (4030017038) issued on 07/08/1428H (corresponding to 20/08/2007G).

The main activities of the Acquirer are car rentals, leasing and sales of used vehicles under the trade name “Budget Car Rental” in accordance with license number 0202000400 issued by the Ministry of Transport in the Kingdom of Saudi Arabia. The Acquirer was listed on the Saudi Stock Exchange on September 1, 2007G.

As of the reporting date, the Acquirer has two subsidiaries, Aljozoor Alrasekha Transportation Company Ltd – single person Company and Unitrans Infotech Services India Private Limited (the “Subsidiaries” collectively referred to as the “Group”).

The Company’s authorized, issued and paid-up capital amounted to seven hundred eleven million seven hundred thousand (SAR 711,700,000) Saudi riyals on September 30, 2023G (December 31, 2022G) consisting of seventy-one million one hundred seventy thousand (71,170,000) shares (December 31, 2022G) each share valued at SAR 10.

Al-Jazira Equipment Company

Al-Jazira Equipment Company (“AutoWorld” or “Acquirer”) is a single person limited liability company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 2051005734 issued on 12 Rabi’ Al-Awwal 1400H (corresponding to 30 January 1980G).

The main activities of the Acquiree are trading, maintenance and rental of vehicles. According to the Articles of Association, the Acquirer can carry out machinery, equipment and spare parts operations, trade in oil products and lease equipment. The Acquirer’s registered office is located in Al-Rakah, Al-Khobar, Saudi Arabia.

The Company’s authorized, issued and paid-up capital amounted to three hundred million (300,000,000) Saudi Riyals on 30 September 2023G [(31 December 2022G: the capital amounted one hundred eighty million (180,000,000) Saudi riyals)] consisting of three hundred thousand (300,000) shares [(31 December 2022G: one hundred eighty thousand (180,000) shares)] each share valued 1,000 Saudi riyals.

Proposed Acquisition between Budget Saudi and AutoWorld

On 8 Safar 1445H (corresponding to 24 August 2023G), Budget Saudi Company and AutoWorld (collectively referred to as the “Parties”) announced the signing of a non-binding Memorandum of Understanding (MoU) to assess the potential Acquisition between them.

On December 21, 2023G, Budget Saudi Company announced the completion of a binding Acquisition Agreement (the “Acquisition Agreement”) with AutoWorld, as the two parties agreed to acquire through a share exchange agreement, whereby Budget Saudi Company will issue 7 million ordinary shares to the qualified shareholders of AutoWorld in exchange for the transfer of the AutoWorld’s net assets to Budget Saudi Subsidiary without payment of cash consideration.

4.10.3.2 Basis for Preparation of Pro Forma Financial Information

This pro forma financial information and accompanying notes shows the effects on the statement of financial position and consolidated statement of profit or loss and other comprehensive income of the proposed Acquisition (the “Proposed Acquisition”) between Budget Saudi Company and AutoWorld as if it occurred on January 1, 2022G. Whereas, Budget Saudi Company’s share price was used the day preceding the signing of the binding Acquisition Agreement, i.e. the closing share price on December 20, 2023G to calculate the pro forma value of consideration paid by Budget Saudi Company in this pro forma financial information.

This pro forma financial information is based on the unaudited historical financial information of Budget Saudi Company and AutoWorld, as of 30 September 2023G and the audited historical financial statements of both companies as of 31 December 2022G. The restated version is prepared to reflect the impact of the proposed Acquisition and subsequent amendments to the financial statements of AutoWorld for the year ended 31 December 2022G disclosed in the interim condensed financial statements for the nine months ended 30 September 2023G.

To execute the proposed Acquisition, Budget Saudi will issue 7 million ordinary shares with a nominal value of SAR 10 per share and a market value of SAR 76.6 at the end of December 20, 2023G for shareholders who own 100% of the outstanding shares of AutoWorld. Furthermore, the exchange ratio of share will be 23.33 ordinary shares in Budget Saudi Company per every one share in AutoWorld (Note 4).

Following the Acquisition, the capital of Budget Saudi Company will be SAR 781.667,000 consisting of 78,166,700 shares at SAR 10 per share.

4.10.3.3 Basis for Preparation of Conceptual Financial Information

The presentation of Budget Saudi Company's conceptual financial information is based on certain conceptual assumptions and has been prepared for illustrative purposes only. Due to its nature, the pro forma statement of financial position and the pro forma statement of profit or loss and other comprehensive income address a pro forma situation and, therefore, do not represent or give a true picture of the actual financial position and financial performance of Budget Saudi Company. Moreover, the pro forma financial information is only meaningful when it is read together with the historical financial statements of Budget Saudi Company and AutoWorld as of 30 September 2023G and 31 December 2022G for the nine months ended 30 September 2023G and year ending 31 December 2022G. The pro forma financial information does not take into account the expected positive synergy or the costs incurred to achieve such synergy as a result of the proposed Acquisition.

The pro forma financial information has been prepared and presented based on Budget Saudi's accounting policies as disclosed in its financial statements for the nine months ended 30 September 2023G and the year ended 31 December 2022G. The accounting policies used by AutoWorld are in line with those used by Budget Saudi Company.

4.10.3.4 Other Adjustments

The following other adjustments have been made to the statement of financial position, profit or loss statement and other comprehensive income of Al-Jazira Equipment Company:

- a. The statement of financial position of Al-Jazira Equipment Company as of 31 December 2022G and the statement of profit or loss and other comprehensive income for the year ended on that date have been adjusted in the interim condensed unaudited statements for the nine months ended 30 September 2023G. This adjustment affected the following accounts:

As of 31 December 2022G and the year ended on that date:

	(SAR in 000s)		
	Pre-Adjustment	Adjustments	Post-Adjustment
Property & Equipment	884,217	18,308	902,525
Inventory	10,869	996	11,865
Total assets	1,160,596	19,304	1,179,900
Retained earnings	137,619	19,304	156,923
Total Equity and Liabilities	1,160,596	19,304	1,179,900
Revenue	430,048	-	430,048
Cost of revenue	(267,402)	(174)	(267,576)
Total Profit	162,646	(174)	162,472
Profit	26,763	(174)	26,589
Total Comprehensive Income	30,551	(174)	30,377

4.10.3.5 Conceptual Adjustments

Pro Forma adjustments are based on preliminary estimates and assumptions that are subject to change.

The following pro forma adjustments are included in the pro forma financial information:

- a. On 29 August 2023G, the capital of Al-Jazira Equipment Company was increased by one hundred twenty million (120,000,000) Saudi Riyals from one hundred eighty million (180,000,000) Saudi Riyals to three hundred million (300,000,000) Saudi Riyals through the issuance of one hundred twenty thousand (120,000) new shares, the worth of each is SAR 1,000 as paid in full by the partners. For the purpose of compiling this pro forma financial information, the additional shares issued by Al-Jazira Equipment Company have been considered as if it had been issued on January 1, 2022G. Accordingly, the column of other adjustments in the statement of pro forma financial position of Al-Jazira Equipment Company shows that the capital has been increased as of 31 December 2022G by one hundred twenty million (120,000,000) Saudi Riyals with a corresponding increase in the cash and cash equivalent account.
- b. To register the issuance of Budget Saudi shares to shareholders in AutoWorld:

For the purposes of pro forma financial information, the Acquisition consideration is calculated on the basis that Budget Saudi Company will issue seven million (7,000,000) ordinary shares with a nominal value of SAR 10 per share to acquire 100% of AutoWorld shares. Accordingly, Budget Saudi's share capital after the acquisition is as shown below:

	SAR in 000s
Nominal value of shares to be issued by Budget Saudi Company to owners of AutoWorld (7 million shares worth SAR 10 per share)	70,000
Outstanding Capital in Budget Saudi Company	711,667
Total capital of Budget Saudi Company after acquisition	781,667

The weighted average number of Budget Saudi shares outstanding is calculated as follows:

	For the nine months ended 30 September 2023G	For the year ended 31 December 2022G
	Share	Share
Weighted average number of the outstanding shares before acquisition	71,166,700	71,166,700
Number of shares to be issued by Budget Saudi Company (Note 3A)	7,000,000	7,000,000
Weighted average number of outstanding shares after acquisition	78,166,700	78,166,700

- c. To register a premium for the shares of Budget Saudi Company that will be issued upon the proposed acquisition:

The purchase consideration was calculated based on the closing price of Budget Saudi Company the day before the signing of the Acquisition Agreement, i.e. the closing price on December 20, 2023G as the closing price was SAR 76.6 per share on the Saudi Exchange ("Tadawul"). This purchase consideration is based on an indicative share price, and the actual purchase consideration will be determined based on the share price on the day the proposed acquisition is executed.

	SAR in 000s
Total Consideration (7,000,000 shares at SAR 76.6 per share)	536,200
Subtracts: The nominal value of the shares to be issued by Budget Saudi Company to the owners of AutoWorld	(70,000)
Issuance Premium	466,200

- d. To record the initial goodwill representing the increase in total consideration for the net assets of AutoWorld as of 30 September 2023G:

	SAR in 000s
Total consideration paid for equity in AutoWorld (part 1)	536,200
Subtracts: Net Assets of AutoWorld as of 30 September 2023G (Part 2)	(527,145)
Initial goodwill (part 1 - part 2)	9,055

- e. Exchange ratio according to the Purchase Agreement:

	Share
Number of shares to be issued by Budget Saudi Company	7,000,000
Number of shares to be redeemed from AutoWorld	300,000
Exchange ratio (number of ordinary shares in Budget Saudi Company to one share in AutoWorld)	23.33

4.11 Comparison of Budget Saudi Company KPIs according to the Pro Forma Financial Statements versus the Consolidated Financial Statements

For the nine-month period ended September 30, 2023G		
Financial Information	Saudi Budget Company (Based on consolidated financial statements)	Saudi Budget Company (Based on the Consolidated Pro Forma Financial Statements)
Gross Profit	32.48%	35.59%
Operating Profit	24.18%	23.70%
Profit Margin	20.94%	18.18%
Return on assets	7.47%	5.75%
Return on equity	11.77%	10.78%
Earnings per share	SAR 2.97	SAR 3.21

4.12 Rise or Fall in EPS as a Result of the Acquisition Transaction

In the event that the desired benefits from the Acquisition Transaction are realized as mentioned in Section (4.5) **“Motives and Implications of Acquisition Transaction for Budget Saudi Company”** of this Circular, the Acquisition Transaction is expected to lead to an increase in Budget Saudi Company’s earnings per share “EPS” in the long term. It should be noted that shareholders should not rely on expectations related to the realization of the desired benefits of the acquisition transaction when making their decision to vote in the Extraordinary General Assembly and should not rely entirely on future expectations and statements. Accordingly, these statements should not be considered as confirmation that Budget Saudi Company’s earnings per share will be equal to or greater than earnings per share for previous financial periods.

The following table shows Budget Saudi Company’s earnings per share prior to the acquisition and proprietary EPS after the acquisition (based on the Pro Forma financial statements as if the acquisition took place on January 1, 2023G).

Table 66: Budget Saudi Company’s EPS Pre-Acquisition and Pro Forma EPS Post-Acquisition as of 30 September 2023G in Saudi Riyals

The nine-month period ended September 30, 2023G		
Financial Information	Saudi Budget Company (Based on consolidated financial statements)	Saudi Budget Company (Based on the Consolidated Pro Forma Financial Statements)
Net income for the nine months ended September 30, 2023G	211,103,000	251,059,000
Earnings per share “EPS” attributable to shareholders	SAR 2.97	SAR 3.21
Number of outstanding shares (shares)	71,166,700	78,166,700

Source: Budget Saudi Company’s Consolidated Pro Forma Financial Statements

For further details on the EPS rise and fall, please refer to Section (4.5) “**Motives and Implications of Acquisition Transaction for Budget Saudi Company**” of this Circular.

4.13 Budget Saudi Company’s Share Price Performance

Table 67: Budget Saudi Company’s Share Price Performance at the End of Closing of each Gregorian Month from June 2023G until May 2024G Preceding the Date of Publication of the Shareholders’ Circular

Date	Budget Saudi Company Share Closing Price (SAR)
June 22, 2023	73.4
July 31, 2023	69.2
August 31, 2023	73.6
September 28, 2023	68.9
October 31, 2023	67.2
November 30, 2023	67.2
December 28, 2023	78.7
January 31, 2024	83.1
February 29, 2024	88.5
March 28, 2024	86.5
April 30, 2024	83.4
May 30, 2024	75.1

Source: Saudi Tadawul (Saudi Stock Exchange)

5. Financial Information and Management Discussion and Analysis

5.1 Introduction

The management discussion and analysis section of Al-Jazira Equipment Company for the fiscal years 2020G, 2021G and 2022G and the nine-month period ended 30 September 2022G and 2023G has been prepared based on the audited financial statements for the financial years ended 31 December 2020G, 2021G and 2022G, (the "Audited Financial Statements") and the unaudited interim condensed financial statements (the "Unaudited Financial Statements") for the nine months ended 30 September 2023G which must be read in conjunction with the aforementioned financial statements.

The financial statements have been audited in accordance with the International Standards on Auditing adopted in the Kingdom of Saudi Arabia by the auditors of Al-Jazira Equipment Company, KPMG Professional Consulting Company, for the audited financial statements for the financial years ended 31 December 2020G and 2021G and by Ernst & Young Professional Services (Professional Limited Liability Company) ("Ernst & Young") for the audited financial statements for the year ended 31 December 2022G and the unaudited financial statements for the nine months ended 30 September 2023G. Al-Jazira Equipment Company has applied the International Financial Reporting Standards "IFRS" adopted in the Kingdom as well as other standards and versions approved by the Saudi Organization for Certified and Professional Accountants "SOCPA" (collectively, the "International Financial Reporting Standards approved in the Kingdom") in the preparation of the audited financial statements for the financial years ended 31 December 2020G, 2021G and 2022G. Al-Jazira Equipment Company has applied International Accounting Standard "IAS" No. (34) "Interim Financial Reporting" approved in the Kingdom of Saudi Arabia in the preparation of the interim condensed unaudited financial statements for the nine months ended 30 September 2023G.

Neither KPMG Professional Services, nor any of its subsidiaries, or Ernst & Young nor any of its subsidiaries, or their employees (who make up the team providing services to Al-Jazira Equipment Company), nor their relatives own any shares or stock of any kind in Al-Jazira Equipment Company that would impair their independence as of the date of their respective reports on their audited financial statements. As of the date of this Circular, KPMG Professional Services has provided its written consent to indicate in this Circular its role as an independent body to audit the accounts of Al-Jazira Equipment Company for the financial years ended December 31, 2020G and 2021G. As of the date of this Circular, Ernst & Young also provided its written consent to indicate in this Circular its role as an independent auditor for the accounts of Al-Jazira Equipment Company for the financial year ended December 31, 2022G and the nine-month period ended September 30, 2023G.

The above-mentioned financial statements are an integral part of this section, and it should be read in conjunction with these financial statements and their supplementary notes, and these financial statements are contained in Annex (1) ("**Financial Statements and Auditor Report**") of this Circular.

The figures in this Section have been rounded off to the nearest thousand riyals unless otherwise stated, and all numbers and percentages are rounded off to the nearest decimal point. Therefore, if summed, the numbers may differ to those which are stated in the tables. Annual percentages, margins, expenses and CAGRs are based on rounded figures.

The financial information for the year ended 31 December 2020G was extracted from the financial information included in the audited financial statements for the year ended 31 December 2021G. The financial information for the financial years ended 31 December 2021G and 2022G was extracted from the audited financial statements for the financial year ended 31 December 2022G. The financial information for the nine-months period ended 30 September 2022G and 2023G was extracted from the financial information included in the unaudited financial statements for the nine-months period ended 30 September 2023G.

This Section might include forward-looking statements related to Al-Jazira Equipment Company's future capabilities, based on the management's plans and prospects as to its growth, results of operations and financial condition that could involve prospective risks and uncertainties. Al-Jazira Equipment Company's actual results could differ materially from those anticipated due to numerous factors, risks and future events, including those factors discussed in this section or elsewhere thereof, particularly Section 2 ("**Risk Factors**") of this Circular.

Table 68: List of Branches as of 30 September 2023G

No.	Branch	Site	Commercial Registration Number
1	Al-Jazira Equipment Company Ltd	Al-Khubar	2051005734
2	Al-Jazira Equipment Company Ltd Branch	Riyadh	1010223730
3	Al-Jazira Equipment Company Ltd (Transfer)	Riyadh	1010791750
4	Al-Jazira Equipment Company Ltd Branch	Riyadh	2062619822
5	Al-Jazira Equipment Company Ltd Branch	Riyadh	1010435524
6	Al-Jazira Equipment Company Ltd (Transfer)	Riyadh	1010797597
7	Al-Jazira Equipment Company Ltd. (Workshop)	Dammam	2062617663
8	Al-Jazira Equipment Company Ltd Branch	Yanbu	4700011448
9	Al-Jazira Equipment Company Ltd Branch	Yanbu	4700019476
10	Al-Jazira Equipment Company Ltd Branch	Yanbu	4700112751
11	Al-Jazira Equipment Company Ltd. (Used Car Showroom)	Dhahran	2050145781
12	Al-Jazira Equipment Company Ltd. (Car Equipment Rental)	Dammam	2050136804
13	Al-Jazira Equipment Company Ltd. (Auto Repair Services)	Jeddah	4030388632
14	Al-Jazira Equipment Company Ltd Branch	Jeddah	4030157860
15	Al-Jazira Equipment Company Ltd (Transfer)	Jeddah	4030488833
16	Al-Jazira Equipment Company Ltd. Workshop	Jubail	2055024475

* Al-Jazira Equipment Company has 16 commercial registers including 12 actual branches and 4 commercial registers that have been issued but the branches have not yet been determined.
Source: Al-Jazira Equipment Company

5.2 Budget Saudi Company's Directors Declarations

The Board of Directors declare that the financial information contained in this Section is derived without material changes from the audited financial statements for 2022G (which includes the comparative financial figures for the year 2021G) prepared by the Company in accordance with International Financial Reporting Standards approved in the Kingdom and other issuances approved by the Saudi Organization for Auditors and Accountants which was audited by the Company's auditor. The Board of Directors declare that the financial information contained in this Section is derived without material changes and presented in a form consistent with the audited financial statements for the financial years ended 31 December 2020G, 2021G and 2022G, and the accompanying notes prepared by Al-Jazira Equipment Company in accordance with the International Financial Reporting Standards approved in the Kingdom and other standards and versions approved by the Saudi Organization for Certified and Professional Accountants "SOCPA" (collectively, the "International Financial Reporting Standards approved in the Kingdom") and the unaudited financial statements for the nine-months period ended 30 September 2023G and the accompanying notes prepared by Al-Jazira Equipment Company in accordance with IAS (34), "Interim Financial Reporting" approved in the Kingdom. Those financial statements were audited/examined by the Company's auditors KPMG Professional Services, for the audited financial statements for the financial years ended 31 December 2020G and 2021G and Ernst Young for the audited financial statements for the year ended 31 December 2022G and the unaudited financial statements for the nine-months period ended 30 September 2023G.

The members of the Board of Directors acknowledge that there was no reservation in the auditors' report on the Company's financial statements for any of the last three financial years immediately preceding the application for registration and offering of securities, that Al-Jazira Equipment Company has not undergone any structural changes and there has been no material change in the Company's accounting policies and no material or required amendment has been made to the audited financial statements published during the periods referred to.

The members of Board of Directors acknowledge that the acquisition does not violate the relevant laws and regulations in the Kingdom of Saudi Arabia.

The members of the Board of Directors acknowledge that this section includes all material legal information related to the Acquisition Transaction documents that the Issuer's shareholders must take into account to vote in an informed manner.

The members of the Board of Directors acknowledge that the Issuance shall not prejudice any of the contracts and agreements to which the Issuer is a party.

The members of the Board of Directors acknowledge that Al-Jazira Equipment Company has sufficient working capital covering twelve months following the date of publication of this Circular.

The Board of Directors declare that there has been no material adverse change in the financial or trading position of the Company during the three years immediately preceding the year the application for admission and offering of the securities subject to this Circular was submitted, or during the period covered by the chartered accountant's report until the approval of this Circular, except for what has been disclosed in Section 2 (**Risk Factors**).

The Board of Directors declare that all material facts regarding Al-Jazira Equipment Company and its financial performance have been disclosed in this Circular, and that there are no other facts the omission of which would make any statement herein misleading.

The Board of Directors declare that Al-Jazira Equipment Company does not have any properties, including contractual securities or other assets the value whereof is subject to fluctuations or is difficult to ascertain, which materially affects the assessment of the financial position.

The Board of Directors declare that Al-Jazira Equipment Company does not have any loans or any other liabilities issued, outstanding, or approved that have not been issued debt instruments, either covered by personal guarantee or non-personal guarantee or mortgage, except what has been disclosed in Section 2 (**Risk Factors**) of this Circular.

The Board of Directors acknowledge that Al-Jazira Equipment Company does not have any overdrafts from bank accounts, and does not have any secured liabilities, obligations under acceptance, acceptance credit or any rental purchase commitments other than those set out in this Circular.

The Board of Directors acknowledge that there are no mortgages, rights, encumbrances or costs due on the property of Al-Jazira Equipment Company as of the date of this Circular.

The Board of Directors declare that Al-Jazira Equipment Company's operations have not been discontinued in such a way as to affect or have significantly affected the financial position in the last 12 months.

The Board of Directors declare that no commissions, discounts, brokerage fees or other non-cash compensation have been granted to any of the Board members, proposed members of the Board, Senior Executives, offerors or experts who have received any such compensations or benefits during the three years immediately preceding the date of submission of the registration and offering of securities subject to this Circular in connection with the issuance or offering of any securities by Al-Jazira Equipment Company.

The Board of Directors declare that other than what is mentioned in the Sections "Composition of the Board of Directors and the Related Parties" and "Transactions and Contracts with Related Parties", neither they nor any of their relatives have any shares or interest of any kind in Al-Jazira Equipment Company.

The Board of Directors declare that the share capital of Al-Jazira Equipment Company is not covered by an option right.

5.3 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

5.3.1 Accounting Provisions

In the context of the implementation of the Company's accounting policies, the management has developed the following accounting provisions that have a very significant impact on the amounts recognized in the financial statements:

Going Concern

The management of Al-Jazira Equipment Company conducted an assessment of the company's ability to continue its business based on the Going Concern and was convinced that Al-Jazira Equipment Company has the resources to continue its business in the near future. Moreover, management is aware that no significant uncertainty may raise significant doubts about the ability of Al-Jazira Equipment Company to continue its work. Therefore, the financial statements continue to be prepared on a going concern basis.

Classification of Leases - Company as a Lessor

A lease is classified as a financial lease if it effectively transfers all the risks and benefits related to the ownership of the asset in question. A lease is classified as an operating lease if it does not effectively divert all the risks and benefits associated with the ownership of the asset in question. Considering the business model of Al-Jazira Equipment Company, Al-Jazira Equipment Company has identified that car rental does not effectively divert all risks and benefits related to the ownership of vehicles subject to the rental arrangement and, therefore, such lease arrangements are classified as an operating lease.

Determining the Duration of leases – Company as a Lessee

Al-Jazira Equipment Company defines the lease term as an irrevocable lease term with any periods covered by the option to extend the lease if it is reasonably certain to be exercised or any periods covered by the option to terminate the lease if it is reasonably certain not to be exercised. Al-Jazira Equipment Company has several leases that include extension and termination options. Al-Jazira Equipment Company applies its accounting judgment when evaluating whether or not it is reasonably certain that the renewal or termination option will be exercised. This means that the company takes into account all relevant factors that create an economic incentive for it to exercise the renewal or termination option. After the Lease commencement date, Al-Jazira Equipment Company re-evaluates the lease term if there is a significant event or change in circumstances within its control that affect its ability to exercise or not to exercise the option of renewal or termination.

5.3.2 Estimates and Assumptions

The following are the significant assumptions related to the future and other major sources of uncertainty regarding the estimates at the date of the statement of financial position that pose material risks resulting in a material adjustment to the carrying values of assets and liabilities during the following financial year. Al-Jazira Equipment Company based its estimates and assumptions on the data available in preparing the financial statements. However, the current conditions and assumptions about future developments may change due to market changes or emerging conditions beyond the control of Al-Jazira Equipment Company. These changes may be reflected in assumptions as they arise. Information on assumptions and uncertainty about the estimates is included in the following points:

Useful Life and Residual Value of Property and Equipment

The management of Al-Jazira Equipment Company determines the estimated useful lives of its property and equipment for the purpose of calculating depreciation. These estimates are determined after considering the expected age of assets or actual wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Inventory Provisions

Al-Jazira Equipment Company recognizes provisions for the inventory due to factors including obsolescence, physical damage and others. The estimation of such losses comprises other factors, including, but not limited to, the introduction of new models or technologies by the manufacturer as well as the current and emerging market conditions.

Provision for Expected Credit Losses for the Accounts Receivable and Contract Assets

Al-Jazira Equipment Company has chosen a simplified approach for all receivable rental accounts. Al-Jazira Equipment Company uses a provision schedule to calculate expected credit losses from accounts receivable. The provision schedule is initially calculated based on the historical observed rates of late payment at Al-Jazira Equipment Company. Al-Jazira Equipment Company calibrates the schedule with the aim of adjusting the historical credit loss experience with the expected information. At each financial statement date, historical observed late payment rates are updated and changes in projected estimates are subject to analysis.

An assessment of the relationship between historical observed rates of arrears and expected economic conditions and expected credit losses is an important estimate. The amount of the expected credit loss is vulnerable to changes in conditions and to expected economic conditions. Al-Jazira Equipment Company's historical credit loss experience and expected economic conditions may also not represent actual delay for customers in future payments. Information has been disclosed regarding expected credit losses from the company's accounts receivable.

Selected Rewards Plan

It determines the cost of the specific remuneration plan and the present value of the commitment using actuarial valuations. The actuarial valuation involves making several assumptions that may differ from actual future developments. This includes determining the discount rate, future salary increases, mortality rates, and turnover rate. Given the complexities and long-term nature of the valuation, the commitment to specific rewards is highly vulnerable to changes in these assumptions. All assumptions are subject to review at each financial statement date. The most changeable data is the discount rate. Management considers the market yield on high-quality corporate bonds/government bonds when determining the appropriate discount rate. The mortality rate is calculated based on publicly available tables of deaths in the country. Mortality tables tend to change only at intervals depending on demographic changes. Future salary increases are calculated based on the expected future inflation rates in the country.

Fair Value Measurement of the Financial Instruments

If the fair values of financial assets and liabilities recorded in the statement of financial position cannot be measured based on prices listed in active markets, their fair value is measured using technical valuation methods including the discounted cash flow model. Inputs from these models are derived from an observable market, where possible, but if they are not suitable, a degree of estimation is required to determine fair values. The estimates include input considerations such as liquidity risk, credit risk and price fluctuations. Changes in assumptions about these factors can affect the disclosed fair value of financial instruments. The potential compensation resulting from consolidation operations is valued at fair value at the date of acquisition as part of the consolidation operations. When the potential consideration meets the definition of financial liability, it is subsequently remeasured at fair value at each financial statement date. The determination of fair value is based on discounted cash flows. Key assumptions consider the likelihood of achieving each performance objective and the discount factor.

Provisions

Provisions are recognised when Al-Jazira Equipment Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When Al-Jazira Equipment Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the interim condensed consolidated statement of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Lease Contracts - Incremental Borrowing Rate

Al-Jazira Equipment Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its Incremental Borrowing Rate (IBR) to measure lease liabilities. The IBR is the rate of interest that Al-Jazira Equipment Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what Al-Jazira Equipment Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. Al-Jazira Equipment Company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available, and firm estimates are required.

Impairment in the Value of Non-Financial Assets

Impairment is recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which represents the higher of its fair value less the selling costs and its value in use. Fair value less costs to sell is calculated based on data available from binding sales transactions, conducted based on the spot price of the transaction in direct market transactions, for similar assets or observable market prices less incremental costs to sell the asset. The value in use is calculated based on the discounted cash flow model. Cash flows are achieved from the budget for the subsequent five years, and do not include restructuring activities that Al-Jazira Equipment Company has not yet committed to or significant future investments that would enhance the asset performance of the cash-generating unit subject to impairment testing. The recoverable amount is most sensitive to the discount rate used in the discounted cash flow method as well as the expected future cash flows and the growth rate used in the forecasts.

5.4 Summary of Significant Accounting Policies

The following are the significant accounting policies applied in preparing these financial statements:

5.4.1 Current Versus Non-Current Assets Classification

Al-Jazira Equipment Company presents assets and liabilities in the statement of financial position based on current / non-current classification. Assets are current when they are:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash and cash equivalents unless restricted from being exchanged or used to settle any liabilities for at least twelve months after the reporting period.

5.4.2 All Other Assets are Classified as “non-current”

All liabilities are determined to be current when:

- They are expected to be settled in the normal operating cycle;
- Are held primarily for the purpose of trading;
- Are due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liabilities for at least twelve months after the reporting period.

Al-Jazira Equipment Company classifies all other liabilities as “non-current”.

5.5 Revenue recognition

5.5.1 Long-Term Lease - Company as Lessor

Car rental is the core business activity of the company. Al-Jazira Equipment Company leases cars (passenger cars and commercial vehicles) to target customers. All lease agreements are classified as operating leases. The customer pays lease rents monthly based on arrears. Revenue is recognized when invoiced at the end of each month to customers. Al-Jazira Equipment Company sells used cars. Cars purchased under a lease are sold at the expiry of the lease, while cars offered for rent are sold on a usage basis. Al-Jazira Equipment Company recognizes the proceeds of the sale as income from the sale.

5.6 Revenue from Leasing Operations

5.6.1 Revenue from workshops and service centers

The workshops are mainly operated by Al-Jazira Equipment Company to provide repair and maintenance services. Al-Jazira Equipment Company recognizes revenue when the invoice is issued, i.e. upon completion of repair and maintenance services.

5.7 Expenses

5.7.1 Cost of Revenue

Cost of revenue represents all expenses directly related to the Company's core operating activities, including but not limited to, vehicle depreciation under rental arrangements, vehicle inventory cost sold, directly related to personnel costs, etc.

5.7.2 Selling and Administrative Expenses

Selling and distribution expenses represent the costs arising from Al-Jazira Equipment Company's efforts, which include marketing activities and tasks. All other expenses are classified as administrative expenses. General expenses shall be distributed among the cost of revenues, selling and marketing expenses, and administrative expenses, when necessary, on a reasonable basis with respect to the nature and circumstances of the general expenses.

5.8 Zakat

Al-Jazira Equipment Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (“the Authority”). The Company’s Zakat provision is carried on the comprehensive income statement.

5.8.1 Withholding Tax

Al-Jazira Equipment Company deducts taxes from certain transactions with entities non-resident in the Kingdom of Saudi Arabia as required by the tax regulations in force in the Kingdom of Saudi Arabia.

5.8.2 Value Added Tax (VAT)

Expenses and assets are recognized as the net after deducting the amount of VAT, except:

- When VAT incurred on the purchase of assets or services is not refundable from the Tax Authority, VAT is recognized as part of the cost of acquiring the asset or as part of the expense item, as the case may be.
- When listing accounts receivable and accounts payable with VAT amount.

The net amount of VAT recoverable from or payable is included to the tax authority as part of accounts receivable or accounts payable in the statement of financial position.

5.9 Cost of Financing

The cost of financing consists of interest and bank charges incurred by Al-Jazira Equipment Company during the year and is recorded on an accrual basis when incurred.

5.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

5.10.1 Financial Assets

5.10.1.1 Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, or fair value through other comprehensive income (OCI) or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and Al-Jazira Equipment Company’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which Al-Jazira Equipment Company has applied the practical expedient, Al-Jazira Equipment Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through income statement, transaction costs. Trade receivables that do not contain a significant financing component or for which Al-Jazira Equipment Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that represent the SPPI are classified and measured at fair value through profit or loss, regardless of the business model.

The company’s business model for financial asset management refers to how it manages its financial assets with the aim of generating cash flows. The business model determines whether cash flows will arise from collecting contractual cash flows, selling financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that Al-Jazira Equipment Company commits to purchase or sell the asset.

5.10.1.2 Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortized cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments).
- Financial assets at fair value through the profit or loss.

5.10.1.3 Financial Assets at Amortized Cost (Debt Instruments)

Financial assets at amortized cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognized in statement of profit or loss when the asset is derecognized, modified or impaired. This is the relevant category for Al-Jazira Equipment Company. The Company's financial assets at amortized cost include accounts receivable, amounts receivable from employees, and amounts due from related parties.

5.10.1.4 Financial assets at fair value through Loss or Profit

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of comprehensive income.

5.10.1.5 De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- Al-Jazira Equipment Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 1. Al-Jazira Equipment Company has transferred substantially all the risks and rewards of the asset, or
 2. Al-Jazira Equipment Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When Al-Jazira Equipment Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, Al-Jazira Equipment Company has retained the risks and rewards of ownership. When Al-Jazira Equipment Company has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, Al-Jazira Equipment Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, Al-Jazira Equipment Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Al-Jazira Equipment Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that Al-Jazira Equipment Company could be required to repay, whichever is less.

5.10.1.6 Impairment

Al-Jazira Equipment Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not at fair value through profit or loss. The company applies a simplified approach to calculate the expected credit loss on accounts receivable. Accordingly, the Company does not track changes in credit risk, but rather recognizes a loss allowance based on lifetime ECL at each financial statement date. The Company has established a provision schedule based on its historical experience with credit losses and is adjusted for the specific expected elements of the debtors and the economic environment. The Company considers a financial asset to be past due when its contractual payment date has passed 90 days. However, in certain cases, the Company may also consider a financial asset to be past due when internal or external information indicates that the Company is unlikely to fully collect the outstanding contractual amounts before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

5.11 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. Al-Jazira Equipment Company's financial liabilities include trade payable, other accounts payable and loans, including overdrawn bank accounts.

5.11.1 Subsequent Measurement

Financial liabilities are classified, for subsequent measurement purposes, into two categories:

- Financial liabilities carried at amortized cost (lease and loan liabilities), and
- Financial liabilities at fair value through profit or loss.

5.11.2 Financial Liabilities at Amortized Cost (Leases and Loans)

This category is relevant to Al-Jazira Equipment Company. After initial recognition, leases and interest-bearing loan obligations are subsequently measured at amortized cost using the effective interest rate ("EIR") method. Gains and losses as a result of unwinding of interest cost through EIR amortization process and on de-recognition of financial liabilities are recognized in the statement of profit or loss and other comprehensive income.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income. This category generally applies to lease and loan obligations.

5.11.3 Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss include current liabilities held for trading and current liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by Al-Jazira Equipment Company that are not designated as hedging instruments in hedging relationships, as stipulated in IFRS 9 (Financial Instruments).

Gains or losses are recognized from liabilities held for trading in the statement of comprehensive income.

5.11.4 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

5.12 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

5.12.1 Impairment of non-financial assets

At each reporting date, Al-Jazira Equipment Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, then Al-Jazira Equipment Company estimates the asset's recoverable amount. The asset's recoverable amount represents its fair value or fair value of the cash-generating unit "CGU" less costs to sell and its value in use, whichever is greater. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows

that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Al-Jazira Equipment Company's impairment calculation is based on detailed budgets and forecast calculations which are prepared separately for each of Al-Jazira Equipment Company CGU's to which the individual asset is allocated. These budgets and forecast calculations generally cover a five-year period. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, Al-Jazira Equipment Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss and comprehensive income unless the asset is carried at its revalued amount, in which case the reversal is considered a revaluation increase.

5.12.2 Inventory

The inventory represents vehicles for sale, spare parts and other car accessories.

5.12.3 Cars for Sale

Cars for sale are measured at cost or net realizable value, whichever is lower. The net realizable value represents the estimated selling price in the ordinary course of business, less any estimated completion costs and estimated costs required to conduct the sale. The carrying amount of inventory is recognized as a cost of revenue when inventory is sold. Al-Jazira Equipment Company recognizes the provision for inventory losses due to factors including obsolescence, physical damage and others.

5.12.4 Spare Parts & Accessories

The cost of spare parts and accessories is calculated as per the weighted average basis. Other costs are included in the cost of spare parts and accessories only to the extent of the cost incurred to bring them to their current location and condition.

5.12.5 Property & Equipment

5.12.5.1 Recognition and Measurement

Items of property, and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes the purchase price and expenditure that is directly attributable to the acquisition of the asset including any other costs directly attributable to bringing the assets to a working condition for their use intended by the management. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly related to bringing the assets to working condition for their intended use, the costs of dismantling and removing the items and repairing the site on which they are located, and the costs of borrowing on eligible assets.

When significant parts of an item of Property and Equipment have different material lifespans, they are accounted for as separate items (significant components) of Property and Equipment.

Gains and losses on the sale of an item of property and equipment (excluding vehicles converted into inventory as "vehicles for sale") are determined by comparing the revenues received from the sale with the carrying value of the property and equipment and are recognized net in other operating income in the statement of comprehensive income.

5.12.6 Subsequent Costs

The cost of replacing an item of Property and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to Al-Jazira Equipment Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in the statement of comprehensive income as incurred.

5.12.7 Capital Work in Progress

Capital work in progress is stated at cost, with net value after deducting the accumulated impairment, if any, and represents all costs directly or indirectly related to the purchase or construction of assets where the purchase or construction is in progress and will be transferred to the related property and equipment category once completed.

5.12.8 Depreciation

Depreciation represents the systematic distribution of the depreciable amount of an asset over its estimated useful life. The depreciable amount represents the cost of an asset or other amount that is exchanged for cost, less its residual value. Depreciation is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each item of property and equipment. Leased assets are depreciated over the term of the lease or their useful lives, whichever is shorter. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively if necessary.

Cars for sale are transferred to inventory, and their depreciation stops on the transfer date.

	Estimated useful lives
Improvements to rental properties	3 to 9 years
Tools & Equipment	6 to 7 years
Furniture & Fixtures	10 years
Office Supplies	4 years
Computers & Telecommunications	6 to 7 years
Cars	2.5 to 5.1 years
Right-of-Use Assets	3 to 9 years

5.12.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

The amortization period for intangible assets with a finite life for the company is as follows:

	Estimated Useful Lives
Software programs	6 to 7 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the interim condensed consolidated statement of income when the asset is derecognised.

5.12.10 Leases

At the beginning of the contract, the company assesses whether a contract is a lease or involves a lease, i.e. if the contract transfers the right to control the use of a finite asset for a certain period of time in exchange for consideration.

5.13 Company as a Lessor

Al-Jazira Equipment Company applies a single recognition and measurement method for all leases, with the exception of short-term rentals and leases for low-value assets. Al-Jazira Equipment Company recognizes the lease liabilities to settle rental payments and right-of-use assets representing the right to use of the assets subject to the contract.

5.13.1 Right-of-use Assets

Al-Jazira Equipment Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the life of the lease or the expected useful life of the assets, whichever is less.

If ownership of the leased asset is transferred to Al-Jazira Equipment Company at the end of the lease term or the cost reflects the exercise of the purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are not subject to impairment.

5.13.2 Lease Liabilities

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

In calculating the present value of lease payments, Al-Jazira Equipment Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (for example, there are changes in future payments due to a change in an index or rate used to determine those payments) or a change in the valuation of an option to purchase the asset.

5.13.3 Short-Term Leases and Leases of Low-Value Assets

Al-Jazira Equipment Company applies the short-term lease recognition exemption to its short-term leases for equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Company also applies the recognition exemption for low-value asset leases to office equipment leases that are considered low-value. Lease payments on short-term leases and low-value asset leases are recognized as expense on a straight-line basis over the lease term.

5.14 Al-Jazira Equipment Company as a Lessor

Leases under which Al-Jazira Equipment Company does not materially transfer all risks and benefits related to asset ownership are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included in the statement of comprehensive income due to its operational nature. The initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the term of the lease on the same basis as rental income. Contingent leases are recognized as revenue for the period during which they are realized.

5.14.1 Accounts Payable

Trade accounts payable are initially recognized at the transaction price and subsequently measured at amortized cost using the EIR method.

Accounts payable are liabilities based on regular credit periods and do not bear interest. Accounts payable registered in foreign currencies are converted into Saudi Riyals using the exchange rates at the date of the financial statements. Gains or losses from the translation of foreign currencies are included in other income or other expenses.

5.14.2 Provisions

Provisions are recognized when Al-Jazira Equipment Company has:

- Current or implied statutory obligation as a result of a past event.
- The possibility that external flows of economic resources will be required to settle the obligation in the future.
- The ability to estimate the amount reliably.

If the impact of the time value of money is material, the provisions are deducted using the current pre-tax and zakat rate which reflects the current market assessment of the time value of money and the risks related to that obligation. When the discount is applied, the increase in the provision due to the passage of time is recognized as part of the financing costs within the profit or loss in the statement of comprehensive income.

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under the contract reflect the lowest net cost for terminating the contract, which is the cost of its performance or any damages or penalties arising from non-performance, whichever is less. Al-Jazira Equipment Company has two types of onerous contracts: Project Onerous Contracts and Onerous Operating Leases.

5.14.3 Employees End-of-service Benefits

Al-Jazira Equipment Company implements a defined remuneration program for its employees in accordance with the Labor Law in force in the Kingdom of Saudi Arabia, and recognizes the obligations in the statement of financial position at the reporting date. Defined remuneration liabilities represent the present value of the remuneration liabilities defined at the date of the financial statements. The cost of providing rewards is determined under the defined reward plan using the expected credit losses method. The entire actuarial gains and losses for the period in which they are performed are recognized in other comprehensive income.

The financing cost is calculated by applying the discount rate to the net defined remuneration liabilities. Al-Jazira Equipment Company recognizes the following changes in the net remuneration liabilities identified within operating costs and general and administrative expenses in profit or loss.

- Service costs that include current service costs and past service costs.
- Net financing cost or income.

The assets or liabilities of the defined remuneration consist of the present value of the defined remuneration liability, less the costs of prior services and less the fair value of the plan assets from which the liabilities are to be repaid. However, the plan is currently unfunded and has no assets.

5.14.4 Foreign Currencies

5.14.4.1 Transactions & Balances

Transactions in foreign currencies are initially recorded by Al-Jazira Equipment Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. All differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss. Transactions in foreign currencies are initially recorded by Al-Jazira Equipment Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences resulting from payment or transfer of cash items are recognized in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated

using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of a gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or the profit or loss, respectively).

5.14.4.2 Contingent Liabilities

Contingent liabilities are neither recognized nor disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable are recorded in the statement of financial position under accounts payable and accruals. A contingent asset is not recognized in financial statements but disclosed when an inflow of economic benefits is probable.

5.14.4.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by Al-Jazira Equipment Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Al-Jazira Equipment Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in financial statements at fair value on a recurring basis, Al-Jazira Equipment Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Al-Jazira Equipment Company analyzes, at each reporting date, the movement in the values of assets and liabilities that need to be remeasured or re-valued in accordance with the accounting policies of Al-Jazira Equipment Company. For the purposes of this analysis, Al-Jazira Equipment Company verifies the key inputs applied in the most recent valuation by matching the information contained in the valuation account with contracts and other relevant documents.

Al-Jazira Equipment Company also compares the change in the fair value of each asset and liability with the relevant external sources to determine the reasonableness of the change.

For the purpose of fair value disclosures, Al-Jazira Equipment Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

5.14.4.4 Cash & Bank Balances

Cash and bank balances included in the statement of financial position consist of cash held by banks and cash in the Treasury, which is subject to the risk of small changes in value. The cash flow statement is prepared using the indirect method.

5.14.4.5 Distribution of Dividends

The Company recognizes the obligation to pay dividends when the distribution is approved and the distribution is no longer at the Company's discretion. According to the Saudi Companies Law, dividends are approved after the approval of the partners. Initial dividends, if any, are recorded when approved by the Board of Directors, and the corresponding amount is recognized directly in the statement of changes in equity.

5.15 Standards Issued but Not Yet Effective

The issued standards and interpretations, but not yet effective, up to the date of issuance of Al-Jazira Equipment Company financial statements are disclosed below. Al-Jazira Equipment Company intends to adopt these standards, if applicable, when they become effective.

International Financial Reporting Standard "IFRS" No. (17) "Insurance Contracts"

In May 2017, the IASB issued IFRS 17 "Insurance Contracts", a new comprehensive accounting standard for insurance contracts covering recognition, measurement, presentation and disclosure. Once it is effective, the standard will apply to all types of insurance contracts (e.g. life, general, direct and reinsurance contracts), regardless of the type of entity issuing them and to certain guarantees and financial instruments with profit-sharing characteristics at the discretion of the insurance company. The Standard would apply a few exceptions in a narrow scope. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more beneficial and consistent for insurance companies. Beyond the requirements set out in IFRS 4, which is largely based on previous old domestic accounting policies, IFRS 17 provides a comprehensive model of insurance contracts that covers all relevant accounting aspects. The focus of IFRS 17 is the completed general form with:

- Specific adaptation of contracts with direct profit-sharing characteristics (variable fee Approach)
- Simplified method (the method of distribution of insurance premiums) which mainly relates to short-term contracts.

IFRS 17 applies to financial statement periods commencing on or after 1 January 2023G, with comparative figures being included. Early application is permitted, provided that the entity also applies IFRS 9 and IFRS 15 on or before the date of its first implementation. This Standard does not apply to Al-Jazira Equipment Company.

Amendments to IAS 1: Classification of Current or Non-Current Liabilities

In January 2020G, the International Accounting Standards Board (IASB) issued amendments to paragraphs 69 to 76 of IAS (1) to determine the requirements for classifying current or non-current liabilities. The amendments clarify the following:

- What is meant by the right to defer settlement.
- The right to defer must arise at the end of the reporting period.
- This classification is not affected by the likelihood of the entity exercising its right to deferral.
- If a derivative instrument implied in a convertible obligation is itself an equity instrument, the terms of the obligation will not affect its classification.

Amendments to the annual financial statement periods shall be effective as of or after January 1, 2023G, and shall be applied retroactively. Al-Jazira Equipment Company is currently assessing the impact of the amendments on current practices and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to International Accounting Standard No. (8)

In February 2021G, the International Accounting Standards Board (IASB) issued amendments to IAS 8, providing a definition of "accounting estimates". The amendments clarified the distinction between changes in accounting estimates and accounting policies and correction of errors. It also explains how enterprises use measurement techniques and input to develop an accounting estimate.

Amendments to the periods of the annual financial statements starting from or after January 1, 2023G and apply to changes in accounting policies and accounting estimates arising at the beginning or after that period shall be effective as long as such disclosure is permitted.

The amendments are not expected to materially affect the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and Statement of Practice of IFRS 2

In February 2021G, the IASB issued amendments to IAS 1 and IFRS Practice Statement No. 2 on the issuance of significant judgments, providing guidance and examples to help entities apply significant provisions to accounting policy disclosures. The amendments aim to help entities provide more useful accounting policy disclosures by replacing the requirements of entities with disclosure of their accounting policies.

"Important to the requirement to disclose 'material' accounting policies and to add guidance on how entities apply the concept of materiality in making decisions on the disclosure of accounting policies.

The amendments to IAS 1 shall apply for annual periods commencing on or after 1 January 2023G and shall be allowed for early application. Since amendments to Statement of Practice 2 provide non-mandatory guidance on the application of the materiality definition to accounting policy information, the effective date of such adjustments is not necessary.

Al-Jazira Equipment Company is currently reviewing the disclosure of its accounting policy information to ensure compliance with the revised requirements.

Deferred tax on assets and liabilities arising from a single transaction - Amendments to International Accounting Standard No. (12)

In May 2021G, the Board issued amendments to IAS 12 that narrow the initial recognition exception "IRE" under IAS 12 so that it no longer applies to transactions that result in equal taxable and deductible temporary differences.

Adjustments should apply to transactions made at the beginning or after the first comparison period presented. Furthermore, at the beginning of the earliest comparative period presented, a deferred tax asset (provided sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Al-Jazira Equipment Company is currently assessing the impact of the amendments.

5.16 New and Amended Standards and Interpretations

The Company has implemented for the first time certain standards and amendments that apply to the annual reporting periods starting on or after January 1, 2022G (unless otherwise indicated).

Al-Jazira Equipment Company did not apply any earlier standard, interpretation or other amendment issued, but it has not yet entered into implementation.

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to International Accounting Standard No. (37)

An onerous contract is a contract whose unavoidable costs exceeds obligations under contract (i.e., costs that a company cannot avoid because of the contract) exceed the economic benefits expected from it.

The amendments provide that when assessing whether a contract is onerous or incurring losses, the enterprise must include costs directly related to a contract for the provision of goods or services, including both additional costs (e.g., direct labour and material costs) and the distribution of costs directly related to contract work (e.g., depreciation of equipment used to fulfil the contract and contract administration and supervision costs). General and administrative costs are not directly related to the contract and are excluded unless expressly charged to the counterparty under the contract.

In accordance with the terms of transformation, Al-Jazira Equipment Company applies the amendments to contracts that have not yet fulfilled all their obligations at the beginning of the annual financial statement period in which the amendments are applied for the first time. There was no impact on the statement of financial position, statement of profit or loss and other comprehensive income.

Amendments to IAS 16 - Property, Plant and Equipment Revenue Earned before Intended Use

The amendment prohibits a company from deducting from the cost of property, plant and equipment amounts received from selling items produced until the asset reaches its necessary location and condition to be able to operate in accordance with the manner intended by the administration. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

In accordance with the terms of transformation, Al-Jazira Equipment Company applies the amendments retroactively only to items of property, plant and equipment available for use on or after the beginning of the earliest period listed when the company first applied the amendments (the date of initial application).

These adjustments had no impact on the Company's financial statements as there were no sales of these items produced by property, plant and equipment available for use at the beginning or after the first period presented.

IFRS 9 "Financial Instruments" - fees in the "10 percent" test for derecognition of financial liabilities

The amendment clarifies the fees that an entity must include when assessing whether the terms of the new or amended financial obligation differ materially from the terms of the original financial obligation. These fees include only fees paid or received between the borrower and the lender, including fees paid or collected by the borrower or lender on behalf of each other. There is no similar proposed amendment to IAS 39 "Financial Instruments": Recognition and Measurement.

In accordance with the terms of the transformation, Al-Jazira Equipment Company applies the amendment to financial liabilities that are adjusted or exchanged on or after the beginning of the annual reporting period during which the entity applies the amendment for the first time (the date of initial application). These adjustments did not have any impact on the Company's consolidated financial statements as no adjustments were made to the Company's financial instruments during the period.

5.17 Significant Accounting Estimates and Judgments

The preparation of the financial statements requires the use of certain significant estimates and judgments that affect the amounts of assets and liabilities declared, the disclosure of contingent assets and liabilities at the date of the financial statements, and the amounts of income and expenses declared during the reporting period. Estimates and judgments are subject to continuous evaluation and rely on historical experience and other factors, including projections of future events that are believed to be reasonable and appropriate under the circumstances. The Company establishes estimates and accounting judgments for the future. The resulting accounting estimates, by definition, rarely equal the actual results related to them. The significant accounting policies and provisions followed in preparing these interim summary financial statements are consistent with those policies followed in preparing the company's annual financial statements for the year ending December 31, 2022G.

Useful Life and Residual Values of Property and Equipment

The company's management determines the estimated useful lives of its property and equipment for the purpose of calculating depreciation. These estimates are determined after considering the expected use or physical wear and tear of the assets. The management annually reviews the residual value and useful lives of these assets and adjusts future loaded depreciation when the management believes that there is a difference between the useful ages and past estimates. The company estimates the residual value and useful life based on an average of 3 years from historical data of fleet movement and condition. Accordingly, the useful life is estimated in the range of 44 - 46 months and the recovery rate is in the range of 47% to 57%. Also, the company's policy is to set the residual value at a minimum of 10% of the fleet cost. The company annually reviews and assesses the useful life of the vehicles and the residual values. Therefore, the Company adjusted the estimated useful life of the vehicles from 3.86 years (31 December 2022G) to 3.88 years for the period ended. The residual value has been adjusted from 53.1% (December 2022G) to 56.6% for the period ended. The change in the estimated useful life and residual value has resulted in a decrease in depreciation expenses and an increase in the cost of car sales. The net effect of the amendment is SAR 16.39 million on cost of revenue for the period 30 September 2023G. It is impractical to determine the impact of the change in estimation in future periods.

5.18 Al-Jazira Equipment Company Operations' Results for the financial years ended 31 December 2020G, 2021G and 2022G

5.18.1 Statement of Profit and Loss and OCI for the financial years ended 31 December 2020G, 2021G and 2022G

Table 69: Statements of Profit and Loss and OCI for the financial years ended 31 December 2020G, 2021G and 2022G

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Change 2020G-2021G	Annual Change 2021G-2022G	2020G-2022G CAGR
Revenue	402,354	382,578	430,048	(4.9%)	12.4%	3.4%
Cost of sales	(262,965)	(212,030)	(267,402)	(19.4%)	26.1%	0.8%
Gross Profit	139,389	170,549	162,646	22.4%	(4.6%)	8.0%
General and administrative expenses	(36,529)	(40,620)	(42,146)	11.2%	3.8%	7.4%
Sale and distribution expenses	(49,573)	(57,290)	(70,461)	15.6%	23.0%	19.2%
Loss for impairment of trade receivables	(22,981)	-	-	(100.0%)	Not applicable	(100.0%)
Operating Profit	30,306	72,639	50,039	139.7%	(31.1%)	28.5%
Other income	373	4,195	5,723	1,024.7%	36.4%	291.8%
Financing costs	(11,825)	(11,483)	(24,158)	(2.9%)	110.4%	42.9%
Profit before Zakat	18,853	65,351	31,603	246.6%	(51.6%)	29.5%
Zakat	(3,085)	(3,893)	(4,840)	26.2%	24.3%	25.3%
Profit for the year	15,768	61,458	26,763	289.8%	(56.5%)	30.3%
OCI						
OCI that is not scheduled to be reclassified to profit or loss in subsequent periods						
Actuarial gain related to specific remuneration obligations of employees	(1,354)	5	3,788	(100.4%)	75,660.0%	Not applicable
Total comprehensive income for the year	14,414	61,463	30,551	326.4%	(50.3%)	45.6%

Source: Al-Jazira Equipment Company's audited financial statements for the financial years ended 31 December 2021G and 2022G and management information.

	FY 2020G	FY 2021G	FY 2022G	Annual Change 2020G-2021G	Annual Change 2021G-2022G	CAGR 2020G-2022G
KPIs						
Long-term rental			Percentage change			
Number of cars at the end of the year (number of cars)	11,230	12,274	13,666	9.3%	11.3%	10.3%
Weighted average for leased fleet (number of vehicles)	10,718	11,377	13,020	6.1%	14.4%	10.2%
Average monthly rate per lease (SAR)	1,924	2,014	2,051	4.7%	1.8%	3.2%
Car sale						
Number of sold cars	4,137	2,011	1,825	(51.4%)	(9.2%)	(33.6%)
Average selling price per car (SAR)	34,946	46,047	45,184	31.8%	(1.9%)	13.7%
Number of workshops and maintenance centers	4	5	6	25.0%	20.0%	22.5%
Revenues Percentage			Percentage points			
Gross Profit Margin	34.6%	44.6%	37.8%	9.9	(6.8)	3.2

	FY 2020G	FY 2021G	FY 2022G	Annual Change 2020G-2021G	Annual Change 2021G-2022G	CAGR 2020G-2022G
General and administrative expenses	(9.1%)	(10.6%)	(9.8%)	(1.5)	0.8	(0.7)
Sale and distribution expenses	(12.3%)	(15.0%)	(16.4%)	(2.7)	(1.4)	(4.1)
Operating Profit Margin	7.6%	20.1%	13.0%	12.5	(7.1)	5.3
Net profit margin	3.9%	16.1%	6.2%	12.1	(9.8)	2.3

Source: Management information.

5.18.1.1 Revenues

The company generates its revenue primarily from three main sources: (1) Long-term leases, which accounted for approximately 69% of total revenue during the period from FY 2020G to FY 2022G, (2) Sales of vehicles at the end of long-term leases (26% of total revenue during the period from FY 2020G to FY 2022G), and (3) Workshops and service centers (5%).

Revenue decreased by 4.9% from SAR 402.4 million in FY 2020G to SAR 382.6 million in FY 2021G, primarily due to a decrease in revenue from vehicle sales (-SAR 52.0 million) following a decrease in the number of sold vehicles from 4,137 in FY 2020G to 2,011 in FY 2021G, in line with the expiration of leases with key clients that were renewed in FY 2021G. This was partially offset by an increase in (1) revenue from long-term leases of SAR 27.5 million, resulting from an increase in the weighted average of leased fleet (number of vehicles) from 10,718 in FY 2020G to 11,377 in FY 2021G after the fleet expansion to accommodate a greater number of clients across major cities in the Kingdom and strengthen the company's presence across various sectors, primarily Food & Beverage and Transportation & Logistics; and (2) revenue from workshops and service centers (+SAR 4.7 million) after opening a new service center in Riyadh.

Revenue increased by 12.4% from SAR 382.6 million in FY 2021G to SAR 430.0 million in FY 2022G, mainly driven by a SAR 45.5 million increase in revenue from long-term leases following an increase in the weighted average of leased fleet (number of vehicles) to 13,020.

5.18.1.2 Cost of sales

Cost of sales included depreciation of property and equipment (46.7% of total cost of sales in FY 2022G), cost of sold vehicles (25.2%), repair and maintenance (12.1%), insurance (8.4%), cost of workshop and consumed spare parts (5.1%), among others.

Cost of sales decreased by 19.4% from SAR 263.0 million in FY 2020G to SAR 212.0 million in FY 2021G, driven by: (1) a decrease in depreciation of property and equipment (-SAR 30.4 million), primarily due to a change in the estimated useful life of vehicles from 6 to 7 years; (2) a decrease in the cost of sold vehicles (-SAR 33.5 million) due to a lower number of sold vehicles (-2,126 vehicles). This was partially offset by an increase in the cost of workshop and consumed spare parts (+SAR 5.7 million) and an overall increase in repair and maintenance, and insurance costs of SAR 40.0 million, in line with the fleet expansion.

Cost of sales increased by 26.1% from SAR 212.0 million in FY 2021G to SAR 267.4 million in FY 2022G, driven by an increase in: (1) depreciation of property and equipment (+SAR 23.4 million) in line with fleet additions to accommodate more long-term leases; (2) repair and maintenance (+SAR 13.1 million) consistent with the fleet expansion; (3) ECL provision (SAR 11.7 million) related to receivables aged over one year; and (4) cost of sold vehicles (+SAR 7.8 million) driven by the application of the new depreciation policy, which resulted in a change in the estimated useful life of vehicles from 6 to 7 years in FY 2022G on the net book value of sold vehicles.

5.18.1.3 Total Profit

Total profit increased by 22.4% from SAR 139.4 million in FY 2020G to SAR 170.6 million in FY 2021G, driven by a decrease in depreciation of properties and equipment (SAR - 30.4 million), primarily due to a change in the estimated useful life of vehicles from 6 to 7 years.

Total profit decreased by 4.6% from SAR 170.6 million in FY 2021G to SAR 162.6 million in FY 2022G, driven by a credit loss allowance of SAR 11.7 million on the cost of sales, which was previously classified as a separate item after total profit, in addition to an increase in the cost of sold vehicles (+ SAR7.8 million).

5.18.1.4 Selling and Distribution Expenses

Selling and distribution expenses included employee cost (69.1% of total selling and distribution expenses in FY 2022G), commissions and advertising (9.8%), depreciation of right-of-use assets (5.0%), and others.

Selling and distribution expenses increased by 15.6% from SAR 49.6 million in FY 2020G to SAR 57.3 million in FY 2021G, primarily due to an increase in employee cost (+ SAR6.2 million) in line with an increase in the number of employees from 306 in FY 2020G to 361 in FY 2021G to meet the increased demand, fleet expansion, governance enhancement, company's organizational structure improvement, and customer experience enhancement through opening of a customer relationship department, credit and collection risk management. This was coupled with an increase in depreciation and amortization expenses (+ SAR1.5 million) resulting from the opening of a new workshop and service center, as well as improvements to leased buildings.

Selling and distribution expenses increased by 23.0% from SAR 57.3 million in FY 2021G to SAR 70.5 million in FY 2022G, resulting from an additional increase in employee costs (+ SAR 10.6 million) due to a further increase in the number of employees (+31 employees) in line with the opening of a new workshop and service center and the expansion of business development. Additionally, there was an increase in other costs (+ SAR 3.2 million), primarily due to (1) an increase in Repair and maintenance (+ SAR 2.3 million) and (2) costs incurred for new licenses and registration of new workshops and service centers (+ SAR 1.7 million) in line with business expansion and growth.

5.18.1.5 General and Administrative Expenses

General and administrative expenses primarily included employee cost (65.3% of total general and administrative expenses in FY 2022G), licenses and permits (11.7%), travel and transportation (4.9%), service utilities (4.0%), and others.

General and administrative expenses increased by 11.2% from SAR 36.5 million in FY 2020G to SAR 40.6 million in FY 2021G, mainly attributable to (1) an increase in recruitment and training expenses (+ SAR 1.8 million) related to fees paid for the external company hired by the Company to assist with recruitment, training, and talent search, as the Company appointed external recruiters during FY 2021G to meet the increased business and demand in the new workshops and service centers and to support business growth. Additionally, the Company utilized the "KnowledgeCity Training" website/program to enroll its employees for a two-year training program, with the full amount paid in FY 2021G, (2) an increase in employee costs (+SAR 1.5 million) primarily attributable to an increase in basic salaries (+ SAR 589 thousand), accommodation allowances (+SAR 536 thousand), and end-of-service benefits (+ SAR 306 thousand), and (3) an increase in licenses and permits (+SAR 1.5 million), primarily attributable to an increase in the cost of ERP system licenses in line with the increase in number of users resulting from the increase in the Company's total number of employees.

General and administrative expenses increased by 3.8% to reach SAR 42.1 million in FY 2022G, primarily attributable to an increase in travel and transportation wcosts (+ SAR 1.5 million) after the easing of COVID-19 restrictions and the facilitation of travel.

5.18.1.6 Impairment Loss on Trade Receivables

Impairment loss on trade receivables amounted to SAR 23.0 million in FY 2020G, and ECL provision was reclassified to the cost of sales during FY 2021G and FY 2022G as it relates to long-term lease customers and would be appropriately classified as such.

5.18.1.7 Other Income

Other income increased from SAR 373 thousand in FY 2020G to SAR 4.2 million in FY 2021G, primarily attributable to (1) the Company receiving a discount from the supplier "Abdul Latif Jameel" amounting to SAR 2.7 million as a result of the Company's increased purchases of Toyota vehicles during FY 2020G. It should be noted that Abdul Latif Jameel does not provide significant discounts on purchases but rather provides discounts in subsequent periods, and (2) others (+ SAR 1.0 million), particularly relating to the sale of ambulance equipment worth SAR 461 thousand and damages charged to customers (+ SAR 350 thousand).

Other income increased to SAR 5.7 million in FY 2022G, primarily driven by an increase in (1) insurance company payments (+ SAR 1.0 million) related to amounts recovered by the Company from insurance service providers against settled insurance claims, (2) penalties imposed on customers who terminated their long-term leases early (+ SAR 996 thousand), (3) recovery of traffic violation fees (+ SAR 977 thousand), and (4) others (+ SAR 541 thousand). This was partially offset by a decrease in the annual rebate from suppliers on vehicle purchases (-SAR 2.0 million).

5.18.1.8 Finance Costs

Finance costs remained relatively stable during FY 2020G and FY 2021G at SAR 11.8 million and SAR 11.5 million, respectively.

Finance costs increased from SAR 11.5 million in FY 2021G to SAR 24.2 million in FY 2022G, driven by the following: (1) an increase in interest on term loans (+ SAR 10.8 million) due to additional bank borrowings for vehicle purchases and an increase in SAIBOR (interest rate), (2) reclassification of bank charges from general and administrative expenses to finance costs (+ SAR 742 thousand), (3) finance charges on lease liabilities (+ SAR 721 thousand) due to the additional lease agreements for new locations opened in FY 2022G, and (4) reclassification of employee end-of-service benefits from general and administrative expenses to finance costs (+ SAR 459 thousand).

5.18.1.9 Zakat

Zakat increased from SAR 3.1 million in FY 2020G to SAR 3.9 million and SAR 4.8 million in FY 2021G and FY 2022G, respectively, due to an increase in the Zakat base.

5.18.1.10 Profit for the Year

Profit for the year increased by 289.8% from SAR 15.8 million in FY 2020G to SAR 61.5 million in FY 2021G, driven by an increase in total profit (+ SAR 31.2 million) resulting from the change in the estimated useful life of vehicles and lack of a credit loss allowance, which amounted to SAR 23.0 million in FY 2020G as the provision charged sufficiently met the requirements in FY 2021G.

Profit for the year decreased by 56.5% from SAR 61.5 million in FY 2021G to SAR 26.8 million in FY 2022G, driven by a decrease in total profit (-SAR 7.9 million) coupled with an increase in finance costs (+ SAR 12.7 million).

Actuarial Gain on Defined Benefit Obligations for Employees

Actuarial gains on defined benefit obligations for employees amounted to SAR 1.4 million in FY 2020G, SAR 5 thousand in FY 2021G, and SAR 3.8 million in FY 2022G.

5.18.1.11 Revenues

Table 70: Revenues by type of service for financial years ended 31 December 2020G, 2021G, and 2022G

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Variance 2020G - 2021G	Annual Variance 2021G - 2022G	2020G-2022G CAGR
Long-term Lease	247,388	274,901	320,437	11.1%	16.6%	13.8%
Vehicle Sales	144,573	92,601	82,461	(35.9%)	(10.9%)	(24.5%)
Workshop and Service Center	10,392	15,077	27,150	45.1%	80.1%	61.6%
Total Revenues	402,354	382,578	430,048	(4.9%)	12.4%	3.4%
As a percentage of revenues	Percentage points					
Long-term Lease	61.5%	71.9%	74.5%	10.4	2.7	13.0
Vehicle Sales	35.9%	24.2%	19.2%	(11.7)	(5.0)	(16.8)
Workshop and Service Center	2.6%	3.9%	6.3%	1.4	2.4	3.7
KPIs						
Long-term Lease						
Number of vehicles at the end of the year	11,230	12,274	13,666	9.3%	11.3%	10.3%
Weighted average of rented fleet (Number of vehicles)	10,718	11,377	13,020	6.1%	14.4%	10.2%
Average monthly rate for each lease	1,924	2,014	2,051	4.7%	1.8%	3.2%
Vehicle Sales						
Number of sold vehicles	4,137	2,011	1,825	(51.4%)	(9.2%)	(33.6%)
Average sale price for each vehicle	34,946	46,047	45,184	31.8%	(1.9%)	13.7%

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G, and management information.

5.18.12 Leases

Long-term lease consists of revenues generated from leasing vehicles to customers across various sectors through tender wins or direct contracts with customers. Typically, leases range from one year to five years, with most falling within the three to five-year range. Monthly lease rates for long-term leases range between SAR 1,000 and SAR 6,000, with an average of SAR 2,000 per month during the period from FY 2020G to FY 2022G.

Long-term lease revenue increased by 11.1% from SAR 247.4 million in FY 2020G to SAR 274.9 million in FY 2021G, driven by an increase in the weighted average number of vehicles from 10,718 to 11,377 during the same period. This was primarily due to an increase in revenue from existing customers (+ SAR 27.8 million) and contracts signed with new customers (+ SAR 18.1 million) across various sectors, offset by contracts nearing expiration during FY 2021G and FY 2022G (-SAR 18.6 million), in addition to a slight increase in the average monthly rate per vehicle from SAR 1,900 in FY 2020G to SAR 2,900 in FY 2021G.

Long-term lease revenue increased by 16.6% from SAR 274.9 million in FY 2021G to SAR 320.5 million in FY 2022G, driven by an increase in the weighted average number of vehicles from 11,377 to 13,020 due to the continued increase in the number of new customers in FY 2021G (+ SAR 26.7 million) and new customers in FY 2022G (+ SAR 28.6 million). This was partially offset by a decline in revenue from existing customers (-SAR 4.7 million) due to a decrease in the number of vehicles leased to them in line with the expiration of leases (-SAR 5.1 million).

5.18.13 Vehicle Sales

Vehicle sales revenue represents the proceeds from selling out-of-service vehicles at the end of the lease term. The leased vehicles are typically sold upon the expiration of lease term (expiration of lease) or in case of a total loss due to an accident. As such, the sold vehicles exhibit a diverse range of ages, with a few being sold after only one or two years, while the majority are sold after three years or more.

Vehicles are sold on a weekly basis through an auction/bidding mechanism via an electronic platform developed by the Company. Bidders are typically companies in need of vehicles to carry out their operations, rather than individuals. These buyers participate in the bidding process by booking a spot and paying a non-refundable fee of SAR 5,000 as a security deposit.

The Company achieved an average vehicle cost recovery rate of 55% and above during the period from FY 2020G to FY 2022G. This ratio represents the amount recovered from the vehicle sale compared to the initial recognized cost of the vehicle. As such, the Company's strategy, when purchasing vehicles, takes into consideration the resale value of vehicles and the selection of vehicles with a strong resale market that aligns with customer requirements.

Vehicle sales decreased by 35.9% from SAR 144.6 million in FY 2020G to SAR 92.6 million in FY 2021G, primarily due to a decrease in the total number of sold vehicles from 4,137 in FY 2020G to 2,011 in FY 2021G. It should be noted that such decrease was corroborated by a decline in the sales of vehicles aged between 3-4 years (-684 vehicles) and those aged over 5 years (-1,434), which coincided with the expiration of contracts with a major client, the National Water Company, under which more than 1,700 vehicles were sold in FY 2020G. The contract with this client was renewed during FY 2021G. The average revenue per vehicle sold increased from SAR 34,900 in FY 2020G to SAR 46,000 in FY 2021G, as the Company sold more vehicles under 5 years old in FY 2021G compared to FY 2020G.

Vehicle sales revenue decreased by 10.9% from SAR 92.6 million in FY 2021G to SAR 82.5 million in FY 2022G, resulting from a decrease in the total number of sold vehicles. In FY 2021G, major contracts with SAPPCO – Saudi Arabia and the Royal Commission expired, leading to the sale of approximately 500 vehicles related to these two contracts, out of total 2,011 sold vehicles during the fiscal year. It should be noted that during FY 2022G, the supply chain for vehicles was significantly disrupted globally due to the shortage of chips used in automotive manufacturing and the volatile geopolitical situation. This led to the unavailability and delayed delivery of vehicles. To meet such needs, expiring contracts were extended for a longer period to accommodate their needs, and the available fleet was utilized for new customers until the delivery of new vehicles.

5.18.14 Workshop and Service Center

Workshops and service centers primarily operate to maintain the Company's fleet, with the main source of revenue is from proceeds from insurance companies. Additionally, the Company entered into contractual agreements to service the fleets of Al-Dawaa Company and Eastern Region Municipality during FY 2022G, as Al-Dawaa Company and the Eastern Region Municipality own fleets that require maintenance, and managing the maintenance of such large fleets is a burden for them.

Revenue from workshops and service centers increased by 45.1% from SAR 10.4 million during FY 2020G to SAR 15.1 million during FY 2021G, resulting from an increase in the number of vehicles serviced during the year and the opening of a new service center in Riyadh.

Revenue from workshops and service centers increased by 80.1% from SAR 15.1 million during FY 2021G to SAR 27.2 million in FY 2022G, driven by an increase in the number of vehicles serviced, the maintenance of Al-Dawaa Company and Municipality fleets, in addition to opening a new service center in Dammam.

5.18.1.15 Revenues from long-term leases by sector

Table 71: Revenues from long-term leases by sector for financial years ended 31 December 2020G, 2021G, and 2022G

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Variance 2020G - 2021G	Annual Variance 2021G - 2022G	2020G-2022G CAGR
Food and beverages	28,625	48,597	57,142	69.8%	17.6%	41.3%
Oil, gas and renewable energy	59,570	48,269	48,125	(19.0%)	(0.3%)	(10.1%)
Transportation and logistics	29,430	41,520	47,484	41.1%	14.4%	27.0%
Government	40,722	44,560	43,976	9.4%	(1.3%)	3.9%
Services	22,551	24,110	36,685	6.9%	52.2%	27.5%
Trade	17,841	18,598	25,502	4.2%	37.1%	19.6%
Construction	29,406	23,420	22,655	(20.4%)	(3.3%)	(12.2%)
Manufacturing	12,192	13,215	16,176	8.4%	22.4%	15.2%
Communications, media and IT	5,083	4,987	6,212	(1.9%)	24.6%	10.6%
Food and Agriculture	-	455	4,753	N/A	944.3%	N/A
Total Top 10	245,420	267,731	308,710	9.1%	15.3%	12.2%
Others	1,968	7,169	11,727	264.2%	63.6%	144.1%
Total	247,388	274,900	320,437	11.1%	16.6%	13.8%
Percentage to total	Variance of percentage					
Top 3	47.5%	50.3%	47.7%	2.8	(2.7)	0.2
Top 5	73.1%	75.3%	72.8%	2.2	(2.5)	(0.3)
Top 10	99.2%	97.4%	96.3%	(1.8)	(1.1)	(2.9)
Average number of vehicles	Variance					
Food and beverages	1,528	2,258	2,564	730	306	1,036
Oil, gas and renewable energy	1,746	1,336	1,397	(410)	61	(349)
Transportation and logistics	1,078	1,370	1,566	292	196	488
Government	2,574	2,526	2,776	(48)	250	201
Services	866	949	1,120	83	171	253
Trade	741	767	1,025	26	258	284
Construction	1,191	964	913	(227)	(51)	(278)
Manufacturing	527	561	670	34	109	143
Communications, media and IT	347	339	415	(8)	76	69
Food and Agriculture	-	14	157	14	144	157
Total Top 10	10,598	11,084	12,603	486	1520	2,004
Others	119	293	416	174	123	297
Total	10,717	11,377	13,019	660	1643	2,301

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Variance 2020G - 2021G	Annual Variance 2021G - 2022G	2020G-2022G CAGR
Average monthly rate for each vehicle (SAR)			Variance (SAR)			
Food and beverages	1,561	1,793	1,857	232	64	296
Oil, gas and renewable energy	2,844	3,012	2,871	168	(141)	27
Transportation and logistics	2,276	2,526	2,527	250	1	251
Government	1,318	1,470	1,532	152	62	214
Services	2,169	2,117	2,204	(52)	87	35
Trade	2,006	2,020	2,074	14	54	68
Construction	2,057	2,025	2,067	(32)	42	10
Manufacturing	1,929	1,962	2,011	33	49	83
Communications, media and IT	1,222	1,227	1,246	5	19	24
Food and Agriculture	N/A	2,763	2,518	2,763	(245)	N/A
Top 10	1,930	2,013	2,041	83	28	111
Others	1,373	2,039	2,347	666	308	973
Total	1,924	2,014	2,051	90	37	127

Source: Management information.

The Company serves a diverse range of companies across various sectors through long-term leases, with the top three sectors accounting for approximately 49% of total revenue between FY 2020G and FY 2022G. While top five sectors collectively account for 74%, and the top ten sectors account for 98%.

Long-term lease revenue increased from SAR 247.4 million in FY 2020G to SAR 274.9 million in FY 2021G (+11.1%; + SAR 27.4 million), driven by an increase in the weighted average number of leased vehicles from 10,718 to 11,377, coupled with a slight increase in the average monthly rate per vehicle from SAR 1,900 to SAR 2,000. This was primarily due to:

- An increase in revenue from Food and Beverages sector (+ SAR 20.0 million) with an increase in the weighted average number of leased vehicles (+730 vehicles), primarily from key accounts and within the truck category;
- An increase in revenue from Transportation and Logistics sector (+ SAR 12.1 million) with an increase in the weighted average number of vehicles (+292 vehicles), which were predominantly buses;

This increase was offset by a decline in revenue from Oil, Gas, and Renewable Energy sector (-19.0%, -SAR 11.1 million) with a decrease in the weighted average number of vehicles (-410 vehicles) as their contracts expired.

Long-term lease revenue increased from SAR 274.9 million in FY 2021G to SAR 320.4 million in FY 2022G (+16.6%; SAR 45.5 million), driven by an increase in the weighted average number of vehicles (+1,643 vehicles) with a stable average monthly rate per vehicle of SAR 2,100, due to:

- An increase in revenue from Food and Beverages sector (+ SAR 8.5 million), mainly driven by an increase in the weighted average number of vehicles as a significant portion of leases were signed during FY 2021G, and thus the Company did not generate revenue from such leases throughout FY 2021G;
- An increase in revenue from Transportation and Logistics sector (+ SAR 6.0 million) due to new customers whose needs were catered to through bus category, with lease durations ranging from 4 to 5 years at an average monthly rate of SAR 3,000, and existing customers resulting from leases signed during the second half of FY 2021G for the bus category with an average duration ranging from 4 to 5 years;
- An increase in revenue from Commercial Companies (+SAR 6.9 million), which primarily utilized buses, sedans, and light trucks;
- An increase in revenue from Government Entities and Institutions (+ SAR 6.5 million), driven by engagements with new entities; and
- New customers in Food and Agriculture sector (+ SAR 4.2 million), with demand primarily focused on sedan and light truck categories.

5.18.1.16 Long-term Lease Revenue by Region

Table 72: Long-term Lease Revenue by Region for financial years ended 31 December 2020G, 2021G, and 2022G

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Variance 2020G - 2021G	Annual Variance 2021G - 2022G	2020G-2022G CAGR
Central region	54,651	82,240	95,659	50.5%	16.3%	32.3%
Eastern region	135,410	114,579	129,500	(15.4%)	13.0%	(2.2%)
Western region	57,327	75,709	90,195	32.1%	19.1%	25.4%
Others	-	2,374	5,083	N/A	114.2%	N/A
Total Revenues	247,388	274,901	320,437	11.1%	16.6%	13.8%

Source: Management information.

5.18.1.17 Long-term Lease Revenue by Vehicle Type

Table 73: Long-term Lease Revenue by Vehicle Type for financial years ended 31 December 2020G, 2021G, and 2022G

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Variance 2020G - 2021G	Annual Variance 2021G - 2022G	2020G-2022G CAGR
Sedan	70,916	83,280	97,885	17.4%	17.5%	17.5%
Bus	47,210	60,412	70,076	28.0%	16.0%	21.8%
Pick up	61,550	50,357	51,727	-18.2%	2.7%	-8.3%
AWD	52,553	45,241	48,326	-13.9%	6.8%	-4.1%
Trucks	13,765	31,871	45,775	131.5%	43.6%	82.4%
Others	1,394	3,740	6,648	168.3%	77.8%	118.4%
Total Revenues	247,388	274,901	320,437	11.1%	16.6%	13.8%

Source: Management information.

5.18.1.18 Cost of Sales

Table 74: Cost of Sales for financial years ended 31 December 2020G, 2021G, and 2022G

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Variance 2020G - 2021G	Annual Variance 2021G - 2022G	2020G-2022G CAGR
Depreciation of Property and Equipment	131,735	101,375	124,786	(23.0%)	23.1%	(2.7%)
Cost of sold vehicles	93,080	59,624	67,390	(35.9%)	13.0%	(14.9%)
Repair and maintenance	-	19,418	32,489	N/A	67.3%	N/A
Insurance	-	20,572	22,418	N/A	9.0%	N/A
Cost of Workshop and Consumed Spare Parts	2,760	8,453	13,561	206.3%	60.4%	121.7%
ECLs allowance	-	-	11,732	N/A	N/A	N/A
Reversal of Impairment on Property and Equipment	-	2,587	(4,515)	N/A	(274.5%)	N/A
Lease Cost	35,391	-	-	(100.0%)	N/A	(100.0%)
Reversal of inventory impairment provision	-	-	(458)	N/A	N/A	N/A
Total	262,965	212,030	267,402	(19.4%)	26.1%	0.8%
KPIs						
Insurance as book value of vehicles	2.2%	2.2%	1.9%	(0.0)	(0.3)	(0.3)

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Variance 2020G - 2021G	Annual Variance 2021G - 2022G	2020G-2022G CAGR
Number of vehicles	4,137	2,011	1,825	(2,126)	(186)	(2,312)
Average cost of sold vehicle (SAR)	22,499	29,649	36,926	7,150	7,277	14,427
Average number of vehicles	10,718	11,377	13,020	659	1,643	2,302
Average depreciation cost per vehicle (SAR)	12,291	8,911	9,584	(3,380)	673	(2,707)
As a percentage of revenues				Percentage points		
Depreciation of Property and Equipment	50.1%	47.8%	46.7%	(2.3)	(1.1)	(275.1)
Cost of sold vehicles	35.4%	28.1%	25.2%	(7.3)	(2.9)	(752.8)
Repair and maintenance	N/A	9.2%	12.1%	N/A	3.0	N/A
Insurance	N/A	9.7%	8.4%	N/A	(1.3)	N/A
Cost of Workshop and Consumed Spare Parts	1.0%	4.0%	5.1%	2.9	1.1	288.6
ECLs allowance	N/A	N/A	4.4%	N/A	N/A	N/A
Reversal of Impairment on Property and Equipment	N/A	1.2%	(1.7%)	N/A	(2.9)	N/A
Lease Cost	13.5%	N/A	N/A	N/A	N/A	N/A
Reversal of inventory impairment provision	N/A	N/A	(0.2%)	N/A	N/A	N/A

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

Cost of sales included all direct and other costs related to the Company's three main commercial operations and services: (1) long-term leases, (2) vehicle sales, and (3) workshops and service centers.

Cost of sales primarily consisted of depreciation of properties and equipment, which related to vehicles (accounting for approximately 47% of total cost of sales in FY 2022G), cost of sold vehicles (25%), Repair and maintenance (12%), insurance (8%), cost of workshop and consumed spare parts (5%), and others.

5.18.1.19 Depreciation of Property and Equipment

Depreciation of property and equipment relates to vehicles leased to customers, where the useful life of leased vehicles is determined based on the lease term (vehicles leased for one year are depreciated over 4 years, vehicles leased for two years are depreciated over 5 years, and vehicles leased for 3 years or more are depreciated over 7 years).

Depreciation of property and equipment decreased by 23% from SAR 131.7 million in FY 2020G to SAR 101.4 million in FY 2021G, driven by a decrease in the average depreciation cost per vehicle from SAR 12,300 to SAR 8,900. This increase was due to a change in the estimated useful life of vehicles during FY 2021G from 6 years for vehicles leased over 3 years to 7 years. This was adjusted to align appropriately with the requirements of IFRS 16.

Depreciation of property and equipment increased by 23.1% from SAR 101.4 million in FY 2021G to SAR 124.8 million in FY 2022G, driven by the expansion of the fleet from a weighted average of 11,377 vehicles in FY 2021G to 13,020 vehicles in FY 2022G.

5.18.1.20 Cost of Sold Vehicles

Cost of sold vehicles relates to the cost of vehicles, with expired leases, sold during each fiscal year. This cost is subject to change and varies based on the mix of vehicle types that are out-of-service and sold during that fiscal year. It should be noted that the cost of sold vehicles in any given fiscal year relates to several factors, including the vehicle's age, type, mileage, and brand.

Cost of sold vehicles decreased by 35.9% from SAR 93.1 million in FY 2020G to SAR 59.6 million in FY 2021G, driven by a decrease in the number of sold vehicles from 4,137 in FY 2020G to 2,011 in FY 2021G. This decrease was partially offset by an increase in the average cost per sold vehicle (+ SAR 7,200) where the most sold vehicles during FY 2020G were aged between 3-4 years and over 5 years (older than those sold during FY 2021G).

Cost of sold vehicles increased by 13.0% from SAR 59.6 million in FY 2021G to SAR 67.4 million in FY 2022G, despite a decrease in the volume of sold vehicles in FY 2022G (1,825) compared to FY 2021G (2,011). This increase was primarily due to an increase in the average cost per sold vehicle from SAR 29,600 to SAR 36,900, attributable to two main factors: (1) the Company selling relatively newer vehicles compared to those sold in the previous fiscal year (2021G), and (2) the adjustment in the estimated useful life of vehicles by the Company from 6 to 7 years during FY 2021G, which led to an increase in the net book value of the sold vehicles. It should be noted that the adjustment in the depreciation policy was not applied to sold vehicles during FY 2021G.

5.18.1.21 Repair and Maintenance

Repair and maintenance primarily relate to services for vehicles leased to customers and consist of costs incurred for spare parts and amounts charged by external service providers. The Company utilizes external service providers to meet additional Repair and maintenance requirements when its internal workshops and service centers are operating at full capacity or when a vehicle requires Repair and maintenance services in remote areas where the Company does not have a presence.

Repair and maintenance expenses increased by 15.9% from SAR 16.8 million in FY 2020G (classified under Lease Cost) to SAR 19.4 million in FY 2021G, followed by a further increase to SAR 32.5 million in FY 2022G. This was primarily due to an increase in vehicle repair requirements, entailing an increase in engagement with external service providers. This trend aligns with expansion of the fleet size during the period between FY 2020G and FY 2022G, as the Company's existing workshops and service centers were unable to fully cater to the maintenance and service needs of the expanded fleet.

During FY 2020G, the Company's previous auditors, KPMG, classified Repair and maintenance expenses, as well as insurance expenses, under Lease Costs, as shown in the following table:

Table 75: Details of Lease Cost for the Financial Year Ending on 31 December, 2020G

SAR in 000s	FY 2020G
Repair and maintenance	16,753
Insurance	18,638
Total	35,391

Source: Management information.

5.18.1.22 Insurance

Insurance expenses primarily consist of comprehensive risk insurance for vehicles leased to customers. The Company contracted with Allianz Insurance as its insurance service provider in FY 2020G. In FY 2021G, the Company changed its insurance service provider to Wataniya Insurance and then reverted back to Allianz Insurance in FY 2022G.

Insurance expenses increased by 10.4% from SAR 18.6 million in FY 2020G to SAR 20.6 million in FY 2021G, followed by a further increase of 9.0% to SAR 22.4 million in FY 2022G, in line with the expansion of Company's fleet size. The average insurance as a percentage of the net book value of vehicles was approximately 2% during the period between FY 2020G and FY 2022G.

During FY 2020G, the Company's previous auditors, KPMG, classified insurance expenses under Lease Costs.

5.18.1.23 Cost of Workshop and Consumed Spare Parts

Cost of workshop and consumed spare parts consists of costs associated with spare parts and services consumed and utilized in workshops and service centers.

Cost of workshop and consumed spare parts increased by 206.3% from SAR 2.8 million in FY 2020G to SAR 8.5 million in FY 2021G, resulting from an increase in the utilization of workshops and number of vehicles serviced during the period.

Cost of workshop and consumed spare parts increased by 60.4% reaching SAR 13.6 million in FY 2022G, primarily due to an increase in the number of vehicles serviced during the period as a result of fleet expansion and contractual agreement with Al-Dawaa Company and the Municipality to provide maintenance services for their fleets.

5.18.1.24 ECL provision

ECLs allowance increased from zero in FY 2020G and FY 2021G to SAR 11.7 million in FY 2022G due to additional allowances made on old outstanding balances related to long-term leases. It should be noted that in FY 2020G, ECLs allowance was presented as a separate line item in the Income Statement. However, in subsequent years, FY 2021G and FY 2022G, the expense was reclassified under the Cost of Sales. ECLs allowance amounted to SAR 23.0 million in FY 2020G and nil in FY 2021G.

5.18.1.25 Reversal of Impairment on Property and Equipment

The reversal of impairment on properties and equipment amounted to SAR 2.6 million in FY 2021G and -SAR 4.5 million in FY 2022G, based on the annual reassessment of the Company's fleet.

Reversal of inventory impairment provision

The reversal of inventory impairment provision amounted to SAR 458 thousand in FY 2022G, relating to provisions previously allocated for sold spare parts.

5.18.1.26 Gross profit

Table 76: Gross profit for financial years ended 31 December 2020G, 2021G, and 2022G

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Variance 2020G - 2021G	Annual Variance 2021G - 2022G	2020G-2022G CAGR
Revenues	Percentage points					
Long-term Lease	247,388	274,901	320,437	11.1%	16.6%	9.0%
Vehicle Sales	144,573	92,601	82,461	(35.9%)	(10.9%)	(17.1%)
Workshop and Service Center	10,392	15,077	27,150	45.1%	80.1%	37.7%
Total Revenues	402,354	382,578	430,048	(4.9%)	12.4%	2.2%
cost of sales						
Long-term Lease	167,125	143,952	186,451	(13.9%)	29.5%	3.7%
Vehicle Sales	93,080	59,624	67,390	(35.9%)	13.0%	(10.2%)
Workshop and Service Center	2,760	8,453	13,561	206.3%	60.4%	70.0%
Total cost of sales	262,965	212,030	267,402	(19.4%)	26.1%	0.6%
Gross profit						
Long-term Lease	80,263	130,949	133,986	63.2%	2.3%	18.6%
Vehicle Sales	51,493	32,976	15,071	(36.0%)	(54.3%)	(33.6%)
Workshop and Service Center	7,633	6,623	13,589	(13.2%)	105.2%	21.2%
Gross profit	139,389	170,549	162,646	22.4%	(4.6%)	5.3%
Gross profit margin						
Long-term Lease	32.4%	47.6%	41.8%	15.2	(5.8)	9.4
Vehicle Sales	35.6%	35.6%	18.3%	(0.0)	(17.3)	(17.3)
Workshop and Service Center	73.4%	43.9%	50.1%	(29.5)	6.1	(23.4)
Gross profit margin	34.6%	44.6%	37.8%	9.9	(6.8)	3.2

Source: Management information.

5.18.1.27 Leases

Gross profit from long-term leases increased by 63.2% from SAR 80.3 million in FY 2020G to SAR 130.9 million in FY 2021G, driven by an 11.1% increase in long-term lease revenues coupled with a change in the depreciation policy from 6 to 7 years, resulting in lower depreciation as a percentage of revenues, decreasing from 32.7% to 26.5% during the period. Simultaneously, the average vehicle depreciation decreased from SAR 12.3 thousand to SAR 8.9 thousand. Consequently, the gross profit margin from long-term leases increased by 15.2 percentage points from 32.4% in FY 2020G to 47.6% in FY 2021G.

Gross profit from long-term leases increased by 2.3% from SAR 130.9 million in FY 2021G to SAR 134.0 million in FY 2022G, in line with the 16.6% increase in long-term lease revenues. In parallel, the gross profit margin from long-term lease decreased by 5.8 percentage points from 47.6% in FY 2021G to 41.8% in FY 2022G due to the new classification of credit loss provision of SAR 11.7 million as a cost of sales (previously classified as a separate line item after gross profit), coupled with an increase in Repair and maintenance as a percentage of total revenues from 5.1% in FY 2021G to 7.6% in FY 2022G due to the increase in fleet size and outsourcing costs.

5.18.1.28 Vehicle Sales

Gross profit from vehicle sales decreased by 36.0% from SAR 51.5 million in FY 2020G to SAR 32.9 million in FY 2021G, driven by a decrease in revenues from SAR 144.6 million in FY 2020G to SAR 92.6 million in FY 2021G. The gross profit margin remained stable at 35.6% in both FY 2020G and FY 2021G.

Gross profit from vehicle sales decreased by 33.6% from SAR 32.9 million in FY 2021G to SAR 15.1 million in FY 2022G, in line with the decrease in the gross profit margin from 35.6% to 18.3% during the same period. This decrease was primarily driven by: (1) The change in the depreciation policy, extending the car depreciation period from 6 years to 7 years, resulting in a higher net book value of vehicles at the time of sale, which typically occurs between the third and fifth year of a vehicle's life. It is worth noting that profitability of vehicles aged 5 and 6 years was the most impacted, with the profit margin decreasing from 82.3% in FY 2021G to 49.1% in FY 2022G. These vehicles were previously highly profitable, as they were sold when they were almost fully depreciated, leading to high profits under the previous depreciation policy, and (2) Selling more vehicles within the 2 to 3-year age bracket, which are relatively less profitable.

Workshop and Service Center

Gross profit from the workshop and service center decreased by 13.2% from SAR 7.6 million in FY 2020G to SAR 6.6 million in FY 2021G, in line with the decrease in the gross profit margin from 73.4% to 43.9%, driven by an increase in the cost of spare parts consumed related to maintenance.

Gross profit from the workshop and service center increased by 105.2% from SAR 6.6 million in FY 2021G to SAR 13.6 million in FY 2022G, resulting from an increase in the gross profit margin from 43.9% to 50.1%, driven by an increase in revenues from SAR 15.1 million to SAR 27.2 million during the same period.

5.18.1.29 General and Administrative Expenses

Table 77: General and administrative expenses for financial years ended 31 December 2020G, 2021G, and 2022G

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Variance 2020G - 2021G	Annual Variance 2021G - 2022G	2020G-2022G CAGR
Employee cost	26,105	27,614	27,541	5.8%	(0.3%)	2.7%
Licenses and permits	2,106	3,603	4,912	71.1%	36.3%	52.7%
Travel and Transportation	475	589	2,063	23.8%	250.6%	108.4%
Service utilities	730	885	1,689	21.1%	91.0%	52.1%
Amortization of intangible assets	-	515	1,136	N/A	120.7%	N/A
Professional and Consultancy Fees	3,778	1,621	1,183	(57.1%)	(27.1%)	(44.0%)
Recruitment and Training	-	1,752	145	N/A	(91.7%)	N/A
Lease expense	494	703	742	42.2%	5.5%	22.5%
Depreciation of Right-of-Use Assets	-	-	806	N/A	N/A	N/A
Depreciation of Property and Equipment	-	369	691	N/A	87.4%	N/A
Depreciation and Amortization	899	-	-	(100.0%)	N/A	(100.0%)

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Variance 2020G - 2021G	Annual Variance 2021G - 2022G	2020G-2022G CAGR
Office Expenses	-	421	331	N/A	(21.3%)	N/A
Vehicle Expenses	803	-	-	(100.0%)	N/A	(100.0%)
Impairment loss / (reversal of impairment loss provision)	(19)	457	290	N/A	(36.5%)	N/A
Repair and maintenance	205	236	229	15.3%	(3.0%)	5.8%
Other Expenses	953	1,855	389	94.7%	(79.1%)	(36.1%)
Total	36,529	40,620	42,147	11.2%	3.8%	7.4%

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

General and administrative expenses consist primarily of employee costs (which constituted around 65% of total general and administrative expenses in FY 2022G), licenses and permits (12%), travel and transportation (5%), service utilities (4%), and others.

5.18.1.30 Employee cost

Employee cost primarily consists of basic salaries, housing allowance, and outsourced employee costs among other items.

Employee cost increased by 5.8% from SAR 26.1 million in FY 2020G to SAR 27.6 million in FY 2021G, primarily driven by an increase in headcount by 1 employee.

Employee cost remained relatively stable between FY 2021G and FY 2022G at SAR 27.5 million in FY 2022G, despite an additional increase in headcount by 5 employees, as this was offset by a decrease in the average monthly cost per employee (-SAR 1.4 thousand).

5.18.1.31 Licenses and Permits

Licenses and permits include the cost and fees for registering the necessary and mandatory licenses and permits for operating the leased vehicles and running the workshops and service centers. Licenses and permits also include ERP system licenses used by the Company in its commercial functions, pricing, procurement, workshops, IT, HR, and finance. The Company uses Infor M3 system, started to be implemented during Q4 of FY 2021G, and Salesforce system, started to be implemented during Q1 of FY 2022G.

Licenses and permits increased by 71.1% from SAR 2.1 million in FY 2020G to SAR 3.6 million in FY 2021G, primarily due to an increase in ERP system license costs (+ SAR 1.4 million) in line with an increase in number of users driven by an increase in the Company's total headcount.

Licenses and permits further increased by 36.6% from SAR 3.6 million in FY 2021G to SAR 4.9 million in FY 2022G, primarily due to an increase in registration costs (+ SAR 2.4 million) from opening new branches (workshops and service centers), coupled with an additional increase in the number of users in line with the increase in headcount during the same period.

5.18.1.32 Travel and Transportation

Travel and transportation costs relate to business trips by executive managers, including travel tickets and their per diems.

Travel and transportation costs increased by 23.8% from SAR 475 thousand in FY 2020G to SAR 589 thousand in FY 2021G, resulting from the easing of travel restrictions after the recovery from COVID-19 pandemic.

Travel and transportation costs further increased by 250.6% from SAR 589 thousand in FY 2021G to SAR 2.1 million in FY 2022G, resulting from the full recovery from COVID-19 pandemic and the return to normal business activities.

5.18.1.33 Service Utilities

Service utilities costs increased by 21.1% from SAR 730 thousand in FY 2020G to SAR 885 thousand in FY 2021G, and by a further 91.0% to reach SAR 1.7 million in FY 2022G, primarily driven by an increase in network lines and telephone expenses in line with the increase in workshop and service center branches from 4 in FY 2020G to 5 in FY 2021G and 6 in FY 2022G, in addition to the expansion of the Company's headquarters in the Eastern Region.

5.18.1.34 Amortization of Intangible Assets

Amortization of intangible assets is primarily related to the various ERP systems used by the Company.

Amortization of intangible assets was nil in FY 2020G as it was classified under the depreciation and amortization account.

Amortization of intangible assets increased by 120.7% from SAR 515 thousand in FY 2021G to SAR 1.1 million in FY 2022G.

5.18.1.35 Professional and Consultancy Fees

Professional and consultancy fees primarily relate to IT licensing for the CarPro (ERP) system and IT consultancy fees related to the implementation of new ERP systems, Infor M3 and Salesforce.

Professional and consultancy fees decreased by 57.1% from SAR 3.8 million in FY 2020G to SAR 1.6 million in FY 2021G, primarily due to the termination of CarPro (ERP) system contract, where the Company incurred an exceptional expense of SAR 1.2 million in FY 2020G paid to an external IT consultancy firm as fees for setting up and programming the new IT programs, specifically Infor M3 and Salesforce systems.

Professional and consultancy fees further decreased by 27.1% to reach SAR 1.2 million in FY 2022G.

5.18.1.36 Recruitment and Training

Recruitment and training costs included fees charged by an external recruitment firm, as the Company hired a recruitment firm during FY 2021G to meet recruitment requirements and fulfill the responsibilities of the Recruitment Manager position, which was vacant during the year. The Company also enrolled its employees in the KnowledgeCity site/program to provide training to its employees, reflecting the Company's strong belief in investing in its human capital, which cost SAR 750 thousand for two years, fully paid in FY 2021G.

Recruitment and training costs decreased by 91.7% to reach SAR 145 thousand in FY 2022G, as they terminated their contract with the external recruitment firm in FY 2022G, having hired the Recruitment team and Recruitment Manager. Additionally, there was a decrease of SAR 750 thousand resulting from the exceptional training expense incurred by the Company and fully paid in FY 2021G.

5.18.1.37 Lease Expense

Lease expense primarily included the rent of small workshops and service centers in Riyadh and Dammam. Lease expense increased by 42.2% from SAR 494 thousand in FY 2020G to SAR 703 thousand and SAR 742 thousand in FY 2021G and FY 2022G, respectively, primarily due to the addition of two new advanced workshops in Riyadh and Dammam.

5.18.1.38 Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets is primarily related to the Company's long-term lease agreements for the head office in Khobar and the workshop in Yanbu, which led to the recognition of a right-of-use asset in FY 2022G. Accordingly, depreciation of right-of-use assets amounted to SAR 806 thousand in FY 2022G.

5.18.1.39 Depreciation of Property and Equipment

Depreciation of property and equipment relates to the depreciation of tools and equipment, leasehold improvements, furniture and fixtures, and computers and communication devices used in the head office and regional offices. Depreciation of property and equipment was nil in FY 2020G as it was classified under depreciation and amortization by the Company's previous auditor. Depreciation of property and equipment increased by 87.4% from SAR 369 thousand in FY 2021G to SAR 691 thousand in FY 2022G, primarily driven by business expansion with an increase in the number of sites and headcount.

5.18.1.40 Depreciation and Amortization

Depreciation and amortization relate to depreciation expenses associated with the Company's head office and major branches.

Depreciation and amortization decreased from SAR 899 thousand in FY 2020G to nil in FY 2021G and FY 2022G, primarily driven by the reclassification to depreciation of property and equipment and amortization of intangible assets in FY 2021G.

5.18.1.41 Office Expenses

Office expenses primarily relate to cleaning and housekeeping expenses at the head office and branches. Office expenses were nil in FY 2020G as they were classified under other expenses.

Office expenses decreased by 21.3% from SAR 421 thousand in FY 2021G to SAR 331 thousand in FY 2022G.

5.18.1.42 Vehicle Expenses

Vehicle expenses relate to miscellaneous vehicle expenses. Vehicle expenses decreased from SAR 803 thousand in FY 2020G to nil in FY 2021G and FY 2022G after being reclassified to cost of sales.

Impairment loss / (reversal of impairment loss provision)

Impairment loss / (reversal of impairment loss provision) amounted to SAR 19 thousand in FY 2020G, SAR 457 thousand in FY 2021G, and SAR 290 thousand in FY 2022G; it primarily relates to the impairment of slow-moving spare parts.

5.18.1.43 Repair and Maintenance

Repair and maintenance expenses primarily relate to maintenance works at the workshops, service centers, head office, and major branches. Repair and maintenance expenses increased by 5.8% from SAR 205 thousand in FY 2020G to SAR 236 thousand and SAR 229 thousand in FY 2021G and FY 2022G, respectively, in line with the increase in the number of branches.

5.18.1.44 Other Expenses

Other expenses primarily included car towing, meeting and conference costs, printing and stationery, inventory obsolescence charges, vehicle transfer costs, and others.

Other expenses increased by 94.7% from SAR 953 thousand in FY 2020G to SAR 1.9 million in FY 2021G, primarily due to an increase in vehicle transfer costs of SAR 780 thousand.

Other expenses decreased by 79.1% to SAR 389 thousand in FY 2022G due to the reclassification of vehicle transfer costs to cost of sales (-SAR 780 thousand), coupled with decreases in (1) printing and stationery (-SAR 267 thousand), (2) VAT (-SAR 242 thousand), and (3) inventory obsolescence charges (-SAR 180 thousand).

5.18.1.45 Selling and Distribution Expenses

Table 78: Selling and Distribution Expenses for financial years ended 31 December 2020G, 2021G, and 2022G

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Variance 2020G - 2021G	Annual Variance 2021G - 2022G	2020G-2022G CAGR
Employee cost	31,879	38,080	48,666	19.5%	27.8%	23.6%
Commission and advertising	6,450	7,381	6,925	14.4%	(6.2%)	3.6%
Depreciation of Right-of-Use Assets	-	3,155	3,552	N/A	12.6%	N/A
Depreciation of Property and Equipment	-	1,586	1,022	N/A	(35.5%)	N/A
Amortization of intangible assets	-	-	17	N/A	N/A	N/A
Others	8,938	7,087	10,278	(20.7%)	45.0%	7.2%
Depreciation and Amortization	3,281	-	-	(100.0%)	N/A	(100.0%)
Impairment (Reversal) / Charge on Assets Held for Lease	(975)	-	-	(100.0%)	N/A	(100.0%)
Total	49,573	57,290	70,461	15.6%	23.0%	19.2%

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

Selling and distribution expenses primarily consist of employee cost (around 69% of total selling and distribution expenses in FY 2022G), commissions and advertising (9.8%), depreciation of right-of-use assets (5.0%), depreciation of property and equipment (15%), among other expenses.

5.18.1.46 Employee cost

Employee costs comprise basic salaries, housing allowances, costs of outsourced employees, among other expenses.

Employee costs increased by 19.5% from SAR 31.9 million in FY 2020G to SAR 38.1 million in FY 2021G, primarily driven by an increase in headcount by 55 employees.

Employee costs further increased by 27.8% to reach SAR 48.7 million in FY 2022G, in line with an additional increase in headcount by 31 more employees, coupled with an increase in the average monthly cost per employee (+ SAR 1.6 thousand).

5.18.1.47 Commission and Advertising

Commissions and advertising relate to the sales team commissions, which are determined based on pre-set sales targets and evaluated and paid out quarterly. Additionally, this expense includes advertising and marketing costs, including social media, campaigns, participation in exhibitions, events, and seminars.

Commissions and advertising increased by 14.4% from SAR 6.5 million in FY 2020G to SAR 7.4 million in FY 2021G, primarily driven by an increase in commissions (+ SAR 565 thousand) and advertising expenses (+ SAR 373 thousand).

Commissions and advertising decreased by 6.2% to reach SAR 6.9 thousand in FY 2022G.

5.18.1.48 Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets relates to the depreciation associated with workshops and service centers. In FY 2020G, depreciation of right-of-use assets was not classified separately but was combined with depreciation of property and equipment under the "Depreciation and Amortization" line item. Accordingly, depreciation of right-of-use assets was nil in FY 2020G.

Depreciation of right-of-use assets increased by 12.6% from SAR 3.2 million in FY 2021G to SAR 3.6 million in FY 2022G, primarily attributable to an increase in the number of workshops and service centers from 4 in FY 2021G to 9 in FY 2022G.

It is worth noting that the Company leased three new yards in Yanbu (February 2022G), Riyadh (December 2022G), and Jeddah (December 2022G) to comply with new regulations requiring the Company to maintain a sufficient number of yards to accommodate its workforce and growing fleet, especially buses and trucks.

5.18.1.49 Depreciation of Property and Equipment

Depreciation of property and equipment included depreciation expenses related to leasehold improvements, furniture and fixtures at the workshops, service centers, and vehicle yards.

Depreciation of property and equipment was nil in FY 2020G as it was presented in a separate line item along with depreciation of right-of-use assets under "Depreciation and Amortization". Depreciation of property and equipment decreased from SAR 1.6 million in FY 2021G to SAR 1.0 million in FY 2022G.

5.18.1.50 Impairment (Reversal) / Charge on Assets Held for Lease

Impairment (reversal) / charge on assets held for lease primarily relates to the impairment of vehicles.

Impairment (reversal) / charge on assets held for lease amounted to (-SAR 975 thousand) in FY 2020G in relation to the reversal of impairment charges on sold vehicles and decreased to nil in FY 2021G and FY 2022G as it was reclassified to cost of sales.

5.18.1.51 Depreciation and Amortization

Depreciation and amortization included depreciation of right-of-use assets and depreciation of property and equipment during FY 2020G.

The expense decreased from SAR 3.3 million in FY 2020G to nil in FY 2021G and FY 2022G due to the reclassification of each expense to a separate line item.

5.18.152 Amortization of intangible assets

Amortization of intangible assets relates to the Company's HR and finance software and amounted to SAR 17 thousand in FY 2022G, which was classified under selling and distribution expenses as the amortization charge is included under general and administrative expenses.

5.18.153 Other Expenses

Other expenses primarily included licenses and registrations, repair and maintenance, travel costs, service utilities, lease expense, and others.

Other expenses decreased by 20.7% from SAR 8.9 million in FY 2020G to SAR 7.1 million in FY 2021G, then increased by 45.0% to SAR 10.3 million in FY 2022G due to (1) an increase in repair and maintenance operations (+ SAR 2.3 million) resulting from the increase in the number of workshops and service centers, (2) costs incurred on new licenses and registrations for the new workshops, service centers, and vehicle yards (+ SAR 1.7 million).

5.18.154 Finance Costs

Table 79: Finance costs for financial years ended 31 December 2020G, 2021G, and 2022G

SAR in 000s	FY 2020G	FY 2021G	FY 2022G	Annual Variance 2020G - 2021G	Annual Variance 2021G - 2022G	2020G-2022G CAGR
Interest on Term Loans		10,832	21,585	N/A	99.3%	N/A
Lease Liabilities		651	1,372	N/A	110.7%	N/A
Employees' End-of-Service Benefits		-	459	N/A	N/A	N/A
Bank Charges		-	742	N/A	N/A	N/A
Total	11,825	11,483	24,158	(2.9%)	110.4%	N/A

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

Finance costs primarily consist of interest on term loans (around 89% of total finance costs in FY 2022G), interest on lease liabilities, employees' end-of-service benefits, and bank charges.

5.18.155 Interest on Term Loans

Interest on term loans increased by 99.3% from SAR 10.8 million in FY 2021G to SAR 21.6 million in FY 2022G, in line with the increase in the loan balance from SAR 392.0 million to SAR 608.7 million and the rise in SAIBOR rates.

5.18.156 Lease Liabilities

Lease liabilities increased by 110.7% from SAR 651 thousand in FY 2021G to SAR 1.4 million in FY 2022G, driven by the increase in right-of-use assets during the same period.

5.18.157 Employees' End-of-Service Benefits

Employees' end-of-service benefits amounted to SAR 459 thousand in FY 2022G.

5.18.158 Bank Charges

Bank charges amounted to SAR 742 thousand in FY 2022G, which were classified under cost of sales by the Company's previous auditor.

5.18.2 The Company's statement of financial position as of 31 December 2020G, 2021G, and 2022G

Table 80: The Company's statement of financial position as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Assets			
None-current assets			
Property and Equipment	601,588	668,979	884,217
Right-of-use assets	7,841	19,036	34,280
Intangible assets	2,079	6,322	4,933
Total non-current assets	611,508	694,337	923,429
Current assets			
Inventory	5,457	10,128	10,869
Trade accounts receivable	119,871	143,904	184,862
Receivables from related parties	8,055	7,775	8,489
Advances, prepayments and other current assets	19,155	17,329	19,330
Bank and cash balances	5,580	5,192	13,615
Total current assets	158,118	184,328	237,165
Total assets	769,626	878,665	1,160,595
Equity and liabilities			
Equity			
Capital	120,000	180,000	180,000
Statutory Reserve	20,246	26,392	29,068
Retained Earnings	62,427	109,744	137,619
additional partner contributions	52,000	-	-
Total Equity	254,673	316,136	346,687
Liabilities			
None-current liabilities			
Non-current portion of term loans	164,156	194,683	323,367
Lease Liabilities	5,450	16,522	28,474
Employees' End-of-Service Benefits	15,712	18,096	16,646
Total none-current liabilities	185,318	229,302	368,487
Current liabilities			
Current portion of term loans	160,775	197,356	285,340
Trade Accounts Payable	111,508	78,890	81,622
Accrued expenses and other current liabilities	30,258	27,521	46,766
Zakat payable	2,892	4,510	5,263
Amounts due to related parties	19,466	20,855	20,869
Lease Liabilities - Current portion	3,134	4,095	5,562
Total current liabilities	329,636	333,227	445,422
Total liabilities	514,954	562,529	813,908
Total equity and liabilities	769,626	878,665	1,160,595
KPIs			
Inventory days	21	62	64
Accounts receivable days – long-term leases	250	237	242
Accounts payable days	82	109	59
Cash conversion cycle	246	190	246

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

In FY 2021G, several accounts were reclassified. Accordingly, the classifications of accounts below have been adjusted in accordance with the latest changes for comparative purposes:

- Right-of-use assets were classified as part of property and equipment as of 31 December 2020G, and were subsequently reclassified into a separate line item in the financial years ended 31 December 2021G and 31 December 2022G.
- Accrued expenses and other current liabilities were classified as part of trade payables as of 31 December 2020G, and were subsequently reclassified into a separate line item in the financial years ended 31 December 2021G and 31 December 2022G.
- Amounts due to related parties were classified as part of trade receivables and payables as of 31 December 2020G, and were subsequently reclassified into a separate line item in the financial years ended 31 December 2021G and 31 December 2022G.
- Vehicles were separately recognized under assets held for lease as of 31 December 2020G, were classified under property. Assets held for lease were reclassified under property and equipment in the financial years ended 31 December 2021G and 31 December 2022G.

For comparative purposes, we have reclassified these accounts as of 31 December 2020G, to conform with the classifications in the financial years ended 31 December 2021G and 31 December 2022G.

5.18.2.1 Non-current assets

Table 81: Non-current assets as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Property and Equipment	601,588	668,979	884,217
Right-of-use assets	7,841	19,036	34,280
Intangible assets	2,079	6,322	4,933
Total non-current assets	611,508	694,337	923,429

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

5.18.2.2 Property and Equipment

Table 82: Net book value of property and equipment as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Vehicles	591,330	657,155	856,842
Tools and Equipment	629	1,116	2,683
Leasehold Improvements	5,740	6,933	20,268
Furniture and Fixtures	2,551	2,370	2,571
Computers and Communication Devices	1,339	1,405	1,853
Total	601,588	668,979	884,217

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

5.18.2.3 Vehicles

Table 83: Net book value of vehicles as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Cost			
As of 1 January	772,367	829,784	917,551
Additions	370,347	230,670	388,683
Conversion to inventory	(312,931)	(142,903)	(152,777)
As of 31 December	829,784	917,551	1,153,457

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Accumulated depreciation and accumulated impairment			
As of 1 January	317,471	238,454	260,396
Charged for the year	131,735	101,375	124,335
Impairment loss	6,598	2,587	(4,515)
Conversion to inventory	(217,350)	(82,021)	(83,600)
As of 31 December	238,454	260,396	296,615
Net book value	591,330	657,155	856,842

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

5.18.2.4 Vehicles

Vehicles constituted approximately 97% of property and equipment during the period between FY 2020G to FY 2022G.

Al-Jazira Equipment Company's fleet comprises various types of vehicles, including sedans, AWD vehicles, buses, trucks, and light trucks. These vehicles are used in long-term leases with customers, which typically range from 3 to 6 years.

The net book value of vehicles includes their cost, after deducting the accumulated depreciation and any impairment losses. Vehicles are depreciated on a straight-line basis over a period ranging from 4 to 7 years.

During FY 2021G, Al-Jazira Equipment Company reviewed its accounting estimates related to the useful lives of vehicles, resulting in an increase in the useful lives of vehicles from 6 years to 7 years. The impact of this change on accounting estimates was reflected in the income statement for FY 2021G.

The net book value of vehicles increased from SAR 591.3 million as of 31 December 2020G, to SAR 657.2 million as of 31 December 2021G, primarily driven by additions of SAR 230.7 million related to 2,879 vehicles (including SAR 28.9 million related to vehicle enhancements to meet customers' requirements). These additions were largely related to the expansion of Al-Jazira Equipment Company's long-term lease segment to cater to a broader base of customers across diverse sectors and to renew the existing fleet. This was offset by (1) a transfer of SAR 60.9 million to inventory related to 1,835 vehicles, as Al-Jazira Equipment Company transfers vehicles from property and equipment to inventory upon the expiration of their respective leases, based on the vehicle's condition and remaining useful life, (2) the year's depreciation (SAR 101.4 million), and (3) impairment (SAR 2.6 million).

Furthermore, the value of vehicles increased to SAR 856.8 million as of 31 December 2022G, primarily driven by additions of SAR 388.7 million related to 3,290 vehicles (including an additional cost of SAR 18.7 million for vehicle enhancements and modifications).

5.18.2.5 Tools and Equipment

Tools and equipment represent approximately 1% of total property and equipment during the period between FY 2020G and FY 2022G, related to tools and equipment for workshops and service centers.

Tools and equipment increased from SAR 0.6 million as of 31 December 2020G, to SAR 1.1 million as of 31 December 2021G, and further to SAR 2.7 million as of 31 December 2022G, driven by additions made during these periods.

5.18.2.6 Leasehold Improvements

Leasehold improvements primarily relate to Al-Jazira Equipment Company's workshops and service centers.

The net book value of leasehold improvements increased from SAR 5.7 million as of 31 December 2020G, to SAR 6.9 million as of 31 December 2021G, and further increased to SAR 20.3 million as of 31 December 2022G, driven by additions of SAR 14.3 million related to the opening of two new workshops in Riyadh and Dammam during the year.

5.18.2.7 Furniture and Fixtures

The net book value of furniture and fixtures, primarily related to Al-Jazira Equipment Company's branches and head office, slightly decreased from SAR 2.6 million as of 31 December 2020G, to SAR 2.4 million as of 31 December 2021G, due to the depreciation cost for the year. It subsequently increased to SAR 2.6 million as of 31 December 2022G, driven by minor additions.

5.18.2.8 Computers and Communication Devices

Computers and communication devices are primarily used in Al-Jazira Equipment Company's offices and branches, increasing from SAR 1.3 million as of 31 December 2020G, and 31 December 2021G, to SAR 1.9 million as of 31 December 2022G, driven by additions made during the year.

5.18.2.9 Right-of-use assets

Table 84: Right-of-use assets as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
As of 1 January	9,635	7,841	19,036
Additions	1,960	14,350	23,482
Depreciation expense	(3,128)	(3,155)	(4,358)
Adjustment to leases	(629)	-	(3,879)
As of 31 December	7,841	19,036	34,280

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

Al-Jazira Equipment Company recognized right-of-use assets in accordance with the leasing standards outlined under IFRS 16, for the first time in FY 2019G, amounting to SAR 7.8 million and SAR 19.0 million as of 31 December 2020G and 31 December 2021G, respectively. These primarily comprise the leased head office building in Khobar, in addition to workshops, service centers, and yards in Riyadh, Yanbu, and Jeddah, as shown in the table above.

As of 31 December 2022G, the right-of-use assets amounted to SAR 34.3 million, consisting of the head office building in Khobar, Khurais Road office and workshop in Riyadh (SAR 7.8 million), Palestine Road workshop in Jeddah (SAR 5.4 million), among others.

The net book value of right-of-use assets increased from SAR 7.8 million as of 31 December 2020G to SAR 19.0 million as of 31 December 2021G due to the addition of two new lease agreements in FY 2021G. These agreements included an office, workshop and service center on Khurais Road in Riyadh, and staff accommodation in Riyadh. This was partially offset by the expiration of Riyadh head office's agreement.

The net book value further increased to SAR 34.3 million as of 31 December 2022G, primarily driven by the long-term lease for the head office in Khobar and the office in Yanbu, leading to the addition of two new lease agreements. In addition, four new lease agreements were added, comprising a yard in Jeddah, a yard in Riyadh, a yard in Yanbu, and a workshop on Palestine Road in Jeddah.

5.18.2.10 Intangible Assets

Table 85: Intangible assets as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
As of 1 January	3,451	4,365	9,123
Additions	914	4,758	15
Exclusions	(1)	-	(272)
As of 31 December	4,365	9,123	8,865
Amortization			
As of 1 January	1,820	2,286	2,801
Amortization for the year	467	515	1,153
Exclusions	(1)	-	(21)
As of 31 December	2,286	2,801	3,932
Net book value	2,079	6,322	4,933

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

Intangible assets primarily relate to computer software utilized by Al-Jazira Equipment Company. The net book value of intangible assets increased from SAR 4.3 million as of 31 December 2020G to SAR 9.1 million as of 31 December 2021G, driven by the addition of two new systems (Infor M3 and Salesforce). The net book value of intangible assets decreased to SAR 4.9 million as of 31 December 2022G, driven by the annual amortization during the year.

5.18.2.11 Current Assets

Table 86: Current assets as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Inventory	5,457	10,128	10,869
Trade accounts receivable	119,871	143,904	184,862
Receivables from related parties	8,055	7,775	8,489
Advances, prepayments and other current assets	19,155	17,329	19,330
Bank and cash balances	5,580	5,192	13,615
Total current assets	158,118	184,328	237,165

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

Inventory

Table 87: Inventory as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Vehicles held for sale	5,743	6,715	8,502
Spare parts	1,959	6,114	4,611
Less: obsolete inventory provision	(2,245)	(2,702)	(2,244)
Total	5,457	10,128	10,869
Below is the movement in slow moving inventory provision:			
Balance as of 1 January	2,263	2,245	2,702
(Reversal of provision) / provision of the year	(19)	457	(458)
Balance as of 31 December	2,245	2,702	2,244

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

The statement of financial position for FY 2022G was extracted from Al-Jazira Equipment Company's audited financial statements for the year ended on 31 December 2022G. During the nine-month period ended on 30 September 2023G, Al-Jazira Equipment Company revised vehicles depreciation estimates to align with applicable financial reporting framework requirements. This included introducing a residual value for vehicles and assuming that the vehicle's useful life is based on the lease term, unlike the previous practice that relied on the estimated useful life derived from the useful life determined by the lease conditions, without including the residual value assumption.

The revaluation process led to a restatement of the carrying value of vehicles, inventories held for sale, as well as vehicle depreciation expense and cost of vehicle sales. Consequently, these items were restated for prior periods (FY ended on 31 December 2022G). Based on the unaudited financial statements as of 30 September 2023G, the adjustments were reflected in the Company's statement of financial position as of 1 January 2022G and 31 December 2022G. For further information on the adjustment, refer to Section 5.19.2 "**The Company's statement of financial position as of 31 December 2022G and 30 September 2023G**".

Inventory primarily comprised vehicles transferred from Al-Jazira Equipment Company's fleet and available for sale, and spare parts utilized in the workshops and service centers.

Inventory increased from SAR 5.5 million as of 31 December 2020G to SAR 10.1 million as of 31 December 2021G, driven by an increase in spare parts (+SAR 4.2 million).

Inventory increased slightly from SAR 10.1 million as of 31 December 2021G to SAR 10.9 million as of 31 December 2022G, driven by an increase in vehicles held for sale (+SAR 1.8 million), offset by a decrease in spare parts balance (-SAR 1.5 million).

5.18.2.12 Trade Receivables

Table 88: Trade Receivables as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Accounts Receivable	196,226	215,443	273,251
Unbilled accounts receivable	3,589	7,506	2,388
Total book value of accounts receivable	199,815	222,948	275,639
Less: ECL Provision	(79,944)	(79,044)	(90,776)
Total	119,871	143,904	184,862

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

5.18.2.13 Book value of trade accounts receivable by customer type

Table 89: Book value of trade accounts receivable by customer type as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Long-term leases	169,233	178,630	212,170
Insurance companies	5,370	12,863	38,036
Daily lease	13,587	12,670	12,297
Vehicle Sales	6,421	10,953	10,602
Maintenance centers	1,616	326	146
Total	196,226	215,443	273,251

Source: Management information.

5.18.2.14 Ages of trade accounts receivable and receivables from related parties

Table 90: Ages of trade accounts receivable and receivables from related parties as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G		As of 31 December 2021G		As of 31 December 2022G	
	Book value	ECL Provision	Book value	ECL Provision	Book value	ECL Provision
Current	45,144	1,672	63,218	786	59,132	716
0-90 days	38,434	1,831	48,002	1,444	59,655	1,557
91-180 days	14,024	1,451	16,384	1,706	29,681	2,016
181-270 days	12,876	1,640	8,930	1,838	20,216	3,604
271-360 days or more	97,392	73,351	94,189	73,271	115,442	82,882
Balance at the end of year	207,871	79,944	230,723	79,044	284,127	90,776

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G, and management information.

The aging schedule of accounts receivable and dues from related parties comprises (1) the carrying value of accounts receivable, (2) dues from related parties, and (3) unbilled accounts receivable.

5.18.2.15 Accounts Receivable

Accounts receivable primarily relate to customers of long-term lease segment, and the credit terms offered by Al-Jazira Equipment Company to its customers generally range from 30 to 90 days, contingent upon a set of unique factors for each customer. These factors include the customer's business engagement, market presence duration determining their creditworthiness, and the size of the institution.

Total accounts receivable increased from SAR 196.2 million as of 31 December 2020G to SAR 215.4 million as of 31 December 2021G, primarily attributable to (1) an increase in accounts receivable arising from long-term leases (+SAR 9.3 million) in line with the 11.1% increase in long-term lease revenues between FY 2020G and FY 2021G, (2) an increase in dues from insurance companies (+SAR 7.5 million) in line with the rise in accrued expenses and other current liabilities, and (3) an increase in dues from vehicle sales (+SAR 4.5 million).

Total accounts receivable further increased to SAR 273.3 million as of 31 December 2022G, driven by an increase in accounts receivable from (1) long-term lease customers (+SAR 33.5 million) on the back of the 16.6% increase in long-term lease revenues, and (2) a rise in accounts receivable related to insurance companies, specifically (i) Allianz Insurance Company (+SAR 18.5 million) and (ii) Wataniya Insurance Company (+SAR 14.0 million), due to increased insurance claims that were under discussion and negotiation before reaching an outcome and settlement during FY 2023G.

The total accounts receivable as of 31 December 2022G primarily related to receivables from (1) long-term lease customers amounting to SAR 212.2 million (approximately 78% of total accounts receivable), with around 35% pertaining to government and semi-government entities and the remainder relating to major corporations and private entities. This category included balances related to (i) customers with active leases and normal credit terms, in addition to customers with expired leases whose balances exceeded one year for which Al-Jazira Equipment Company incurred ECL provisions for the balances from these customers, and (2) receivables from insurance companies amounting to SAR 38.0 million, primarily related to Allianz Insurance Company (SAR 22.3 million) and Wataniya Insurance Company (SAR 14.4 million), with these balances largely associated with insurance claims submitted beyond 90 days which were under discussion and negotiation before reaching an outcome and settlement during FY 2023G, and (3) receivables from long-term leases amounting to SAR 12.3 million, which were balances over one year old, for which Al-Jazira Equipment Company recorded a full provision as they pertained to the daily rental business segment that was discontinued in FY 2019G, with the expectation of ultimately writing off these outstanding amounts.

5.18.2.16 ECL Provision

ECL provision is made using a simplified approach in accordance with IFRS 9 by applying the ECL rate to defined age groups. After this calculation, an ECL of 0% is assigned to low-risk customers, 50% to medium-risk customers, and 100% to high-risk customers.

ECL provision amounted to SAR 90.8 million as of 31 December 2022G, relating to (1) SAR 8.2 million against receivables to related parties recorded under accounts receivable, (2) SAR 0.9 million against unbilled receivables, and (3) SAR 82.6 million against accounts receivable, primarily related to 20 customers, representing approximately 75% of total ECL provision balance.

ECL provision increased from SAR 79.0 million as of 31 December 2021G to SAR 90.8 million as of 31 December 2022G, resulting from an increase in provisions for balances of Allianz Insurance Company (+SAR 4.1 million) due to its aged balances (over one year), Wataniya Insurance Company (+SAR 3.9 million) due to its aged balances, and other customers with balances over one year old.

5.18.2.17 Receivables from related parties

Table 91: Receivables from related parties as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Saudi Economic and Development Holding Company (SEDCO)	7,304	6,817	6,840
Al Mahmal Facilities Services Company	138	509	1,092
Elaf Hotel Group	178	59	336
Elaf for Travel and Tourism	195	221	102
Intimaa Real Estate Services Company	32	112	57
Nahdi Medical company	-	14	14
Banoon Company	6	6	6
Arabian Entertainment Co. Ltd. (Tarfeeh)	183	-	5
AlShiaka	-	-	37
Elaf Red Sea Mall Hotel	22	38	-
Total	8,055	7,775	8,489

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

Receivables from related parties decreased from SAR 8.1 million as of 31 December 2020G to SAR 7.8 million as of 31 December 2021G, resulting from a decrease in the balance due from Saudi Economic and Development Holding Company (SEDCO) (-SAR 0.5 million), partially offset by an increase in receivables from related parties associated with long-term leases. It is worth noting that the balance of SAR 6.8 million due from Saudi Economic and Development Holding Company (SEDCO) as of 31 December 2022G was fully settled during FY 2023G.

Receivables from related parties increased from SAR 7.8 million as of 31 December 2021G to SAR 8.5 million as of 31 December 2022G, driven by an increase in the balance from Al Mahmal Facilities Services Company (+SAR 0.6 million) and other related parties associated with long-term leases.

Advances, Prepayments, and Other Current Assets

Table 92: Advances, Prepayments, and Other Current Assets as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Recoverable VAT	9,644	6,013	9,579
Employee loans	2,884	2,821	3,530
Prepayments	1,232	1,607	2,949
Advances to suppliers	5,395	6,533	1,387
Cash Margins	-	354	1,196
Other Accounts Receivable	-	-	690
Total	19,155	17,329	19,330

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

5.18.2.18 Recoverable VAT

Recoverable VAT relates to receivables from Zakat, Tax, and Customs Authority (ZTCA). The process involves submitting monthly VAT returns with a payment or recovery position. Al-Jazira Equipment Company remains in the recovery position until ZTCA settles these balances.

Recoverable VAT decreased from SAR 9.6 million as of 31 December 2020G to SAR 6.0 million as of 31 December 2021G, in line with the decrease in revenues subject to VAT recovery during FY 2020G and FY 2021G.

Recoverable VAT balance increased from SAR 6.0 million as of 31 December 2021G to SAR 9.6 million as of 31 December 2022G, driven by an increase in revenues during FY 2021G and FY 2022G. The balance was subsequently refunded to Al-Jazira Equipment Company during FY 2023G.

5.18.2.19 Employee loans

Employee loans include loans provided to employees in addition to the prepaid housing allowance. All employees are eligible for a housing allowance paid upfront for 6 months, subject to obtaining the required approvals from Human Resources.

However, eligibility for the loan is not unified for all employees. Loans are granted exclusively under specific circumstances, requiring special approval from top management. Additionally, the loan value must not exceed 33.3% of the employee's salary.

Employee loans increased from an average of SAR 2.9 million as of 31 December 2020G and 31 December 2021G to SAR 3.5 million as of 31 December 2022G, primarily attributable to the increase in total number of employees at Al-Jazira Equipment Company.

5.18.2.20 Prepayments

Prepayments primarily relate to property insurance and prepaid rent, among other items. Prepayments increased from SAR 1.2 million as of 31 December 2020G to SAR 1.6 million as of 31 December 2021G, resulting from an increase in prepaid rent (+SAR 261 thousand) and prepaid property insurance (+SAR 147 thousand) in line with the opening of a new workshop and service center in Riyadh.

Prepayments further increased to SAR 2.9 million as of 31 December 2022G, due to prepaid property insurance (+SAR 646 thousand) and prepaid rent (+SAR 156 thousand) in line with the opening of a new workshop and service center in Dammam.

5.18.2.21 Advances to Suppliers

Advances to suppliers primarily relate to advances made to Abdul Latif Jameel Company. The balance increased from SAR 5.4 million as of 31 December 2020G to SAR 6.5 million as of 31 December 2021G, mainly attributable to an increase in purchases from Abdul Latif Jameel Company and consequently higher advances to it. The balance decreased to SAR 1.4 million as of 31 December 2022G, primarily due to a decrease in purchases.

5.18.2.22 Cash Margins

Cash margins relate to deposits with suppliers and on lease agreements. Cash margins increased from nil as of 31 December 2020G to SAR 354 thousand and SAR 1.2 million as of 31 December 2021G and 31 December 2022G, respectively.

5.18.2.23 Other Accounts Receivable

Other accounts receivable amounted to SAR 690 thousand as of 31 December 2022G, primarily relating to zakat and VAT claims pertaining to the pre-financial year 2021G period. The balance was subsequently settled during the first half of FY 2023G.

5.18.2.24 Bank and Cash Balances

Table 93: Bank and cash balances as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Cash at bank	5,249	4,863	13,278
Cash in hand	331	329	338
Total	5,580	5,192	13,615

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

5.18.2.25 Cash at Bank

Cash at bank relates to the cash held in the Company's current accounts, and it increased from SAR 5.2 million as of 31 December 2020G to SAR 4.9 million as of 31 December 2021G.

Cash at bank further increased from SAR 4.9 million as of 31 December 2021G to SAR 13.3 million as of 31 December 2022G.

5.18.2.26 Cash on Hand

Cash on hand amounted to SAR 338 thousand as of 31 December 2022G, and had remained steady at an average of around SAR 330 thousand during FY 2020G and FY 2021G.

Table 94: Equity as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Capital	120,000	180,000	180,000
Statutory Reserve	20,246	26,392	29,068
Retained Earnings	62,427	109,744	137,619
additional partner contributions	52,000	-	-
Total	254,673	316,136	346,687

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

5.18.2.27 Capital

Al-Jazira Equipment Company's capital amounts to SAR 180.0 million, divided into 180,000 shares with a total value of SAR 1,000 per share, with 99.0% owned by Saudi Economic and Development Holding Company (SEDCO), and 1.0% by Sadad Trading Company Limited. The shareholders of Al-Jazira Equipment Company decided to increase the capital by SAR 60.0 million through converting additional partner contributions (SAR 52.0 million) and retained earnings (SAR 8.0 million) into capital as of 31 December 2021G. The legal procedures related to the capital increase were completed, and capital was increased to SAR 180.0 million.

5.18.2.28 Statutory Reserve

The statutory reserve increased from SAR 20.2 million as of 31 December 2020G to SAR 26.4 million as of 31 December 2021G, and to SAR 29.1 million as of 31 December 2022G, in line with the transfer of 10% of net income as per the Company's Articles of Association and the Companies Law in the Kingdom of Saudi Arabia, where Al-Jazira Equipment Company is required to transfer 10% of its annual net income to statutory reserve until this reserve equals 30% of its capital.

5.18.2.29 Retained Earnings

Retained earnings relate to the Company's accumulated profits after the amount transferred to statutory reserve during the financial year, as Al-Jazira Equipment Company did not distribute dividends in the financial years from 2020G to 2022G.

Retained earnings increased from SAR 62.5 million as of 31 December 2020G to SAR 109.8 million as of 31 December 2021G, and to SAR 137.7 million as of 31 December 2022G.

5.18.2.30 Additional partner contributions

Additional partner contributions amounted to SAR 52.0 million as of 31 December 2020G, and was capitalized into capital as of 31 December 2022G, to strengthen the balance sheet in order to support business growth and create additional borrowing capacity.

5.18.2.31 None-current liabilities

Table 95: None-current liabilities as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Non-current portion of term loans	164,156	194,683	323,367
Lease Liabilities	5,450	16,522	28,474
Employees' End-of-Service Benefits	15,712	18,096	16,646
Total	185,318	229,302	368,487

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

5.18.2.32 Term loans

Table 96: Term loans as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Term loans	324,931	392,040	608,707
Less: current portion	(160,775)	(197,356)	(285,340)
Total	164,156	194,683	323,367

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

Table 97: Maturity dates of term loans as of 31 December 2022G

SAR in 000s	As of 31 December 2022G
2023G	285,340
2024G	200,962
2025G	115,833
2026G	6,571
Total	608,707

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

Table 98: Term loans by bank as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	Maturity date	Interest rate	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Riyad Bank	12 April 2026G	SAIBOR + 1.75%	259,164	278,167	321,667
Banque Saudi Fransi	31 May 2026G	SAIBOR + 1.65%	-	65,000	277,829
Riyad Bank	12 February 2023G	SAIBOR + 1.75%	15,362	25,755	9,211
Riyad Bank	N/A	SAIBOR + 1.75%	50,406	23,118	-
Total	N/A	N/A	324,931	392,040	608,707

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

5.18.2.33 Non-Current Portion of Long-Term Loans

Al-Jazira Equipment Company's loans amounted to SAR 608.7 million as of 31 December 2022G. Al-Jazira Equipment Company typically secures loans from banks upon signing lease agreements, lease contracts, and issuing purchase orders for new vehicles. In most cases, banks require an assignment of lease proceeds until the loan amount is settled. This means that the lessee must pay monthly lease payments to the designated bank. The bank loan as of 31 December 2022G primarily comprises the following:

A loan from Riyad Bank amounting to SAR 321.6 million for financing vehicle purchases, bearing a profit margin at commercial rates (SAIBOR + the agreed rate of 1.75%). Covenants and conditions include assigning proceeds to an account with Riyad Bank. Additionally, another loan from Riyad Bank amounting to SAR 9.2 million with similar rates and conditions, maturing in February 2023G, was obtained for a specific contract with a customer.

A loan from Banque Saudi Fransi amounting to SAR 277.8 million, obtained in FY 2021G, bearing a profit margin at commercial rates (SAIBOR + the agreed rate of 1.65%). Covenants and conditions include: (1) maintaining a maximum leverage ratio of three times, and (2) assigning proceeds from contracts exceeding SAR 20.0 million to an account with Banque Saudi Fransi.

The non-current portion of long-term loans increased from SAR 164.2 million as of 31 December 2020G to SAR 194.7 million as of 31 December 2021G, driven by the addition of a new loan from Banque Saudi Fransi during the financial year.

The non-current portion of long-term loans further increased from SAR 194.7 million as of 31 December 2021G to SAR 323.4 million as of 31 December 2022G, driven by another increase in the loan from Banque Saudi Fransi during the financial year.

5.18.2.34 Movement in Provision for Employees' End-of-Service Benefits

Table 99: Movement in Provision for Employees' End-of-Service Benefits as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
As of 1 January	13,372	15,712	18,096
Current service cost	2,317	2,851	2,897
Finance cost	541	538	459
Actuarial gains	1,354	(5)	(3,788)
Payments during the year	(1,872)	(999)	(1,020)
As of 31 December	15,712	18,096	16,646

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

Employees' end-of-service benefits are estimated using actuarial valuations in accordance with IFRS standards. They increased from SAR 15.7 million as of 31 December 2020G to SAR 18.1 million as of 31 December 2021G, due to the current service cost of employees.

The balance decreased to SAR 16.6 million as of 31 December 2022G, primarily due to actuarial gains of SAR 3.8 million offset by SAR 2.9 million from the current service cost of employees.

5.18.2.35 Current Liabilities

Table 100: Current liabilities as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Current portion of term loans	160,775	197,356	285,340
Trade Accounts Payable	111,508	78,890	81,622
Accrued expenses and other current liabilities	30,258	27,521	46,766
Zakat payable	2,892	4,510	5,263
Amounts due to related parties	19,466	20,855	20,869
Lease Liabilities - Current portion	3,134	4,095	5,562
Total current liabilities	329,636	333,227	445,422

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

5.18.2.36 Current Portion of Term Loans

The current portion of term loans represents the amount expected to be settled within the next financial year following the reporting year, and these loans are primarily utilized for the purchase of vehicles. The current portion of term loans increased from SAR 160.8 million as of 31 December 2020G, to SAR 197.4 million as of 31 December 2021G, and further to SAR 285.3 million as of 31 December 2022G, due to an increase in loans during the period.

5.18.2.37 Trade Accounts Payable

Trade accounts payable primarily consist of (1) payables to vehicle suppliers (approximately 58% of total trade accounts payable), (2) spare parts payables (17%), (3) insurance companies (14%), among other payables.

The credit period for trade accounts payable to vehicle suppliers typically ranges from 90 to 120 days, while payables to insurance companies and other spare parts suppliers have a range of credit terms, varying from 30 to 90 days.

Trade accounts payable decreased from SAR 111.5 million as of 31 December 2020G, to SAR 78.9 million as of 31 December 2021G (- SAR 32.7 million), primarily driven by a decrease in payables to vehicle suppliers (- SAR 23.9 million) due to higher vehicle purchases by Al-Jazira Equipment Company during FY 2020G amounting to SAR 370.4 million compared to SAR 230.7 million during FY 2021G.

Trade accounts payable slightly increased from SAR 78.9 million as of 31 December 2021G, to SAR 81.6 million as of 31 December 2022G, driven by an increase in payables to (1) Allianz Insurance Company (+ SAR 9.8 million) due to Al-Jazira Equipment Company's delayed payments to Allianz resulting from an increase in claims owed to Allianz, and (2) spare parts suppliers (+ SAR 5.4 million) as Al-Jazira Equipment Company operates a larger fleet. This was partially offset by a decrease in payables to vehicle suppliers (- SAR 11.9 million) due to higher payments made during the financial year.

5.18.2.38 Accrued expenses and other current liabilities

Table 101: Accrued expenses and other current liabilities as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Accrued expenses	28,625	18,978	37,567
Accrued Interest	1,603	2,599	6,927
Advance from a Customer	1,634	5,944	2,272
Total current liabilities	31,862	27,521	46,766

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

5.18.2.39 Accrued Expenses

Accrued expenses included payables to suppliers (approximately 53% of total accrued expenses as of 31 December 2022G), accrued employee benefits (11%), leave allowance (9%), and others.

The decrease from SAR 28.6 million as of 31 December 2020G to SAR 19.0 million as of 31 December 2021G was primarily due to a decrease in fixed asset clearing accounts (-SAR 8.3 million) and other accrued expenses (-SAR 2.0 million), partially offset by an increase in (1) accrued employee benefits (+SAR 448 thousand), which accrue monthly and are paid in April of the following financial year, (2) social insurance (+SAR 418 thousand), (3) accrued professional fees (+SAR 406 thousand).

Accrued expenses increased to SAR 37.6 million as of 31 December 2022G due to the reclassification of payables to suppliers amounting to SAR 20.1 million from trade accounts payable. This was partially offset by a decrease in accrued employee benefits (-SAR 1.1 million).

5.18.2.40 Accrued Interest

Accrued interest relates to interest on the two loans obtained from Riyadh Bank and Banque Saudi Fransi. Accrued interest increased during the period between FY 2020G and FY 2022G from SAR 1.6 million as of 31 December 2020G to SAR 2.6 million and SAR 6.9 million as of 31 December 2021G and 31 December 2022G, respectively, due to an increase in borrowings for vehicle purchases to expand Al-Jazira Equipment Company's business operations and an increase in SAIBOR rates during the same period.

5.18.2.41 Advance Payment from a Customer

Advance from a customer represents advance payments received from customers, which are typically two monthly lease payments paid in advance. Al-Jazira Equipment Company requires some of its customers to pay in advance for two months based on their creditworthiness, without requiring all customers to follow advance payment arrangements. Consequently, the advance from a customer increased from SAR 1.6 million as of 31 December 2020G to SAR 5.9 million as of 31 December 2021G, and subsequently decreased to SAR 2.3 million as of 31 December 2022G based on the factors mentioned above.

5.18.2.42 Zakat Provision

Zakat provision increased from SAR 2.9 million as of 31 December 2020G to SAR 4.5 million as of 31 December 2021G and to SAR 5.3 million as of 31 December 2022G.

5.18.2.43 Amounts Due to Related Parties

Table 102: Amounts Due to Related Parties as of 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Saudi Economic and Development Holding Company (SEDCO)	19,466	20,855	20,869
Total current liabilities	19,466	20,855	20,869

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

The amounts due from Saudi Economic and Development Holding Company (SEDCO) relate to the accumulated expenses for shared services, where Al-Jazira Equipment Company benefited from shared services provided by Saudi Economic and Development Holding Company (SEDCO), most notably legal and IT services. Al-Jazira Equipment Company terminated this arrangement due to application of the new (ERP) system (Infor M3 and Salesforce) and engaging with external lawyers during FY 2022G.

The amounts due to Saudi Economic and Development Holding Company (SEDCO) increased from SAR 19.5 million as of 31 December 2020G to SAR 20.9 million as of 31 December 2021G, and remained at SAR 20.9 million as of 31 December 2022G. Subsequently, the entire amount was settled in FY 2023G (SAR 20.0 million was capitalized as capital, and the remaining amount was paid).

Lease Liabilities - Current Portion

The current portion of lease liabilities increased from SAR 3.1 million as of 31 December 2020G to SAR 4.1 million as of 31 December 2021G and to SAR 5.6 million as of 31 December 2022G, in line with the increase in the number of leases.

5.18.3 Statement of Cash Flows

Table 103: Statement of Cash Flows for financial years ended 31 December 2020G, 2021G, and 2022G

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Operating activities			
Profit before zakat	18,853	65,351	31,603
Adjustments to reconcile profit before zakat with net cash flows:			
Depreciation of Property and Equipment	3,713	103,330	126,500
Amortization of intangible assets	131,735	515	1,153
Depreciation of Right-of-Use Assets	467	3,155	4,358
Cost of employees' end-of-service benefits	(975)	3,389	2,897
(Reversal of provision) / provision charged for impairment on property and equipment	1	2,587	(4,515)
ECLs allowance	2,858	-	11,732
Loss from property and equipment sale	22,981	-	35
(Reversal of provision) impairment/ loss of inventory	11,825	457	(458)
Finance cost	(19)	11,483	24,158
Net cash generated from operating activities	191,440	190,267	197,463
Changes in working capital:			
Inventory	(2,171)	55,754	68,893
Trade accounts receivable	(3,486)	(23,752)	(52,690)
Advances, prepayments and other current assets	(11,529)	1,826	(2,001)
Receivables from related parties	-	-	(714)
Accrued expenses and other current liabilities	52,393	(35,914)	14,918
Trade Accounts Payable	-	-	2,732
Amounts due to related parties	-	-	13
Cash gained from operations	226,647	188,181	228,615
Paid employees' end-of-service benefits	(1,872)	(999)	(1,020)
Vehicle additions	-	(230,670)	(388,683)
Paid finance cost	(12,289)	(10,486)	(17,999)
Paid zakat	(3,616)	(2,275)	(4,088)
Net cash used in operating activities	208,870	(56,250)	(183,175)
Investing activities			
Property and equipment additions (other than vehicles)	(1,539)	(3,519)	(17,815)
Additions in intangible assets	-	-	(15)
Revenues achieved from property and equipment sale	-	-	65
Purchase assets held for lease	(370,347)	-	-

SAR in 000s	As of 31 December 2020G	As of 31 December 2021G	As of 31 December 2022G
Convert assets held for lease	95,581	-	-
Sales / (purchases) of intangible assets	(914)	(4,758)	251
Net Cash Used in Investing Activities	(277,220)	(8,277)	(17,513)
Financing activities			
additional partner contributions	25,000	-	-
Payments of lease liabilities	(931)	(2,969)	(7,555)
Term loans received	29,800	421,582	486,475
Term loans repaid	-	(354,474)	(269,808)
Net Cash from Financing Activities	53,870	64,140	209,112
Net increase / (decrease) in cash and bank balances	(14,480)	(388)	8,423
Cash and bank balances at the beginning of year	20,060	5,580	5,192
Cash and bank balances at the end of year	5,580	5,192	13,615

Source: Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2021G and 2022G.

5.18.3.1 Net cash generated from operating activities

Net cash generated from operating activities decreased from SAR 208.9 million in FY 2020G to SAR -56.3 million in FY 2021G due to the reclassification of vehicle additions from investing activities to operating activities. Previously, vehicle additions were recognized under investing activities, whereas in FY 2022G, vehicle additions were recognized under operating activities. This was coupled with the negative impact from changes in working capital primarily driven by a decrease in trade payables during the year (-SAR 88.3 million), partially offset by an increase in inventory (+SAR 58.0 million) as this balance included the number of vehicles transferred from property and equipment amounting to SAR 95.6 million in FY 2020G and was previously classified under investing activities by KPMG.

Net cash generated from operating activities further decreased to SAR -183.2 million in FY 2022G, primarily driven by an increase in cash outflows for the purchase of vehicles (-SAR 158.0 million), partially offset by the positive impact from changes in working capital (+SAR 33.3 million).

5.18.3.2 Net Cash Used in Investing Activities

Net cash used in investing activities decreased from SAR -277.2 million in FY 2020G to SAR -8.3 million in FY 2021G, primarily due to the reclassification of vehicle additions from investing activities to operating activities. Net cash from investing activities increased to SAR -17.5 million in FY 2022G, primarily driven by higher capital expenditures related to the opening of two new workshops.

5.18.3.3 Net Cash from Financing Activities

Net cash from financing activities increased from SAR 53.9 million in FY 2020G to SAR 64.1 million in FY 2021G, primarily driven by an increase in net loan flows of SAR 37.3 million, partially offset by a decrease from the additional partner contribution (SAR -25.0 million) as no further additional contribution was made in FY 2021G.

Net cash from financing activities further increased to SAR 209.1 million in FY 2022G, primarily driven by an increase in net loan flows of SAR 149.6 million, partially offset by an increase in lease liability payments in line with the increase in the number of leases following the addition of workshops and yards in FY 2022G.

5.19 Results of Operations for both Nine-Month Periods Ended on 30 September 2022G and 30 September 2023G

5.19.1 Statements of Profit or Loss and Other Comprehensive Income for both nine-month periods ended on 30 September 2022G and 2023G.

Table 104: Statements of Profit or Loss and other comprehensive income for both nine-month periods ended on 30 September 2022G and 2023G

SAR in 000s	The nine-month period ended on 30 September 2022G (Unaudited)	The nine-month period ended on 30 September 2023G (Unaudited)	Period change ratio
Revenues	317,672	372,666	17.3%
Cost of sales	(189,927)	(208,748)	10.2%
Gross profit	127,746	163,918	27.8%
General and administrative expenses	(33,773)	(34,583)	2.4%
Selling and distribution expenses	(52,838)	(55,548)	5.1%
Operating profit	41,135	73,787	79.4%
Other income	3,885	9,644	148.3%
Finance Costs	(15,716)	(40,275)	156.3%
Profit before zakat	29,303	43,156	44.7%
Zakat	(3,299)	(3,200)	(3.0%)
Profit for the year	26,004	39,956	50.6%
Other comprehensive income	4,046	1,198	(70.4%)
Total comprehensive income for the year	30,050	41,155	37.0%

Source: Al-Jazira Equipment Company's audited financial statements for the financial year ended 31 December 2022G, management information, and Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G, and management information.

SAR in 000s	The nine-month period ended on 30 September 2022G	The nine-month period ended on 30 September 2023G	Period change ratio
KPIs			
Long-term lease			
Number of vehicles at the end of the year	12,604	16,235	28.8%
Weighted average of rented fleet (Number of vehicles)	12,560	14,746	17.4%
Average monthly rate for each lease	2,096	2,185	4.2%
Vehicle Sales			
Number of sold vehicles	1,339	1,557	16.2%
Average sale price for each vehicle	46,655	44,213	(5.2%)
Number of branches	6	6	-
As a percentage of revenues			
Gross profit margin	40.2%	44.0%	3.8
General and administrative expenses	10.6%	9.3%	(1.4)
Selling and distribution expenses	16.6%	14.9%	(1.7)
Operating profit margin	13.1%	19.8%	6.7
Net profit margin	8.2%	10.7%	2.5

Source: Management information.

5.19.1.1 Revenues

Revenues increased by 17.3% from SAR 317.7 million in the nine-month period ended on 30 September 2022G to SAR 372.7 million in the nine-month period ended on 30 September 2023G due to an increase in long-term lease revenues of SAR 53.0 million after the weighted average number of vehicles increased from 12,560 in the nine-month period ended on 30 September 2022G to 14,746 in the nine-month period ended on 30 September 2023G, driven by:

1. Government sector (+SAR 22.4 million, +1,108 vehicles) driven by new contracts with new customers whose needs were met with different vehicle categories such as sedans and AWD vehicles.
2. Transportation and logistics sector (+SAR 9.7 million, +107 vehicles) driven by new contracts with existing and new customers, primarily fulfilled through trucks.
3. Food and agriculture industry (+SAR 4.7 million, +230 vehicles) related to contracts with new and existing customers whose needs were met through different vehicle categories such as sedans and buses.

This increase in revenues was accompanied by an increase in vehicle sales revenues from SAR 62.5 million in the nine-month period ended on 30 September 2022G to SAR 68.8 million in the nine-month period ended on 30 September 2023G, in line with an increase in the number of vehicles sold by 218 vehicles. This was partially offset by a decrease in revenues from the workshop and service center of SAR 4.4 million.

5.19.1.2 Cost of sales

Cost of sales included Depreciation of Property and Equipment, which accounted for 42.1% of total cost of sales, cost of vehicles sold (27.5%), insurance (14.7%), Repair and maintenance (14.2%), and cost of workshop and consumed spare parts (1.4%), among others, during the nine-month period ended on 30 September 2023G.

Cost of sales increased by 9.9% from SAR 189.9 million in the nine-month period ended on 30 September 2022G to SAR 208.7 million in the nine-month period ended on 30 September 2023G due to an increase in insurance cost (+SAR 15.0 million) after the insurance coverage increased as a percentage of the vehicles' net book value from 1.8% to 2.9%. This was coupled with an increase in (1) depreciation of property and equipment (+SAR 9.8 million) and (2) Repair and maintenance (+SAR 8.3 million), both of which increased in line with the expansion of the fleet.

5.19.1.3 Gross profit

Gross profit margin increased from 40.2% in the nine-month period ended on 30 September 2022G to 44.0% in the nine-month period ended on 30 September 2023G, primarily driven by an increase in the long-term lease segment's gross profit margin from 47.5% to 48.8% during the same period due to (1) an increase in long-term leases (+SAR 53.0 million), (2) the provision recorded in the nine-month period ended on 30 September 2022G against old receivable balances, while Al-Jazira Equipment Company did not record any ECL provision in the nine-month period ended on 30 September 2023G. This coincided with an increase in the vehicle sales margin from 9.8% in the nine-month period ended on 30 September 2022G to 16.5% in the nine-month period ended on 30 September 2023G.

5.19.1.4 General and administrative expenses

General and administrative expenses consist primarily of employee cost (65.1% of total General and administrative expenses during the nine-month period ended on 30 September 2023G), licenses and permits (13.0%), professional and consultancy fees (6.4%), service utilities (4.5%), amortization of intangible assets (approximately 3%), among others.

General and administrative expenses increased by 2.4% from SAR 33.8 million in the nine-month period ended on 30 September 2022G to SAR 34.6 million in the nine-month period ended on 30 September 2023G, due to:

1. Licenses and permits of SAR 1.4 million due to fines of SAR 1.0 million imposed by the Ministry of Transportation and Logistics related to compliance with the Saudi Standards, Metrology and Quality Organization mark.
2. Professional and consultancy fees of SAR 1.2 million as a result of fees related to services provided by the Company's strategy consultant, concerning the initiation of a new strategy refresh project that started at the beginning of FY 2023G. The consulting fees amounted to SAR 1.5 million.

This was partially offset by a decrease in employee costs of SAR 1.0 million, primarily driven by a decrease in the number of employees from 101 in the nine-month period ended on 30 September 2022G to 79 in the nine-month period ended on 30 September 2023G.

5.19.1.5 Selling and distribution expenses

Selling and distribution expenses consist primarily of employee cost (65.3% of total selling and distribution expenses in the nine-month period ended on 30 September 2023G), depreciation of right-of-use assets (7.7%), commission and advertising (7.2%), depreciation of property and equipment (3.7%), among others.

Selling and distribution expenses increased by 5.1% from SAR 52.8 million in the nine-month period ended on 30 September 2022G to SAR 55.5 million in the nine-month period ended on 30 September 2023G, primarily driven by an increase in:

1. Depreciation of Property and Equipment of SAR 1.2 million due to additions made to improvements and equipment on leased properties in the two new workshops and two service centers in Dammam and Riyadh, as well as renovation and repair works in the Asfan workshop in Jeddah, and
2. Amortization of right-of-use assets of SAR 1.1 million related to the new workshops and service centers that opened in late FY 2022G in Dammam and Riyadh.

5.19.1.6 Other Income

Other income included annual purchase discounts from vehicle suppliers (SAR 3.0 million), fines/traffic violation recoveries (SAR 2.3 million), early termination fees (SAR 1.3 million), third-party insurance payments (SAR 1.2 million), and others (SAR 1.8 million).

Other income decreased from SAR 9.6 million in the nine-month period ended on 30 September 2022G to SAR 3.9 million in the nine-month period ended on 30 September 2023G, due to an increase in (1) the annual discount on vehicle purchases (+SAR 2.3 million) due to an increase in the purchase volume during FY 2022G, and (2) fines/traffic violation recoveries (+SAR 1.5 million) related to fines imposed by Ministry of Transportation and Logistics concerning compliance with the Saudi Standards, Metrology and Quality Organization mark. The fines were imposed due to delays by customers who rented trucks in bringing their vehicles to Al-Jazira Equipment Company for sticker application, leading the Ministry to impose fines on those specific trucks. Subsequently, Al-Jazira Equipment Company recovered these incurred costs from the respective customers.

5.19.1.7 Finance Costs

Finance costs include interest on long-term loans of SAR 37.9 million in the nine-month period ended on 30 September 2023G, finance charges on lease liabilities of SAR 1.6 million in the nine-month period ended on 30 September 2023G, employees' end-of-service benefits of SAR 563 thousand, and banking charges related to service fees of SAR 742 thousand.

The significant increase in finance costs from SAR 15.7 million in the nine-month period ended on 30 September 2022G to SAR 40.3 million in the nine-month period ended on 30 September 2023G was due to the substantial increase in SAIBOR rates.

5.19.1.8 Zakat

Zakat increased slightly from SAR 3.3 million in the nine-month period ended on 30 September 2022G to SAR 3.2 million in the nine-month period ended on 30 September 2023G, due to a decrease in the zakat base.

5.19.1.9 Revenues

Table 105: Revenues by type of service for the nine-month period ended on 30 September 2022G and 2023G

SAR in 000s	The nine-month period ended on 30 September 2022G (Unaudited)	The nine-month period ended on 30 September 2023G (Unaudited)	Period change ratio
Long-term Lease	236,934	289,972	22.4%
Vehicle Sales	62,471	68,840	10.2%
Workshop and Service Center	18,267	13,855	(24.2%)
Total Revenues	317,672	372,666	17.3%
As a percentage of revenues			
Long-term Lease	74.6%	77.8%	3.2

SAR in 000s	The nine-month period ended on 30 September 2022G (Unaudited)	The nine-month period ended on 30 September 2023G (Unaudited)	Period change ratio
Vehicle Sales	19.7%	18.5%	(1.2)
Workshop and Service Center	5.8%	3.7%	(2.0)
KPIs			
Long-term Lease			
Number of vehicles at the end of the year	12,604	16,235	28.8%
Weighted average of rented fleet (Number of vehicles)	12,560	14,746	17.4%
Average monthly rate for each lease	2,096	2,185	4.2%
Vehicle Sales			
Number of sold vehicles	1,339	1,557	218
Average sale price for each vehicle	46,655	44,213	(5.2%)

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G, and management information.

5.19.10 Long-term Lease

Long-term lease represents approximately 75% of total revenues during the nine-month periods ended on 30 September 2022G and 2023G.

Long-term leases increased by 22.4% from SAR 236.9 million in the nine-month period ended on 30 September 2022G to SAR 290.0 million in the nine-month period ended on 30 September 2023G, driven by an increase in the weighted average number of vehicles from 12,560 to 14,756, as well as a slight increase in the average monthly rate per vehicle from SAR 2,100 to SAR 2,200 due to the fleet mix shifting towards more AWD vehicles and trucks, which enjoy relatively higher monthly rental rates.

The increase in long-term leases was primarily driven by an increase in the number of leases from (1) existing customers amounting to SAR 15.3 million, (2) new leases signed during the nine-month period ended on 30 September 2023G across various sectors, especially government entities amounting to SAR 26.2 million, transportation and logistics amounting to SAR 10.6 million, and others. This was offset by a decrease in revenues from expired leases amounting to SAR 53.7 million.

5.19.11 Vehicle Sales

Vehicle sales revenues represented approximately 19% of total revenues during the nine-month periods ended on 30 September 2022G and 2023G.

Vehicle sales revenues increased by 10.2% from SAR 62.5 million in the nine-month period ended on 30 September 2022G to SAR 68.8 million in the nine-month period ended on 30 September 2023G, driven by an increase in the number of sold vehicles from 1,339 to 1,557. This was slightly offset by a decrease in the average selling price per vehicle from SAR 46,700 to SAR 44,200 due to a change in the age mix of sold vehicles.

5.19.12 Workshop and Service Center

Workshop and service center represented approximately 4% of total revenues during the nine-month periods ended on 30 September 2022G and 2023G.

Revenues from workshop and service center decreased by 24.2% from SAR 18.3 million in the nine-month period ended on 30 September 2022G to SAR 13.9 million in the nine-month period ended on 30 September 2023G due to a slight decline in utilization during the period.

5.19.1.13 Revenues by Sector

Table 106: Revenues by sector for the nine-month period ended on 30 September 2022G and 2023G

SAR in 000s	The nine-month period ended on 30 September 2022G (Management information)	The nine-month period ended on 30 September 2023G (Management information)	Period change ratio
Food and beverages	42,478	44,204	4.1%
Oil, gas and renewable energy	36,532	40,349	10.4%
Transportation and logistics	35,218	44,902	27.5%
Government	37,074	59,462	60.4%
Services	21,610	23,916	10.7%
Trade	19,155	17,762	(7.3%)
Construction	17,112	19,141	11.9%
Manufacturing	11,870	13,860	16.8%
Communications, media and IT	4,596	6,250	36.0%
Food and Agriculture	2,794	7,491	168.1%
Total Top 10	228,439	277,338	21.4%
Others	8,495	12,634	48.7%
Total	236,934	289,972	22.4%
Percentage to total			Variance of percentage
Top 3	48.4	51.2	2.8
Top 5	73.0	73.4	0.4
Top 10	96.4	95.6	(0.8)
Average number of vehicles			
Food and beverages	2,519	2,602	3.3%
Oil, gas and renewable energy	1,334	1,573	17.9%
Transportation and logistics	1,532	1,639	7.0%
Government	2,662	3,769	41.6%
Services	1,072	1,179	10.0%
Trade	1,005	972	(3.3%)
Construction	907	957	5.6%
Manufacturing	645	718	11.3%
Communications, media and IT	403	505	25.3%
Food and Agriculture	116	346	198.9%
Total Top 10	12,194	14,260	16.9%
Others	366	485	32.6%
Total	12,560	14,746	17.4%
Average monthly rate per vehicle			
Food and beverages	1,873	1,888	0.8%
Oil, gas and renewable energy	3,043	2,849	(6.3%)

SAR in 000s	The nine-month period ended on 30 September 2022G (Management information)	The nine-month period ended on 30 September 2023G (Management information)	Period change ratio
Transportation and logistics	2,555	3,044	19.1%
Government	1,548	1,753	13.3%
Services	2,240	2,255	0.6%
Trade	2,117	2,030	(4.1%)
Construction	2,097	2,222	5.9%
Manufacturing	2,044	2,143	4.9%
Communications, media and IT	1,268	1,376	8.6%
Food and Agriculture	2,685	2,408	(10.3%)
Total Top 10	2,081	2,161	3.8%
Other	2,579	2,892	12.2%
Total	2,096	2,185	4.2%

Source: Management information.

Long-term lease revenues increased by 22.4%, i.e. SAR 53.0 million, from SAR 236.9 million in the nine-month period ended on 30 September 2022G to SAR 290.0 million in the nine-month period ended on 30 September 2023G, driven by an increase in the weighted average number of leased vehicles from 12,560 to 14,746, coupled with a slight increase in the average monthly rate per vehicle from SAR 2,100 to SAR 2,200. This increase was primarily attributable to:

An increase in revenues from government entities of SAR 22.4 million, with an increase in the weighted average number of leased vehicles by 1,108 vehicles, primarily driven by agreements with new entities primarily serving using sedans, AWDs, and trucks. This was coupled with an increase in the average monthly rate per vehicle from SAR 1,500 to SAR 1,800, as this increase was met through AWDs and truck categories, which enjoy relatively higher average monthly rates compared to other vehicle types.

An increase from the transportation and logistics sector of SAR 9.7 million, in line with an increase in the weighted average number of vehicles by 107 vehicles for new agreements with existing and new customers, coupled with an increase in the average monthly rate per vehicle from SAR 2,500 to SAR 3,000, as these services were primarily provided through the truck category, which enjoys relatively higher average monthly rates compared to other vehicle types.

An increase in the food and agriculture sector of SAR 4.7 million, with an increase in the weighted average number of vehicles by 230 vehicles for leases with new customers amounting to SAR 1.5 million and new leases with existing customers amounting to SAR 3.2 million. These needs were primarily met using 116 sedans, 67 trucks, and 41 buses.

An increase in the oil, gas, and renewable energy sector of SAR 3.8 million, with an increase in the weighted average number of vehicles by 239 vehicles, primarily for new leases with existing customers whose needs were met through small trucks and AWD vehicles.

5.19.1.14 Revenues from long-term leases by region

Table 107: Revenues from long-term leases by region for the nine-month period ended on 30 September 2022G and 2023G

SAR in 000s	The nine-month period ended on 30 September 2022G	The nine-month period ended on 30 September 2023G	Period change ratio
Central region	69,900	93,379	33.6%
Eastern region	97,235	103,314	6.3%
Western region	66,144	88,667	34.1%
Others	3,665	4,611	25.8%
Total Revenues	236,934	289,972	22.4%

Source: Management information.

5.19.1.15 Revenues from long-term leases by type of vehicle

Table 108: Revenues from long-term leases by type of vehicle for the nine-month period ended on 30 September 2022G and 2023G

SAR in 000s	The nine-month period ended on 30 September 2022G	The nine-month period ended on 30 September 2023G	Period change ratio
Sedan	70,095	85,688	22.2%
Bus	52,709	50,673	(3.9%)
Pick up	38,911	45,685	17.4%
AWD	35,800	51,095	42.7%
Trucks	34,433	50,340	46.2%
Others	4,987	6,491	30.2%
Total Revenues	236,934	289,972	22.4%

Source: Management information.

5.19.1.16 Cost of sales

Table 109: Cost of sales for the nine-month period ended on 30 September 2022G and 2023G

SAR in 000s	The nine-month period ended on 30 September 2022G (Unaudited)	The nine-month period ended on 30 September 2023G (Unaudited)	Period change ratio
Depreciation of Property and Equipment	78,121	87,944	12.6%
Cost of sold vehicles	56,375	57,493	2.0%
Repair and maintenance	21,436	29,686	38.5%
Insurance	15,714	30,714	95.5%
Cost of Workshop and Consumed Spare Parts	9,230	2,911	(68.5%)
ECL provision	9,051	-	(100.0%)
Total	189,926	208,748	10.2%
Insurance as book value of vehicles	1.8%	2.9%	1.1
Number of vehicles	1,339	1,557	218
Average cost of sold vehicle (SAR)	41,431	36,926	(4,505)
Average number of vehicles	12,560	14,746	2,185
Average depreciation cost per vehicle (SAR)	6,249	5,964	(285)
As a percentage of revenues			
Depreciation of Property and Equipment	24.6%	23.6%	(1.0)
Cost of sold vehicles	17.7%	15.4%	(2.3)
Repair and maintenance	6.7%	8.0%	1.2
Insurance	4.9%	8.2%	3.3
Cost of Workshop and Consumed Spare Parts	2.9%	0.8%	(2.1)
ECL provision	2.8%	0.0%	(2.8)
Total	59.8%	56.0%	(3.8)

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G, and management information.

Cost of sales amounted to SAR 208.7 million during the nine-month period ended on 30 September 2023G, and consists of (1) Depreciation of Property and Equipment, which accounted for approximately 42%, (2) cost of sold vehicles, which accounted for around 28%, (3) insurance, which accounted for approximately 15%, (4) Repair and maintenance, which accounted for approximately 14%, and (5) cost of workshop and consumed spare parts, which accounted for approximately 1% of total cost of sales during the period, among other items.

5.19.1.17 Depreciation of Property and Equipment

Depreciation of Property and Equipment relates to the operating vehicles leased to customers.

Depreciation of Property and Equipment increased from SAR 78.1 million in the nine-month period ended on 30 September 2022G, to SAR 87.9 million in the nine-month period ended on 30 September 2023G, in line with the increase in the weighted average number of vehicles from 12,560 vehicles in the nine-month period ended on 30 September 2022G, to 14,746 vehicles in the nine-month period ended on 30 September 2023G.

5.19.1.18 Cost of sold vehicles

Cost of sold vehicles increased from SAR 56.4 million in the nine-month period ended on 30 September 2022G, to SAR 57.5 million in the nine-month period ended on 30 September 2023G, due to an increase in the number of sold vehicles from 1,339 in the nine-month period ended on 30 September 2022G, to 1,557 in the nine-month period ended on 30 September 2023G. This increase was partially offset by a decrease in the average cost per sold vehicle by SAR 4,500, as Al-Jazira Equipment Company sold a higher number of vehicles older than 3 years in the nine-month period ended on 30 September 2023G, compared to the nine-month period ended on 30 September 2022G, and sold a lower number of vehicles younger than 3 years in the nine-month period ended on 30 September 2023G, compared to the nine-month period ended on 30 September 2022G.

5.19.1.19 Repair and Maintenance

Repair and maintenance costs increased from SAR 21.4 million in the nine-month period ended on 30 September 2022G, to SAR 29.7 million in the nine-month period ended on 30 September 2023G, primarily due to the increased need for repairs on a larger number of vehicles, entailing an increase in engagement with external service providers in line with the expansion of fleet size during the period.

5.19.1.20 Insurance

Insurance costs increased from SAR 15.7 million in the nine-month period ended on 30 September 2022G, to SAR 30.7 million in the nine-month period ended on 30 September 2023G, in line with the expansion of Al-Jazira Equipment Company's fleet size and (1) a 30% increase in market price of insurance policies, (2) a change in the fleet mix towards categories requiring higher insurance premiums, and (3) a 50% increase in Al-Jazira Equipment Company's loss ratio.

The average insurance as a percentage of vehicles' net book value was around 2% during the nine-month periods ended on 30 September 2022G – 2023G.

5.19.1.21 Cost of Workshop and Consumed Spare Parts

Cost of workshop and consumed spare parts decreased from SAR 9.2 million in the nine-month period ended on 30 September 2022G, to SAR 2.9 million in the nine-month period ended on 30 September 2023G, due to a reclassification to Repair and maintenance, reflecting the strategic approach adopted by management, where they monitor both cost items, as interlinked components related to the repair and maintenance of their fleet.

5.19.1.22 ECL provision

ECL provision amounted to SAR 9.1 million in the nine-month period ended on 30 September 2022G, and was associated with additional provisions taken on long-outstanding balances related to the long-term leasing sector. Al-Jazira Equipment Company did not record any provision in the nine-month period ended on 30 September 2023G.

Table 110: Gross profit for the nine-month period ended on 30 September 2022G and 2023G

SAR in 000s	The nine-month period ended on 30 September 2022G (Unaudited)	The nine-month period ended on 30 September 2023G (Unaudited)	Period change ratio
Revenues			
Long-term Lease	236,934	289,972	22.4%
Vehicle Sales	62,471	68,840	10.2%
Workshop and Service Center	18,267	13,855	(24.2%)
Total Revenues	317,672	372,666	17.3%

SAR in 000s	The nine-month period ended on 30 September 2022G (Unaudited)	The nine-month period ended on 30 September 2023G (Unaudited)	Period change ratio
cost of sales			
Long-term Lease	124,322	148,344	19.3%
Vehicle Sales	56,375	57,493	2.0%
Workshop and Service Center	9,230	2,911	(68.5%)
Total cost of sales	189,927	208,748	9.9%
Gross profit			
Long-term Lease	112,612	141,628	25.8%
Vehicle Sales	6,097	11,346	86.1%
Workshop and Service Center	9,037	10,944	21.1%
Gross profit	127,746	163,918	28.3%
Gross profit margin			
Long-term Lease	47.5%	48.8%	1.3
Vehicle Sales	9.8%	16.5%	6.7
Workshop and Service Center	49.5%	79.0%	29.5
Gross profit margin	40.2%	44.0%	3.8

Source: Management information.

5.19.1.23 Long-term Lease

The total long-term lease profit increased by 25.8% from SAR 112.6 million in the nine-month period ended on 30 September 2022G, to SAR 141.6 million in the nine-month period ended on 30 September 2023G. This is primarily due to a 22.4% increase in long-term lease revenues during the same period.

The total long-term lease margin increased from 47.5% in the nine-month period ended on 30 September 2022G, to 48.8% in the nine-month period ended on 30 September 2023G, driven by (1) an increase in long-term lease revenues (+SAR 53.0 million), (2) the negative impact of the provision recorded in the nine-month period ended on 30 September 2022G, only against old receivable balances, as Al-Jazira Equipment Company did not record any ECL provision in the nine-month period ended on 30 September 2023G, and (3) a decrease in the average depreciation per vehicle from SAR 6.2 thousand to SAR 6.0 thousand during the same period. This was partially offset by a significant increase in insurance costs (+SAR 15.0 million) and an increase in Repair and maintenance costs (+SAR 8.3 million).

5.19.1.24 Vehicle Sales

The total vehicle sale profit increased by 86.1% from SAR 6.1 million in the nine-month period ended on 30 September 2022G, to SAR 11.3 million in the nine-month period ended on 30 September 2023G, driven by a 10.2% increase in vehicle sale revenues and an improvement in the gross profit margin from 9.8% to 16.5% due to (1) the age mix of sold vehicles and (2) losses incurred during the nine-month period ended on 30 September 2022G, related to the sale of vehicles aged 2-3 years. Primarily, these losses were incurred through the sale of Fiat Ducato, Renault Dokker, and Ford Transit for two distinct customer segments (Transportation and logistics customers and Food and beverage customers), with the loss on the sale of such brands attributed to management's decision to liquidate its entire fleet of these brands due to the limited demand.

5.19.1.25 Workshop and Service Center

The total profit from workshop and service center increased by 21.1% from SAR 9.0 million in the nine-month period ended on 30 September 2022G, to SAR 10.9 million in the nine-month period ended on 30 September 2022G, driven by an increase in the gross profit margin from 49.5% to 79.0% due to the type of services provided.

5.19.1.26 General and Administrative Expenses

Table 111: General and administrative expenses for the nine-month period ended on 30 September 2022G and 2023G

SAR in 000s	The nine-month period ended on 30 September 2022G (Management information)	The nine-month period ended on 30 September 2023G (Management information)	Period change ratio
Employee cost	23,562	22,518	(4.4%)
Licenses and permits	3,132	4,508	43.9%
Travel and Transportation	735	697	(5.2%)
Service utilities	1,154	1,558	35.0%
Amortization of intangible assets	856	879	2.7%
Professional and Consultancy Fees	996	2,201	121.1%
Recruitment and Training	676	452	(33.2%)
Lease expense	454	439	(3.3%)
Depreciation of Right-of-Use Assets	827	189	(77.2%)
Depreciation of Property and Equipment	300	318	5.9%
Depreciation and Amortization	171	253	47.5%
Impairment loss / (reversal of impairment loss provision)	165	86	(47.7%)
Repair and maintenance	744	486	(34.7%)
Total	33,773	34,583	2.4%

Source: Management information.

General and administrative expenses primarily consist of employee costs, accounting for 65.1% of total general and administrative expenses during the nine-month period ended on 30 September 2023G, licenses and permits amounting for 13.0%, professional and consultancy fees amounting for 6.4%, service utilities amounting for 4.5%, among others.

5.19.1.27 Employee cost

Employee cost primarily consists of basic salaries, which accounted for approximately 49% of employee costs in the nine-month period ended on 30 September 2023G, housing allowance at around 12%, outsourced employee costs at around 8%, medical expenses at around 5%, transportation allowances at around 5%, among others.

Employee cost decreased by 5.8% from SAR 23.6 million in the nine-month period ended on 30 September 2022G, to SAR 22.5 million in the nine-month period ended on 30 September 2023G, primarily due to a decrease in the number of employees from 101 in the nine-month period ended on 30 September 2022G, to 79 in the nine-month period ended on 30 September 2023G.

5.19.1.28 Licenses and Permits

Licenses and permits increased by 43.9% from SAR 3.1 million in the nine-month period ended on 30 September 2022G, to SAR 4.5 million in the nine-month period ended on 30 September 2023G, primarily attributable to an amount of SAR 1.0 million paid as fines imposed by the Ministry of Transportation and Logistics regarding compliance with the Saudi Standards, Metrology and Quality Organization mark. The fines were imposed due to delays by customers who rented trucks in bringing their vehicles to Al-Jazira Equipment Company for sticker application, leading the Ministry to impose fines on those specific trucks. Subsequently, Al-Jazira Equipment Company recovered these incurred costs from the respective customers.

5.19.1.29 Travel and Transportation

Travel and transportation expenses decreased by 5.2% from SAR 735 thousand in the nine-month period ended on 30 September 2022G, to SAR 697 thousand in the nine-month period ended on 30 September 2023G, primarily due to the decrease in the number of employees and management's efforts to optimize costs.

5.19.1.30 Service Utilities

Service utilities increased by 35.0% from SAR 1.2 million in the nine-month period ended on 30 September 2022G, to SAR 1.5 million in the nine-month period ended on 30 September 2023G, primarily attributable to the full operation of the new regional and head office in Dammam, inaugurated in FY 2022G. As the office reached its full operational capacity in the nine-month period ended on 30 September 2023G, the increased demand for services, including electricity, water, and other utilities, contributed to the overall increase in the expenses of service utilities.

5.19.1.31 Amortization of intangible assets

Amortization of intangible assets increased by 2.7% from SAR 856 thousand in the nine-month period ended on 30 September 2022G, to SAR 879 thousand in the nine-month period ended on 30 September 2023G.

5.19.1.32 Professional and Consultancy Fees

Professional and consultancy fees increased by 121.1% from SAR 996 thousand in the nine-month period ended on 30 September 2022G, to SAR 2.2 million in the nine-month period ended on 30 September 2023G, due to the fees related to services provided by the Company's strategy consultant, concerning the initiation of a new strategy refresh project that started in the nine-month period ended on 30 September 2023G. The consulting fees amounted to SAR 1.5 million.

5.19.1.33 Recruitment and Training

Recruitment and training expenses decreased by 33.2% from SAR 676 thousand in the nine-month period ended on 30 September 2022G, to SAR 452 thousand in the nine-month period ended on 30 September 2023G, as Al-Jazira Equipment Company stopped hiring third-party headhunters during FY 2022G.

5.19.1.34 Lease Expense

The lease expense decreased by 3.3% from SAR 454 thousand in the nine-month period ended on 30 September 2022G, to SAR 439 thousand in the nine-month period ended on 30 September 2023G.

5.19.1.35 Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets decreased by 77.2% from SAR 827 thousand in the nine-month period ended on 30 September 2022G, to SAR 189 thousand in the nine-month period ended on 30 September 2023G, primarily due to reclassification under selling and distribution expenses, mainly related to the new workshop and service center inaugurated in Dammam.

5.19.1.36 Depreciation of Property and Equipment

Depreciation of property and equipment remained relatively stable during the period from the nine-month period ended on 30 September 2022G, to the nine-month period ended on 30 September 2023G, averaging around SAR 309 thousand.

5.19.1.37 Depreciation and Amortization

Depreciation and amortization increased by 47.5% from SAR 171 thousand in the nine-month period ended on 30 September 2022G, to SAR 253 thousand in the nine-month period ended on 30 September 2023G.

Impairment loss / (reversal of impairment loss provision)

Impairment losses / (reversals) amounted to SAR 165 thousand in the nine-month period ended on 30 September 2022G, and SAR 86 thousand in the nine-month period ended on 30 September 2023G, primarily related to the impairment of damaged and expired spare parts.

5.19.1.38 Repair and Maintenance

Repair and maintenance decreased by 34.7% from SAR 744 thousand in the nine-month period ended on 30 September 2022G, to SAR 486 thousand in the nine-month period ended on 30 September 2023G, primarily due to reclassification under selling and distribution expenses, mainly related to the new workshop and service center inaugurated in Dammam.

5.19.1.39 Selling and Distribution Expenses

Table 112: Selling and Distribution Expenses for the nine-month period ended on 30 September 2022G and 2023G

SAR in 000s	The nine-month period ended on 30 September 2022G (Management information)	The nine-month period ended on 30 September 2023G (Management information)	Period change ratio
Employee cost	35,337	36,265	2.6%
Commission and advertising	4,918	4,000	(18.7%)
Depreciation of Right-of-Use Assets	3,165	4,281	35.3%
Depreciation of Property and Equipment	830	2,047	146.5%
Amortization of intangible assets	13	11	(12.1%)
Others	8,573	8,943	4.3%
Total	52,838	55,548	5.1%

Source: Management information.

Selling and distribution expenses primarily consist of employee cost, accounting for 65.3% of total selling and distribution expenses in the nine-month period ended on 30 September 2023G, Depreciation of right-of-use assets at 7.7%, Commission and advertising at 7.2%, Depreciation of property and equipment at 3.7%, among others.

5.19.1.40 Employee cost

Employee cost primarily consists of basic salaries, which accounted for approximately 43% of employee costs in the nine-month period ended on 30 September 2023G, housing allowance at around 10%, outsourced employee costs at around 21%, among others.

Employee cost increased by 2.6% from SAR 35.3 million in the nine-month period ended on 30 September 2022G, to SAR 36.3 million in the nine-month period ended on 30 September 2023G. This is primarily due to a decrease in the number of employees from 357 in the nine-month period ended on 30 September 2022G, to 340 in the nine-month period ended on 30 September 2023G.

5.19.1.41 Commission and Advertising

Commission and advertising cost decreased by 18.7% from SAR 4.9 million in the nine-month period ended on 30 September 2022G, to SAR 4.0 million in the nine-month period ended on 30 September 2023G, primarily due to management's cost optimization efforts, as management aims to reduce its spending on advertising.

5.19.1.42 Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets increased by 35.3% from SAR 3.2 million in the nine-month period ended on 30 September 2022G, to SAR 4.3 million in the nine-month period ended on 30 September 2023G, related to the new workshops and service centers inaugurated in late FY 2022G in Dammam and Riyadh.

5.19.1.43 Amortization of intangible assets

Amortization of intangible assets expenses relate to Al-Jazira Equipment Company's software and amounted to SAR 13 thousand in the nine-month period ended on 30 September 2022G, and SAR 11 thousand in the nine-month period ended on 30 September 2023G.

5.19.1.44 Others

Other selling and distribution expenses increased by 4.3% from SAR 8.6 million in the nine-month period ended on 30 September 2022G, to SAR 8.9 million in the nine-month period ended on 30 September 2023G. This is due to an increase in Repair and maintenance operations related to the two new workshops and service centers in Dammam and Riyadh. This was coupled with licenses and registration fees incurred for the new regional office (1), intended to serve as the headquarters for the Western region, and (2) the workshop and service center in Jeddah, both of which are still under construction.

5.19.1.45 Finance Costs

Table 113: Finance costs for the nine-month period ended on 30 September 2022G and 2023G

SAR in 000s	The nine-month period ended on 30 September 2022G (Unaudited)	The nine-month period ended on 30 September 2023G (Unaudited)	Period change ratio
Interest on Term Loans	13,183	37,895	187.5%
Lease Liabilities	1,590	1,590	(0.0%)
Employees' End-of-Service Benefits	344	563	63.6%
Bank Charges	599	226	(62.2%)
Total	15,716	40,275	156.3%

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G, and management information.

Finance costs increased from SAR 15.7 million in the nine-month period ended on 30 September 2022G, to SAR 40.3 million in the nine-month period ended on 30 September 2023G, due to a SAR 24.7 million increase in interest accrued on long-term loans, resulting from the significant rise in SAIBOR rates.

5.19.2 The Company's statement of financial position as of 31 December 2022G and 30 September 2023G

Table 114: Comparison between statement of financial position as of 31 December 2022G in Al-Jazira Equipment Company's audited financial statements for the financial year ended 31 December 2022G, and statement of financial position as of 31 December 2022G adjusted in Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G

SAR in 000s	As of 1 January 2022G	As of 1 January 2022G (Restated)	Variance	As of 31 December 2022G	As of 31 December 2022G (Restated)	Variance
Assets						
None-current assets						
Property and Equipment	668,979	685,897	16,918	884,217	902,525	18,308
Right-of-use assets	19,036	19,036	-	34,280	34,280	-
Assets held for lease	-	-	-	-	-	-
Intangible assets	6,322	6,322	-	4,933	4,933	-
Total non-current assets	694,337	711,255	16,918	923,429	941,737	18,308
Current assets						
Inventory	10,128	12,339	2,212	10,869	11,865	996
Trade accounts receivable	143,904	143,904	-	184,862	184,862	-
Receivables from related parties	7,775	7,775	-	8,489	8,489	-
Advances, prepayments and other current assets	17,329	17,329	-	19,330	19,330	-
Bank and cash balances	5,192	5,192	-	13,615	13,615	-
Total current assets	184,328	186,540	2,212	237,165	238,161	996
Total assets	878,665	897,795	19,130	1,160,595	1,179,898	19,304
Equity and liabilities						
Equity						
Capital	180,000	180,000	-	180,000	180,000	-
Statutory Reserve	26,392	26,392	-	29,068	29,068	-

SAR in 000s	As of 1 January 2022G	As of 1 January 2022G (Restated)	Variance	As of 31 December 2022G	As of 31 December 2022G (Restated)	Variance
Retained Earnings	109,744	128,874	19,130	137,619	156,922	19,304
additional partner contributions	-	-	-	-	-	-
Total Equity	316,136	335,266	19,130	346,687	365,990	19,304
Liabilities						
None-current liabilities						
Non-current portion of term loans	194,683	194,683	-	323,367	323,367	-
Lease Liabilities	16,522	16,522	-	28,474	28,474	-
Employees' End-of-Service Benefits	18,096	18,096	-	16,646	16,646	-
Total none-current liabilities	229,302	229,302	-	368,487	368,487	-
Current liabilities						
Current portion of term loans	197,356	197,356	-	285,340	285,340	-
Trade Accounts Payable	78,890	78,890	-	81,622	81,622	-
Accrued expenses and other current liabilities	27,521	27,521	-	46,766	46,766	-
Zakat payable	4,510	4,510	-	5,263	5,263	-
Amounts due to related parties	20,855	20,855	-	20,869	20,869	-
Lease Liabilities - Current portion	4,095	4,095	-	5,562	5,562	-
Total current liabilities	333,227	333,227	-	445,422	445,422	-
Total liabilities	562,529	562,529	-	813,908	813,908	-
Total equity and liabilities	878,665	897,794	19,130	1,160,595	1,179,898	19,304

Source: Al-Jazira Equipment Company's audited financial statements for the financial year ended 31 December 2022G, Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G, and management information.

During the nine-month period ended on 30 September 2023G, Al-Jazira Equipment Company adjusted its estimates for vehicle depreciation to align with the applicable financial reporting framework requirements. This included introducing a residual value for vehicles and assuming that the vehicle's useful life is based on the lease term, unlike the previous practice that relied on the estimated useful life derived from the useful life determined by the lease conditions, without including the residual value assumption.

The revaluation exercise resulted in a restatement of vehicles' carrying value, inventory held for sale, vehicle depreciation expense, and cost of vehicle sales. Consequently, these items were restated for prior periods (financial years ended 31 December 2022G).

Based on the unaudited financial statements as of 30 September 2023G, the adjustments were reflected in the Company's statement of financial position as of 1 January 2022G, and 31 December 2022G.

Table 115: The Company's statement of financial position as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Assets		
None-current assets		
Property and Equipment	902,525	1,143,170
Right-of-use assets	34,280	30,986
Assets held for lease	-	-
Intangible assets	4,933	4,508
Total non-current assets	941,737	1,178,664
Current assets		
Inventory	11,865	14,323
Trade accounts receivable	184,862	292,234
Receivables from related parties	8,489	2,565
Advances, prepayments and other current assets	19,330	28,930
Bank and cash balances	13,615	14,170
Total current assets	238,161	352,222
Total assets	1,179,898	1,530,886
Equity and liabilities		
Equity		
Capital	180,000	300,000
Statutory Reserve	29,068	29,068
Retained Earnings	156,922	198,076
additional partner contributions	-	-
Total Equity	365,990	527,145
Liabilities		
None-current liabilities		
Non-current portion of term loans	323,367	358,375
Lease Liabilities	28,474	23,229
Employees' End-of-Service Benefits	16,646	14,798
Total none-current liabilities	368,487	396,403
Current liabilities		
Current portion of term loans	285,340	290,486
Trade Accounts Payable	81,622	179,458
Accrued expenses and other current liabilities	46,766	74,528
Zakat payable	5,263	3,188
Amounts due to related parties	20,869	50,000
Lease Liabilities - Current portion	5,562	9,679
Total current liabilities	445,422	607,338
Total liabilities	813,908	1,003,741
Total equity and liabilities	1,179,898	1,530,886
KPIs		
Inventory days	64	78
Accounts receivable days – long-term leases	242	276
Accounts payable days	59	89
Cash conversion cycle	246	265

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G, and management information.

5.19.2.1 Non-Current Assets

Table 116: Non-current assets as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Property and Equipment	902,525	1,143,170
Right-of-use assets	34,280	30,986
Assets held for lease	-	-
Intangible assets	4,933	4,508
Total non-current assets	941,737	1,178,664

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

5.19.2.2 Property and Equipment

Table 117: Net book value of property and equipment as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Vehicles	875,150	1,112,167
Tools and Equipment	2,683	2,380
Leasehold Improvements	20,268	24,396
Furniture and Fixtures	2,571	2,304
Computers and Communication Devices	1,853	1,923
Total	902,525	1,143,170

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

5.19.2.3 Vehicles

Table 118: Net book value of vehicles as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Cost		
As of 1 January	674,073	875,150
Additions	388,683	381,375
Conversion to inventory	(80,790)	(56,413)
As of 31 December / 30 September	981,966	1,200,112
Accumulated depreciation and accumulated impairment	(106,817)	(87,944)
Net book value	875,150	1,112,167

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

5.19.2.4 Vehicles

The net book value of vehicles increased from SAR 875 million as of 31 December 2022G, to SAR 1.1 billion as of 30 September 2023G, driven by the addition of new vehicles amounting to SAR 381.4 million, comprising 3,998 vehicles, predominantly sedans and trucks, with each category representing approximately 20% of the total number of new vehicles. This was partially offset by a transfer of SAR 56.4 million to inventory and depreciation for the year amounting to SAR 87.9 million.

5.19.2.5 Tools and Equipment

The net book value of tools and equipment decreased from SAR 2.9 million as of 31 December 2022G, to SAR 2.4 million as of 30 September 2023G, due to depreciation charges during the period.

5.19.2.6 Leasehold Improvements

The net book value of leasehold improvements increased from SAR 20.3 million as of 31 December 2022G, to SAR 24.4 million as of 30 September 2023G, driven by the addition of SAR 5.5 million related to new workshops and service centers opened in late 2022G in Dammam and Riyadh, as well as renovation and refurbishment carried out at a new Workshop and Service Center in Jeddah, to comply with the standards set by the Saudi Standards, Metrology and Quality Organization, which required the workshop to be renovated to meet these standards.

5.19.2.7 Furniture and Fixtures

The net book value of furniture and fixtures slightly decreased from SAR 3.6 million as of 31 December 2022G, to SAR 2.3 million as of 30 September 2023G, due to depreciation charges during the period.

5.19.2.8 Computers and Communication Devices

The net book value of computers and communication devices remained stable at SAR 1.9 million as of 30 September 2023G.

5.19.2.9 Right-of-use assets

Table 119: Right-of-use assets as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
As of 1 January	19,036	34,280
Additions	23,482	1,518
Depreciation expense	(4,358)	(4,470)
Adjustment to leases	(3,879)	(343)
As of 31 December / 30 September	34,280	30,986

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

Right-of-use assets decreased from SAR 34.3 million as of 31 December 2022G, to SAR 31.0 million as of 30 September 2023G, as no new workshops and service centers were opened during the nine-month period ended on 30 September 2023G. Additionally, no further additions were made to the existing land plots, except for additions made at Asfan workshop and service center in Jeddah to comply with ISO standards, where the workshop required renovation and additional equipment to meet these stringent standards.

5.19.2.10 Intangible assets

Table 120: Intangible assets as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
As of 1 January	9,123	8,865
Additions	15	465
Exclusions	(272)	-
As of 31 December / 30 September	8,865	9,330
Amortization		
As of 1 January	2,801	3,932
Amortization for the year	1,153	890
Exclusions	(21)	-
As of 31 December/ 30 September	3,932	4,822
Net book value	4,933	4,508

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

Intangible assets decreased from SAR 4.9 million as of 31 December 2022G, to SAR 4.5 million as of 30 September 2023G, and consist of computer software. This is due to amortization during the period.

5.19.2.11 Current assets

Table 121: Current assets as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Inventory	11,865	14,323
Trade accounts receivable	184,862	292,234
Receivables from related parties	8,489	2,564
Advances, prepayments and other current assets	19,330	28,930
Bank and cash balances	13,615	14,170
Total current assets	238,161	352,222

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

5.19.2.12 Inventory

Table 122: Inventory as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Vehicles held for sale	9,498	8,470
Spare parts	4,611	8,150
Less: obsolete inventory provision	(2,244)	(2,296)
Total	11,865	14,323

Below is the movement in slow moving inventory provision:

Balance as of 1 January	2,702	2,244
(Reversal of provision) / provision of the year	(458)	53
Balance as of 31 December/ 30 September	2,244	2,296

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

Inventory increased from SAR 11.9 million as of 31 December 2022G, to SAR 14.3 million as of 30 September 2023G, driven by an increase in spare parts (+ SAR 4.5 million), offset by a decrease in the balance of vehicles held for sale (- SAR 1.0 million).

5.19.2.13 Trade Receivables

Table 123: Trade Receivables as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Accounts Receivable	273,251	378,870
Unbilled accounts receivable	2,388	4,140
Total book value of accounts receivable	275,639	383,010
Less: ECL Provision	(90,776)	(90,776)
Total	184,862	292,234

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

5.19.2.14 Ages of trade accounts receivable and receivables from related parties

Table 124: Ages of trade accounts receivable and receivables from related parties as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G		As of 30 September 2023G	
	Book value	ECL Provision	Book value	ECL Provision
Current	59,132	716	91,151	720
0-90 days	59,655	1,557	69,442	752
91-180 days	29,681	2,016	51,780	2,212
181-270 days	20,216	3,604	29,447	2,706
271-360 days or more	115,442	82,882	143,754	84,385
Balance at the end of year	284,127	90,776	385,575	90,776

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G, and management information.

The aging schedule of accounts receivable and dues from related parties comprises (1) the carrying value of accounts receivable, (2) dues from related parties, and (3) unbilled accounts receivable.

5.19.2.15 Accounts Receivable

Total accounts receivable increased from SAR 273.3 million as of 31 December 2022G, to SAR 378.9 million as of 30 September 2023G, driven by an increase in receivables from:

Receivables arising from long-term leases by SAR 81.2 million due to an increase in lease revenue from SAR 236.7 million for the nine-month period ended on 30 June 2022G, to SAR 290.0 million for the nine-month period ended on 30 September 2023G, primarily driven by signing new leases.

Receivables related to insurance companies, which increased from SAR 38.0 million as of 31 December 2022G, to SAR 59.4 million as of 30 September 2023G, driven by an increase in balances of Allianz Insurance Company amounting to SAR 21.9 million.

5.19.2.16 ECL Provision

ECL provision remained stable at SAR 90.8 million as of 31 December 2022G, and 30 September 2023G, and it primarily related to balances over one year old, amounting to SAR 122.4 million, for which an amount of SAR 80.7 million was allocated as ECL provision as of 30 September 2023G.

5.19.2.17 Receivables from related parties

Table 125: Receivables from related parties as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Management information)
Saudi Economic and Development Holding Company (SEDCO)	6,840	111
Al Mahmal Facilities Services Company	1,092	1,917
Elaf Hotel Group	336	323
Elaf for Travel and Tourism	102	106
Intimaa Real Estate Services Company	57	17
Nahdi Medical company	14	-
Banoon Company	6	6
Arabian Entertainment Co. Ltd. (Tarfeeh)	5	-
Al Shiaka	37	33
Elaf Red Sea Mall Hotel	-	52
Total	8,489	2,565

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

The balance of receivables from related parties decreased from SAR 8.5 million as of 31 December 2022G, to SAR 2.6 million as of 30 September 2023G, driven by a decrease in the amount due from Saudi Economic and Development Holding Company (SEDCO), from SAR 6.8 million as of 30 September 2022G, to SAR 111 thousand as of 30 September 2023G, due to settlements, as the balance was almost fully settled during the nine-month period ended on 30 September 2023G. This was partially offset by an increase in trade receivables from Al Mahmal Facilities Services Company, which amounted to SAR 1.9 million as of 30 September 2023G, in line with the growth in business activities.

Advances, Prepayments and other current assets

Table 126: Advances, Prepayments, and Other Current Assets as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Recoverable VAT	9,579	6,438
Employee loans	3,530	2,439
Prepayments	2,949	17,002
Advances to Suppliers	1,387	1,630
Cash Margins	1,196	1,422
Other Accounts Receivable	690	-
Total	19,330	28,930

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

5.19.2.18 Recoverable VAT

Recoverable VAT decreased from SAR 9.6 million as of 31 December 2022G, to SAR 6.4 million as of 30 September 2023G, in line with revenue movements, where revenue recognized for the nine-month period ended on 30 September 2023G, amounted to SAR 372.7 million compared to SAR 430.0 million for the financial year ended on 31 December 2022G, due to the full-year effect.

5.19.2.19 Employee loans

Employee loan decreased from SAR 3.5 million as of 31 December 2022G, to SAR 2.4 million as of 30 September 2023G, in line with a decrease in the number of employees.

5.19.2.20 Prepayments

Prepayments increased from SAR 2.9 million as of 31 December 2022G, to SAR 17.0 million as of 30 September 2023G, primarily driven by an increase in prepaid vehicle insurance and other assets (+ SAR 12.4 million) in line with the fleet expansion, particularly related to a payment of SAR 10 million to Allianz Insurance Company concerning the settlement of outstanding insurance premiums on vehicles. This coincided with an increase in prepaid rent in line with new workshops and service centers.

5.19.2.21 Advances to Suppliers

Advances to suppliers increased from SAR 1.4 million as of 31 December 2022G, to SAR 1.6 million as of 30 September 2023G, primarily driven by an increase in purchases.

5.19.2.22 Cash Margins

Cash margins relate to deposits with suppliers and on lease agreements and amounted to SAR 1.2 million as of 31 December 2022G, and SAR 1.4 million as of 30 September 2023G.

5.19.2.23 Other Accounts Receivable

Other accounts receivable amounted to SAR 690 thousand as of 31 December 2022G, and the balance was settled during the nine-month period ended on 30 September 2023G.

5.19.2.24 Bank and Cash Balances

Table 127: Bank and cash balances as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Cash at bank	13,278	13,840
Cash in hand	338	330
Total	13,615	14,170

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

Cash and bank balances increased from SAR 13.6 million as of 31 December 2022G, to SAR 14.2 million as of 30 September 2023G.

5.19.2.25 Equity

Table 128: Equity as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Capital	180,000	300,000
Statutory Reserve	29,068	29,068
Retained Earnings	156,922	198,077
Total	365,990	527,145

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

5.19.2.26 Capital

The capital amounted to SAR 300.0 million divided into 300,000 shares with a value of SAR 1,000 each, of which 99.0% is owned by Saudi Economic and Development Holding Company (SEDCO), and 1.0% by Sadad Trading Company Limited. On 11 December 2019G, shareholders of Al-Jazira Equipment Company decided to increase the capital by SAR 60.0 million through converting additional partner contributions (SAR 52.0 million) and retained earnings (SAR 8.0 million) into capital. As of 31 December 2021G, the legal procedures related to the capital increase were completed, and capital was increased to SAR 180.0 million. Furthermore, on 29 August 2023G, shareholders of Al-Jazira Equipment Company decided to (1) convert Al-Jazira Equipment Company from a limited liability company into a single shareholder limited liability company, and (2) increase Al-Jazira Equipment Company's capital by an additional SAR 120 million through a capital injection from shareholders.

5.19.2.27 Statutory Reserve

The statutory reserve amounted to SAR 29.1 million as of 31 December 2022G, and 30 September 2023G, as a result of transferring 10% of net income in accordance with the Company's Articles of Association and Companies Law in the Kingdom of Saudi Arabia, where Al-Jazira Equipment Company is required to transfer 10% of its annual net income to the statutory reserve until this reserve equals 30% of its share capital.

5.19.2.28 Retained Earnings

Retained earnings amounted to SAR 194.1 million as of 30 September 2023G, representing the Company's accumulated profits, net of the transfer to statutory reserve amounting to SAR 30.3 million during the year.

5.19.2.29 None-current liabilities

Table 129: None-current liabilities as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Non-current portion of term loans	323,367	358,375
Lease Liabilities	28,474	23,229
Employees' End-of-Service Benefits	16,646	14,798
Total	368,487	396,403

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

5.19.2.30 Term loans

Table 130: Term loans as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Term loans	608,707	648,861
Less: current portion	(285,340)	(290,486)
Total	323,367	358,375

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

Table 131: Maturity dates of term loans as of 30 September 2023G

SAR in 000s	As of 30 September 2023G
Q4 of FY 2023G	79,936
2024G	270,319
2025G	185,501
2026G	89,625
2027G	23,480
Total	648,861

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

Table 132: Term loans by bank as of 31 December 2022G and 30 September 2023G

SAR in 000s	Maturity date	Interest rate	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Riyad Bank	12 April 2026G	SAIBOR + 1.75%	321,667	305,000
Banque Saudi Fransi	31 May 2026G	SAIBOR + 1.65%	277,829	214,041
Alinma Bank	31 July 2027G	SAIBOR + 1.60%	-	129,820
Riyad Bank	12 February 2023G	SAIBOR + 1.75%	9,211	-
Riyad Bank	N/A	SAIBOR + 1.75%	-	-
Total	N/A	N/A	608,707	648,861

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

Al-Jazira Equipment Company drew down SAR 648.9 million for the purpose of financing vehicle purchases as part of the Company's ordinary operations as of 30 September 2023G.

During the nine-month period ended on 30 September 2023G, Al-Jazira Equipment Company obtained a loan from Alinma Bank amounting to SAR 129.8 million. The loan carries a profit margin at commercial rates (SAIBOR + the agreed margin of 1.60%). The covenants and conditions include: (1) the assignment of all proceeds related to the sale of leased vehicles financed by the loan obtained from the bank, whereby these proceeds must be deposited with and managed by the bank, and (2) the assignment of conditions: project receivables pre-approved by the bank. These amounts are managed and deposited in a reserve account (escrow account) with the bank.

5.19.2.31 Movement in Provision for Employees' End-of-Service Benefits

Table 133: Movement in Provision for Employees' End-of-Service Benefits as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
As of 1 January	18,096	16,646
Current service cost	2,897	1,692
Finance cost	459	563
Actuarial gains	(3,788)	(1,198)
Payments during the year	(1,020)	(2,904)
As of 31 December/ 30 September	16,646	14,798

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

The balance decreased from SAR 16.6 million as of 31 December 2022G, to SAR 14.8 million as of 30 September 2023G, primarily due to actuarial gains of SAR 1.2 million and payments amounting to SAR 2.9 million, offset by SAR 1.7 million representing the current service cost of employees.

5.19.2.32 Current liabilities

Table 134: Current liabilities as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Current portion of term loans	285,340	290,486
Trade Accounts Payable	81,622	179,458
Accrued expenses and other current liabilities	46,766	74,528
Zakat payable	5,263	3,188
Amounts due to related parties	20,869	50,000
Lease Liabilities - Current portion	5,562	9,679
Total current liabilities	445,422	607,338

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

Accrued expenses and other current liabilities

Table 135: Accrued expenses and other current liabilities as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Accrued expenses	37,567	60,414
Accrued Interest	6,927	12,086
Advance from a Customer	2,272	2,028
Total current liabilities	46,766	74,528

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

5.19.2.33 Accrued Expenses

Accrued expenses increased significantly from SAR 37.6 million as of 31 December 2022G, to SAR 60.4 million as of 30 September 2023G. This was driven by an increase in payable creditor balances, which were reclassified from trade accounts payable amounting to SAR 9.8 million, coupled with an increase in (1) accrued professional fees related to fees charged by the Company's strategy consultants, Roland Berger, associated with participating in the new strategy update, (2) other accrued expenses amounting to SAR 12.8 million, primarily resulting from:

1. Accrued vehicle insurance amounting to SAR 8.0 million due to an increase in the loss ratio, thereby increasing the insurance premium, along with the fleet expansion; and
2. Lease customer deposits amounting to SAR 1.8 million, consisting of security deposits from selected new customers, imposed based on an assessment of financial position and strength of the respective customers, which typically equate to 2-3 monthly installments.

This was partially offset by a decrease in accrued employee benefits amounting to SAR 1.6 million.

5.19.2.34 Accrued Interest

Accrued interest increased from SAR 6.9 million as of 31 December 2022G, to SAR 12.1 million as of 30 September 2023G, primarily driven by the significant increase in inter-bank interest rates in Saudi Arabia (SAIBOR) during the same period.

5.19.2.35 Advance from a Customer

Advance from a customer slightly decreased from SAR 2.3 million as of 31 December 2022G, to SAR 2.0 million as of 30 September 2023G.

5.19.2.36 Amounts Due to Related Parties

Table 136: Amounts Due to Related Parties as of 31 December 2022G and 30 September 2023G

SAR in 000s	As of 31 December 2022G (Restated)	As of 30 September 2023G (Unaudited)
Saudi Economic and Development Holding Company (SEDCO)	20,869	50,000
Total current liabilities	20,869	50,000

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G.

These relate to loans obtained from a related party by Saudi Economic and Development Holding Company (SEDCO) during the nine-month period ended on 30 September 2023G, for the purpose of purchasing vehicles at a fixed interest rate of 3%.

Amounts due to related parties increased from SAR 20.9 million as of 31 December 2022G, to SAR 50.0 million as of 30 September 2023G. Notably, Al-Jazira Equipment Company capitalized the previous outstanding balance due to Saudi Economic and Development Holding Company (SEDCO), which amounted to SAR 20.9 million as of 31 December 2022G.

5.19.3 Statement of Cash Flows

Table 137: Statements of Cash Flows for the nine-month period ended on 30 September 2022G and 2023G

SAR in 000s	The nine-month period ended on 30 September 2022G (Unaudited)	The nine-month period ended on 30 September 2023G (Unaudited)
Operating activities		
Profit before zakat	29,303	43,156
Adjustments to reconcile profit before zakat with net cash flows:		
Depreciation of Property and Equipment	79,703	90,309
Amortization of intangible assets	869	890
Depreciation of Right-of-Use Assets	3,993	4,470
Cost of employees' end-of-service benefits	2,134	1,692
ECLs allowance	9,051	-
Loss from property and equipment sale	22	-
Finance cost	15,716	40,275
Net cash generated from operating activities	140,790	180,792
Changes in working capital:		
Inventory	56,656	53,955
Trade accounts receivable	(49,965)	(107,372)
Advances, prepayments and other current assets	(7,290)	(9,600)
Receivables from related parties	(1,138)	5,924
Accrued expenses and other current liabilities	26,894	22,602
Trade Accounts Payable	(24,836)	97,836
Amounts due to related parties	358	29,131
Cash gained from operations	141,470	273,268
Paid employees' end-of-service benefits	(832)	(2,904)
Vehicle additions	(253,902)	(381,375)
Paid finance cost	(10,125)	(32,962)
Paid zakat	(4,088)	(5,275)
Net Cash from Operating Activities	127,477	149,248
Investing activities		
Property and equipment additions (other than vehicles)	(12,236)	(5,993)
Additions in intangible assets	(15)	(465)
Revenues achieved from property and equipment sale	40	-
Sales / (purchases) of intangible assets	251	-
Net Cash Used in Investing Activities	(11,960)	(6,459)
Financing activities		
additional partner contributions	-	120,000
Payments of lease liabilities	(4,763)	(3,893)

SAR in 000s	The nine-month period ended on 30 September 2022G (Unaudited)	The nine-month period ended on 30 September 2023G (Unaudited)
Term loans received	354,427	269,000
Term loans repaid	(182,135)	(228,845)
Net Cash from Financing Activities	167,529	156,261
Net increase / (decrease) in cash and bank balances	28,092	555
Cash and bank balances at the beginning of year	5,192	13,615
Cash and bank balances at the end of year	33,284	14,170

Source: Al-Jazira Equipment Company's unaudited interim condensed financial statements for the nine-month period ended on 30 September 2023G, and management information.

5.19.3.1 Net Cash from Operating Activities

Net cash from operating activities decreased from SAR -127.5 million in the nine-month period ended on 30 September 2022G, to SAR -149.2 million in the nine-month period ended on 30 September 2023G. This was primarily due to an increase in cash payments related to additional capital expenditures of SAR 127.5 million incurred for the purchase of vehicles, and an increase in finance costs paid of SAR 22.8 million in line with the increase in SAIBOR rates. This was partially offset by a positive impact from changes in working capital of SAR 91.8 million.

5.19.3.2 Net Cash Used in Investing Activities

Net cash used in investing activities decreased from SAR -12.0 million in the nine-month period ended on 30 September 2022G, to SAR -6.5 million in the nine-month period ended on 30 September 2023G. This was primarily due to a decrease in additions to capital expenditures as no new workshops and service centers were opened during the nine-month periods ended on 30 September 2022G, and 2023G.

5.19.3.3 Net Cash from Financing Activities

Net cash from financing activities decreased from SAR 167.5 million in the nine-month period ended on 30 September 2022G, to SAR 156.3 million in the nine-month period ended on 30 September 2023G. This was primarily due to a decrease in the net inflows/proceeds on term loans of SAR 132.1 million, partially offset by an additional contribution from shareholders of SAR 120 million in the nine-month period ended on 30 September 2023G.

6. Legal Information

This section includes the legal information related to the acquisition transaction through which Budget Saudi Company, via Aljozoor Alrasekha Transportation Company Ltd, seeks to acquire the Target Shares pursuant to Share Purchase Agreement dated 08/06/1445H (corresponding to 21/12/2023G) entered into between Budget Saudi Company and SEDCO.

6.1 Budget Saudi Directors' Declaration

Budget Saudi's Board members declare, by virtue of this Circular, the following:

1. The Acquisition Transaction does not violate the relevant laws and regulations in the Kingdom of Saudi Arabia.
2. The issuance of the new shares does not breach any contracts or agreements to which Budget Saudi Company is a party.
3. This section includes all material legal information related to the Acquisition Transaction documents that the shareholders of Budget Saudi Company should consider when voting in an informed and perceptive manner.
4. There is no other material legal information in this section, the omission of which would render the other statements misleading.

6.2 Summary of the Legal Structure of the Acquisition Transaction

The Acquisition Transaction will be executed in accordance with requirements of Article (75) of the Rules on the Offer of Securities and Continuing Obligations, after fulfilling the conditions precedent mentioned in the Purchase Agreement and summarized in Section 6.5 of this Circular, and completing the Acquisition Transaction according to the schedule set out in the section titled "**Key Dates and Milestones of the Acquisition Transaction**". Aljozoor Alrasekha Transportation Company Ltd will acquire the Target Shares, which represent one hundred percent (100%) of Al-Jazira Equipment Company's shares. The final consideration for the acquisition of the Target Shares is an amount of four hundred and fifty-five million Saudi Riyals (SAR 455,000,000). The agreed value will be settled by Budget Saudi Company issuing new shares amounting to seven million (7,000,000) new shares, in favor of SEDCO with three million, nine hundred and eight thousand, three hundred and thirty-three (3,908,333) new shares, and Development Company with three million, ninety-one thousand, six hundred and sixty-seven (3,091,667) new shares.

After the completing of Acquisition Transaction, the ownership structure of Al-Jazira Equipment Company will be as follows:

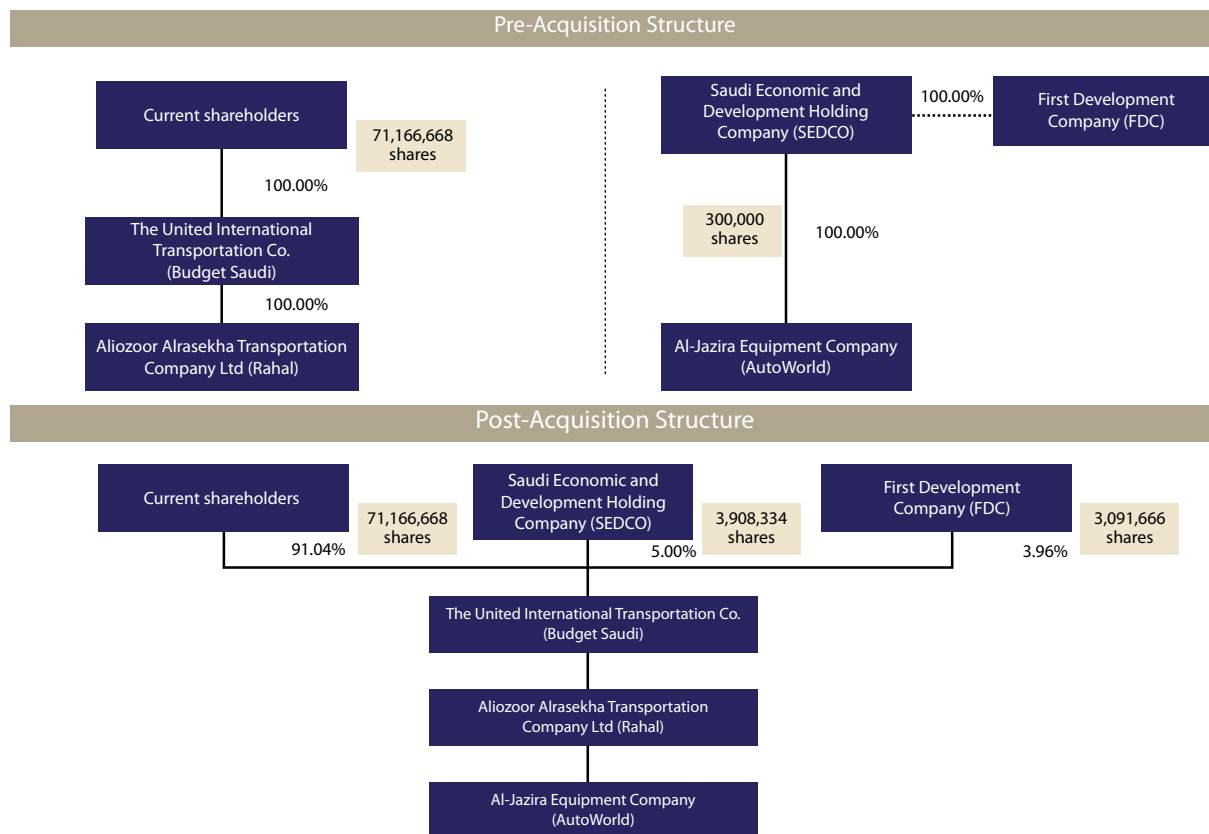
Table 138: Al-Jazira Equipment Company's legal structure prior to and after completion of the Acquisition Transaction

Pre-Acquisition					Post-Acquisition				
Shareholder	Number of Shares	Share value (SAR)	Total value of shares (SAR)	Percentage (%)	Shareholder	Number of Shares	Share value (SAR)	Total value of shares (SAR)	Percentage (%)
Saudi Economic and Development Holding Company (SEDCO)	300,000	1,000	300,000,000	100%	Aljozoor Alrasekha Transportation Company Ltd	300,000	1,000	300,000,000	100%
Total	300,000	-	300,000,000	100%	Total	300,000	-	300,000,000	100%

Source: Al-Jazira Equipment Company.

Below is a simplified form of Acquisition Transaction Structure:

Figure 5: Simple form of Acquisition Transaction Structure



6.3 Governmental Approvals or Approvals of Other Parties Required to Complete the Acquisition Transaction

For the purposes of completing the acquisition transaction, the following approvals must be obtained:

6.3.1 Governmental Approvals and Budget Saudi Approvals

- A no-objection of the General Authority for Competition regarding the economic concentration resulting from the Acquisition Transaction. The no-objection of the General Authority for Competition was obtained on 01/08/1445H corresponding to 11/02/2024G.
- Approval of the Capital Market Authority on the application for listing the new shares and this approval was obtained on 09/09/1445H corresponding to 19/03/2024G.
- Approval of the CMA on the request of Budget Saudi Company to increase its capital for the purpose of acquisition of Target Shares. CMA's approval was obtained on 05/11/1445H (corresponding to 13/05/2024G).
- A non-objection of the Ministry of Commerce on the proposed amendments to the Articles of Association of Budget Saudi Company as shown in Appendix (4) of this circular.
- Approval of the CMA to hold an Extraordinary General Assembly meeting related to the acquisition transaction to vote on increasing the capital of Budget Saudi Company for the purpose of acquiring the Target Shares.
- Approval of the Extraordinary General Assembly of Budget Saudi Company related to the acquisition transaction to increase the capital for the purpose of acquiring the Target Shares and amending the Articles of Association.

6.3.2 Third Party Approvals

1. Obtaining a no-objection letter from the financiers of Al-Jazira Equipment Company regarding the acquisition transaction in accordance with terms of the following financing agreements:
 - Credit Facilities Agreement and related documents concluded between Al-Jazira Equipment and Alinma Bank dated 17/07/2022G.
 - Financing Agreement and related documents concluded between Al-Jazira Equipment and Banque Saudi Fransi dated 18/01/2023G.
 - Islamic Financing Agreement and related documents concluded between Al-Jazira Equipment Company and Riyad Bank dated 12/04/2023G.
2. Obtaining a no-objection letter from a number of parties and entities contracted with Al-Jazira Equipment Company regarding the acquisition transaction.
3. Obtaining a no-objection letter from a number of parties and entities contracted with Budget Saudi Company regarding the acquisition transaction.

Budget Saudi Company and Al-Jazira Equipment Company are working to obtain the no-objection letters stipulated above. As of the date of this circular, Al-Jazira Equipment Company has obtained no-objection letters from its three financiers.

6.4 A summary of all material contracts and agreements related to the capital increase for the purpose disclosed in this circular.

Budget Saudi Company announced on 11/06/1445H corresponding to 24/12/2023G that it had signed a Purchase Agreement on 21/12/2023G with SEDCO. The Agreement included the material clauses, conditions precedent, and undertakings set forth in this section, so that Al-Jadhour Al-Rasekhah Company acquires all of the Target Shares by increasing the capital of Budget Saudi Company through the issuance of new shares to SEDCO and Development Company.

In accordance with the Purchase Agreement, Budget Saudi agreed to issue new shares to SEDCO in exchange for SEDCO selling all of its shares in Al-Jazira Equipment Company, amounting to three hundred thousand (300,000) shares representing one hundred percent (100%) of the capital of Al-Jazira Equipment Company, in favor of Al-Jadhour Al-Rasekhah Company. Budget Saudi Company and SEDCO agreed, within the Purchase Agreement, that the final value in consideration for acquiring the Target Shares shall be four hundred and fifty-five million Saudi Ri-yals (SAR 455,000,000).

6.5 Material Clauses, Conditions Precedent or Undertakings in the Purchase Agreement

Table 139: Material Clauses, Conditions Precedent or Undertakings in the Purchase Agreement

<p>Purchase Agreement implementation conditions</p>	<p>Within the Purchase Agreement, a number of conditions must be satisfied for the purpose of completing the Acquisition Transaction. Both companies have committed to seeking to satisfy them as soon as possible. Both companies have also agreed that none of these conditions may be amended or waived without a written consent of the other party. Below is a summary of these conditions:</p> <ul style="list-style-type: none"> • Conditions Related to Both Companies <ul style="list-style-type: none"> - General Authority for Competition Approval: Unconditional written approval or a no-objection letter for the Acquisition Transaction must be obtained from the General Authority for Competition in the Kingdom of Saudi Arabia. - Capital Market Authority Approval: Approval must be obtained from the Capital Market Authority for the increase in Budget Saudi's capital and issuance of the relevant shareholders' circular. - Tadawul Approval: Written approvals that may be required from Tadawul in relation to the Acquisition Transaction, including those relating to listing of new shares on Tadawul, must be obtained. - Submission of All Required Forms to Edaa: All required forms and applications must be completed and submitted to Edaa for the deposit and registration of the new shares for SEDCO entities. - Notification to the General Transport Authority: The General Transport Authority must be notified in writing about the Transaction (in a form acceptable to Budget Saudi). - No Potential Material Adverse Effect that may affect the Acquisition Transaction must exist. • Conditions Related to Budget Saudi Company <ul style="list-style-type: none"> - Shareholders' Approval: A duly convened Extraordinary General Assembly of Budget Saudi approving the following agenda items (collectively referred to as the "EGM for Completion of the Acquisition Transaction"): <ul style="list-style-type: none"> - Increase of capital; - Allocation and issuance of shares to SEDCO and Development Company; - Amendment of Budget Saudi's Bylaws to reflect the capital increase; and - In case of holding EGM for Completion of the Acquisition Transaction after the nomination of Budget Saudi's Board of Directors for 2024G, then the agenda items must also include the appointment of the nominee specified by SEDCO to Budget Saudi's Board of Directors. - No Breach of Warranties: All warranties given by Budget Saudi are true and accurate in all material respects as of the date of Completion of the Acquisition Transaction. • Conditions Related to SEDCO <ul style="list-style-type: none"> - No Breach of Warranties: All warranties given by SEDCO are true and accurate in all material respects as of the date of Completion of the Acquisition Transaction. - Change of Control Approvals: Written approvals and waivers in respect of the Acquisition Transaction from the relevant counterparty in relation to the Acquisition Transaction: <ul style="list-style-type: none"> • Financing Agreement between Al-Jazira Equipment and Alinma Bank dated 17/07/2022G, • Murabaha Facilities Agreement between Al-Jazira Equipment and Alinma Bank dated 17/07/2022G, • Letter of Renewed Credit Facilities Agreement between Al-Jazira Equipment and Banque Saudi Fransi dated 07/11/2021G as amended on 18/01/2023G, • Approval Letter to the Master Credit Facilities Agreement between Al-Jazira Equipment and Banque Saudi Fransi, • Credit Facilities Agreement between Al-Jazira Equipment and Riyadh Bank dated 12/04/2023G, • Vehicle lease Agreement between Ministry of Health and Al-Jazira Equipment dated 10/11/2022G, • Customer Agreement between ARLA Foods Limited and Al-Jazira Equipment dated 18/10/2022G, • Customer Agreement between General Investigation and Al-Jazira Equipment dated 01/06/2022G, • Maintenance Agreement between Leader Express for Car Services and Al-Jazira Equipment dated 19/05/2019G, • IT Agreement between Al-Jazira Equipment and SFDC Ireland Limited dated 15/01/2021G, • Purchase Agreement (Services) between ARLA Foods Limited and Al-Jazira Equipment dated 17/07/2019G, • Agreement between Al-Jazira Equipment and Al-Qassim Municipality dated 24/10/2021G. - Review of Al-Jazira Equipment's Code of Conduct: Al-Jazira Equipment's Code of Conduct must be reviewed and amended in a manner that equals Al-Jazira Equipment's (and its employees', officers' and agents') compliance with the Anti-Money Laundering Regulations. - Settlement of Receivables from Related Parties: Related parties of Al-Jazira Equipment must pay to Al-Jazira Equipment their overdue receivable balances that have been outstanding for ninety (90) days.
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Operational covenants	<p>The Purchase Agreement included an undertaking by both companies not to take any action that would violate certain covenants in the Agreement relating to how the companies conduct their respective businesses during the period between the date of signing the Implementation Agreement and the date of Completion of Acquisition Transaction, without obtaining the consent of the other party, provided that the other party may not unreasonably withhold or delay such consent.</p> <p>In case either company breaches any of those covenants, the non-breaching party shall have the right, in case of any breach that is not cured within thirty (30) days after receipt of written notice thereof, to terminate the Purchase Agreement.</p> <p>Moreover, in case of an increase in Budget's capital during the Interim Period, Budget agrees and acknowledges that the number of shares to be issued to SEDCO shall be proportionately increased (to ensure that SEDCO entities own 8.96% of Budget's capital upon completion), and the parties agree to take all necessary actions to reflect this change in the number of shares.</p> <p>The operational covenants contained in the Purchase Agreement prohibit either company or any of their subsidiaries from taking, or agreeing to take, any action that would violate any of those covenants unless required by applicable law. Below is a summary of those covenants:</p> <ol style="list-style-type: none"> 1. SEDCO undertakes to Budget Saudi that, during the Interim Period, it shall cause Al-Jazira Equipment to: <ul style="list-style-type: none"> - Continue operating in the ordinary course of business and take all reasonable steps to preserve, maintain and protect its assets, goodwill and reputation, including its present relationships with customers and suppliers; - Not terminate the services of any key employees; - Not, without the prior written consent of Budget Saudi (not to be unreasonably withheld or delayed): - Acquire or dispose of, or agree to acquire or dispose of, any assets or business with an aggregate value exceeding SAR 5,000,000 (1) other than in the ordinary course of business or (2) as provided for in the current financial year's budget; - Incur or assume or agree to incur or assume or materially change the terms of any indebtedness or liability (actual or contingent) in excess of SAR 2,000,000 other than in the ordinary course of business; - Enter into, amend or terminate any material contract other than in the ordinary course of business; - Incur, guarantee or acknowledge any other indebtedness or borrowing for any person (other than the Target Company) other than in the ordinary course of business or otherwise become directly or contingently or otherwise liable or responsible for any such indebtedness or borrowing; - Create, allot, issue, redeem or repurchase any share or loan capital or any other security or grant any option or any other right over any share or loan capital or any other security of Al-Jazira Equipment; - Restructure its capital (including any increase or decrease in capital, or any change in share rights, or any issue or sub-division or consolidation or any re-pricing) resulting in a material change in Al-Jazira Equipment and its business and/or ownership; - Declare, pay or make any dividends or other distributions (whether in cash, in kind or stock i.e, shares) or reduce its paid-up share capital; - Create any encumbrance over its shares or assets (other than encumbrances arising by operation of law or in the ordinary course of business); - Make any amendment to its foundation documents; - Incur any capital expenditure or enter into any commitments relating to the current or future purchase of capital equipment in excess of SAR 5,000,000 (in one or a series of transactions); - Enter into any agreement or arrangement or permit any action whereby any company becomes its subsidiary; - Enter into any joint venture, partnership, profit sharing or asset sharing agreement or arrangement; - Institute or settle any legal proceedings resulting or likely to result in any payment from or to Al-Jazira Equipment in excess of SAR 2,000,000 (other than in connection with debt collection in the ordinary course of business); - Employ or offer to employ any new persons in senior managerial positions (such as CEO to whom he is directly reporting to) or make or permit any material changes (other than those required by law) in the terms and conditions of employment of any senior employee; - Make any material change to Al-Jazira Equipment's accounting procedures and practices other than changes to comply with changes in applicable accounting principles or in response to auditors' requests; or - Adopt a plan of liquidation or dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of Al-Jazira Equipment. 2. Budget Saudi undertakes to SEDCO that, during the Interim Period, it shall not, without the prior written consent of SEDCO (not to be unreasonably withheld or delayed): <ul style="list-style-type: none"> - Take any action to liquidate, merge, dissolve or convert itself or any of its subsidiaries; - Agree to, enter into, negotiate or complete any material merger and acquisition transaction; or - Propose, adopt or implement any share repurchase, purchase or sale of treasury shares, share split, share consolidation, change in par value or cancellation of shares for any reason.
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Acquisition Transaction Completion	<p>Both companies shall ensure the following actions are taken to complete the Acquisition Transaction:</p> <ol style="list-style-type: none"> 1. SEDCO shall, as soon as reasonably practicable but in no event later than one Business Day following the conclusion of EGM for the Acquisition Transaction Completion: <ul style="list-style-type: none"> - Ensure the issuance of approval of competent entity within SEDCO (Board, Shareholders or otherwise) duly authorizing the transfer of the Target Shares to Aljozoor Alrasekha Company, if not already obtained; - Ensure that Al-Jazira Equipment, concurrently with the EGM for the Acquisition Transaction Completion, submits a (final) application to the Ministry of Commerce to register the transfer of the Target Shares in Al-Jazira Equipment to reflect Aljozoor Alrasekha Company as the legal and beneficial owner of the Target Shares; - Ensure that Al-Jazira Equipment, as soon as reasonably practicable but in no event later than two (2) Business Days following the Acquisition Transaction Completion Date, uploads the following on Saudi Business Center portal: <ol style="list-style-type: none"> 1. Contact information of Aljozoor Alrasekha Company's representative; and 2. The amended Bylaws of Al-Jazira Equipment reflecting the Acquisition Transaction details. - As soon as reasonably practicable following the EGM of Budget Saudi and the Ministry of Commerce's approval of the amended Bylaws, SEDCO shall sign the amended Bylaws of Al-Jazira Equipment reflecting the transfer of the Target Shares to Aljozoor Alrasekha Company before the Notary Public at the Ministry of Commerce and/or approve them electronically as required. 2. Budget Saudi Obligations <ul style="list-style-type: none"> - Budget Saudi shall ensure that, upon the Acquisition Transaction Completion, as soon as reasonably practicable but in no event later than two (2) Business Days following the Acquisition Transaction Completion Date, that the Consideration Shares are is-sued to SEDCO and Development Company, deposited in their portfolios and traded on Tadawul. - If the Acquisition Transaction Completion Date occurs after the nomination of Budget Saudi's Board of Directors for 2024G, Budget Saudi shall ensure at upon the Acquisition Transaction Completion that one (1) seat on Budget Saudi's Board of Directors is vacant (whether by increasing the number of directors or by resignation or otherwise), and that the nominee specified by SEDCO is appointed by Budget Saudi's Board of Directors to fill such vacancy in accordance with Article 21 of Budget Saudi's Bylaws, and any and all filings with Governmental Authorities to notify and register the same (with the Ministry of Commerce, CMA and Tadawul) are made. - Budget Saudi shall ensure the attendance of Aljozoor Alrasekha Company's representative before the Notary Public at the Ministry of Commerce to sign, or approve electronically (as applicable), the amended Bylaws of Al-Jazira Equipment reflecting the transfer of the Target Shares to Aljozoor Alrasekha Company.
Considerations	<ol style="list-style-type: none"> 1. As of the Acquisition Transaction Completion Date, SEDCO shall indemnify and hold Budget Saudi fully harmless on demand, and undertakes to pay an amount equal to all losses incurred by Al-Jazira Equipment, Budget Saudi or Aljozoor Alrasekha Company, relating to or resulting from or arising out of the criminal proceedings brought against Ali Shabib, Emad Zain and Daniel Zaiter before the Criminal Courts in Khobar in relation to the alleged embezzlement from Al-Jazira Equipment (as detailed in the Disclosure Letter). 2. For the payment of the indemnity under paragraph (1) above, Budget Saudi ir-revocably agrees (on behalf of itself, Al-Jazira Equipment and Aljozoor Alrasek-ha Company) to pay over any proceeds recovered from the charges referred to in paragraph (1) above (including for the avoidance of doubt any amounts re-covered) to SEDCO. 3. Paragraph (1) above shall not apply to any loss arising from gross negligence, willful misconduct or fraud of Aljozoor Alrasekha Company, Budget Saudi or Al-Jazira Equipment (in respect of Al-Jazira Equipment, following the Acquisition Transaction Completion) (including, for the avoidance of doubt, any claims aris-ing by investors for non-disclosure). 4. SEDCO'S aggregate liability in respect of all and any claim(s) under paragraph (1) above shall not exceed one hundred percent (100%) of the Purchase Price.
Guarantees	<p>Both companies submitted a number of warranties under the Purchase Agreement, including but not limited to the following:</p> <ul style="list-style-type: none"> - Each company has the authority to enter into the Purchase Agreement and perform its obligations thereunder. - The obligations arising out of the Purchase Agreement constituting binding obligations on each party. - Entry into the Purchase Agreement and performance of the obligations thereunder shall not lead to any material breach of the bylaws of either party. - Al-Jazira Equipment and Aljozoor Alrasekha Company are duly incorporated and existing companies in good financial standing under the laws of KSA and have the full authority to conduct their respective businesses as presently conducted. - All information relating to a party and its group provided by such party to the other party in relation to the Acquisition Transaction or relating to it or any of its group, including information provided during the due diligence phase or for purposes of preparing the Acquisition Transaction documents, is true, complete in all material respects and not misleading in any material respect as of its date. - No material information is withheld by a party from the other in the context of the Acquisition Transaction, or any other information requested during the due diligence phase.
Agreement termination	<p>Either party may terminate the Agreement after giving written notice to the other party if:</p> <ul style="list-style-type: none"> - Completion of the Acquisition Transaction becomes illegal once any applicable law becomes enforceable; - Any judgment, injunction, order or decree issued by any court or Governmental Authority of competent jurisdiction preventing Budget Saudi and SEDCO from completing the Acquisition Transaction; - Any condition set forth in the Purchase Agreement is not satisfied or waived by the Delivery Date following an initial extension period; or - Either party is in material breach of its operational covenants and restrictions under the Purchase Agreement during the period from agreement signing to Completion of the Acquisition Transaction.

6.6 Substantial Terms and Conditions and Preconditions or Representations Contained in the Other Documents or Agreements of the Acquisition Transaction

Aside from the Memorandum of Understanding and the Purchase Agreement, there are no other material agreements entered into between the two companies in relation to the Acquisition Transaction.

6.7 Details of any lawsuit or claim (including any pending litigation or threatened action) that could materially affect Budget Saudi's and its subsidiaries' businesses or financial position

Budget Saudi's Board of Directors confirms that there are no pending litigation or threatened actions or claims that could materially affect Budget Saudi's or its subsidiaries' businesses or financial position.

6.8 Details of any lawsuit or claim (including any pending litigation or threatened action) that could materially affect Al-Jazira Equipment's and its subsidiaries' businesses or financial Position

As of 12 December 2023G:

- There are [(7)] lawsuits filed by the Company, with a total claim amount of approximately [(SAR 22,198,477.10)]. [These are claims in the ordinary course of the Company's business.]
- There are [(6)] lawsuits filed against it, with a claimed financial amount of [(SAR 65,990)], noting that some have no specified claim amount, so the total amount incurred may be higher than the stated amount.
- The Company has [(5)] claims in its favor under execution, with a total amount of approximately [(SAR 22,049,643)], and [(4)] other lawsuits ruled in favor of the Company - but amounts not yet collected - with total amounts of [(SAR 7,039,444)].

There is also a criminal lawsuit against a former senior executive and his assistants regarding alleged embezzlement, currently under consideration. The Company has already incurred the loss, so no material adverse financial impact is expected in case the embezzled amounts are not recovered. In relation to these former employees, there is a labor lawsuit filed by one of the assistants claiming end-of-service benefits of (SAR 119,420), which has been suspended pending the criminal case, noting that a provision has been made for this amount.

Except as mentioned above, there is no lawsuit or claim (including any pending litigation or threatened action) that could materially affect Al-Jazira Equipment's business or financial position.

6.9 Report on Bankruptcy Cases of any Budget Saudi's Board Members, proposed Board Members, senior executives or Board secretary

Budget Saudi's Board of Directors confirms that none of the Board Members, proposed Board Members, senior executives or the Board secretary has been subject to any bankruptcy cases.

6.10 Details of any insolvency in the past five years of a company where any of Budget Saudi's Board members, proposed Board members, senior executives or Board secretary was appointed by the insolvent company in an administrative or supervisory Position

During the past five years, none of Budget Saudi's Board members, senior executives or the Board secretary has worked in an administrative or supervisory position in any insolvent company.

7. Expert Statements

All advisors whose names appear on pages (v) and (vi) of this Circular have given their written consent to indicate their names, addresses and logos and statements in accordance with the context mentioned in this Circular, and none of them has withdrawn their consent as of the date of this Circular. None of the advisors, their subsidiaries, board members, or any of their relatives holds any shares in Budget Saudi and its subsidiaries or has any interest of any kind in Budget Saudi and its subsidiaries as of the date of this Circular that may affect their independence.

8. Expenses

Budget Saudi will bear all costs and expenses related to the completion of the Acquisition Transaction, estimated at around nine million Saudi Riyals (SAR 9,000,000), including fees for the Financial Advisor, Legal Advisor, Financial and Zakat/Tax Due Diligence Advisor, Market Study Advisor, Pro Forma Financial Statements Accountant, as well as fees to Governmental Authorities for obtaining regulatory approvals, and coordination and advertisement expenses and all other costs related to completion of the Acquisition Transaction.

9. Exemptions

Budget Saudi has not applied to CMA for any exemptions from regulatory requirements.

10. Documents Available for Inspection

The following documents will be available for inspection at Budget Saudi's head office during official working hours on any business day from the date of publication of this Circular until the date of the Extraordinary General Assembly meeting for the Acquisition Transaction:

- The Bylaws of Al-Jazira Equipment including all amendments up to date.
- The Purchase Agreement.
- Al-Jazira Equipment's audited financial statements for financial years ended 31 December 2020G, 2021G, 2022G and the unaudited financial statements for the nine-month period ended on 30 September 2023G.
- The reviewed pro forma financial statements that reflect Budget Saudi's financial position as if the Acquisition Transaction had been completed during the fiscal year ending on 1 January 2022G.
- Evaluation report of Acquisition Transaction.
- Written consents to use their names, logos and statements in this Circular from each of:
 1. The Financial Advisor (EFG-Hermes KSA).
 2. The Legal Advisor (Mohammed M. Zarei & Khalid N. Al Hamdan Law Firm).
 3. The Financial and Zakat/Tax Due Diligence Advisor (PricewaterhouseCoopers, Chartered Accountants (PwC)).
 4. The Auditor of The United International Transportation Company (KPMG Professional Services).
 5. The Auditor of Al-Jazira Equipment (Ernst & Young Professional Services).
 6. The Pro Forma Financial Statements Accountant (Baker Tilly MKM & Co., Chartered Accountants).
 7. The Market Study Advisor (Euromonitor International Limited).

11. Annexes

This section includes the following annexes to the Circular:

- Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2020G, 2021G and 2022G, and unaudited financial statements for the nine-month period ended on 30 September 2023G (please refer to Annex (1) of this Circular).
- Budget Saudi's (unaudited) reviewed pro forma financial statements (please refer to Annex (2) of this Circular).
- Al-Jazira Equipment Company's Bylaws including all amendments up to the date of this Circular (please refer to Annex (3) of this Circular).
- The amendments related to Budget Saudi's Bylaws pertaining to the Acquisition Transaction (please refer to Annex (4) of this Circular).
- Al-Jazira Equipment Company's Articles of Association including all amendments up to the date of this Circular (please refer to Annex (5) of this Circular).

Annex (1): Al-Jazira Equipment Company audited financial statements for the financial years ended 31 December 2020G, 2021G and 2022G, and unaudited financial statements for the nine-month period ended on 30 September 2023G

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

FINANCIAL STATEMENTS
For the Year Ended 31 December 2020
With Independent Auditor's Report

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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KPMG Professional Services

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Kingdom of Saudi Arabia
Headquarter in Riyadh

Commercial Registration No 2051062328

كي بي إم جي للاستشارات المهنية

الضابق الأول، أبراج بايتويور
طريق الملك سعود، الصفا
ص.ب ٤٨٠٣
الخبور ٣١٩٥٢
المملكة العربية السعودية
المركز الرئيسي للرياض

سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

Independent Auditor's Report

To the Shareholders of Al-Jazira Equipment Company Limited

Opinion

We have audited the financial statements of **Al-Jazira Equipment Company Limited** ("the Company"), which comprise the statement of financial position as at 31 December 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's Articles of Association and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, Board of Directors, are responsible for overseeing the Company's financial reporting process.

KPMG Professional Services is a professional services joint stock company registered in the Kingdom of Saudi Arabia with the paid-up capital of SAR 10,000,000. Previously known as KPMG A. Faran & Partners Certified Public Accountants, a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited.

كي بي إم جي للاستشارات المهنية شركة مساهمة عامة مسجلة في المملكة العربية السعودية برأسمال مسجل قدره ١٠٠٠٠٠٠٠٠ ريال سعودي. وتعد من الشركات الأعضاء في شبكة كيو بي إم جي العالمية، وهي شركة مساهمة عامة مسجلة في المملكة العربية السعودية، وهي شركة مساهمة عامة مسجلة في المملكة العربية السعودية.

Commercial Registration of the headquarters in Riyadh is 1010428484.



Independent Auditor's Report

To the Shareholders of Al-Jazira Equipment Company Limited (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of Al-Jazira Equipment Company Limited ("the Company").

For KPMG Professional Services



Abdulaziz Abdullah Alnaim
License No: 394



Al Khobar, 28 March 2021
Corresponding to: 15 Sha'ban 1442H

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Note	31 December 2020	31 December 2019
Assets			
Non-current assets			
Property and equipment	4	18,099,884	18,941,901
Intangible assets	5	2,078,573	1,630,869
Assets held for leasing	6	591,329,596	447,322,714
		<u>611,508,053</u>	<u>467,895,484</u>
Current assets			
Inventories	7	5,456,604	3,267,404
Trade receivables	8	124,337,013	143,831,821
Advances, prepayments and other current assets	9	22,744,727	11,215,819
Cash and cash equivalents	10	5,580,043	20,060,032
Total current assets		<u>158,118,387</u>	<u>178,375,076</u>
Total assets		<u>769,626,440</u>	<u>646,270,560</u>
Equity			
Share capital	15	120,000,000	120,000,000
Additional contribution from shareholders	16	52,000,000	-
Statutory reserve	17	20,245,798	18,668,959
Retained earnings		62,426,826	49,589,273
Total equity		<u>254,672,624</u>	<u>188,258,232</u>
Liabilities			
Non-current liabilities			
Loans and borrowings	11	164,156,286	153,666,667
Employee benefits	12	15,712,000	13,372,000
Lease liability		5,449,809	6,501,432
		<u>185,318,095</u>	<u>173,540,099</u>
Current liabilities			
Current portion of loans and borrowings	11	160,775,187	168,464,475
Current portion of lease liability		3,134,085	1,463,400
Trade payables and other current liabilities	13	162,834,707	111,121,058
Zakat provision	14	2,891,742	3,423,296
Total current liabilities		<u>329,635,721</u>	<u>284,472,229</u>
Total liabilities		<u>514,953,816</u>	<u>458,012,328</u>
Total equity and liabilities		<u>769,626,440</u>	<u>646,270,560</u>

The Financial Statements appearing on pages 1 to 35 were approved by the Board of Directors and have been signed on its behalf by;



Chief Executive officer



Chief Financial Officer

The accompanying notes from 1 to 29 form an integral part of these financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Note	31 December 2020	31 December 2019
Revenue	18	402,353,852	396,093,287
Cost of sales	19	(262,964,963)	(292,292,752)
Gross profit		139,388,889	103,800,535
Other income		372,740	2,004,848
Selling and distribution expenses	20	(49,573,149)	(30,540,750)
Administrative expenses	21	(36,528,886)	(43,226,080)
Impairment loss on trade receivable	8	(22,981,080)	(3,324,085)
Operating profit		30,678,514	28,714,468
Finance costs		(11,825,300)	(17,625,376)
Profit before zakat		18,853,214	11,089,092
Zakat expense	14	(3,084,822)	(3,977,668)
Profit for the year		15,768,392	7,111,424
Other comprehensive income			
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>			
Re-measurements of defined benefit liability	12	(1,354,000)	(1,785,000)
Other comprehensive loss for the year		(1,354,000)	(1,785,000)
Total comprehensive income for the year		14,414,392	5,326,424

The accompanying notes from 1 to 29 form an integral part of these financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Share Capital	Additional contribution from shareholders (note 16)	Statutory reserve	Retained earnings	Total equity
Balance as at 1 January 2019	120,000,000	-	17,957,817	44,973,991	182,931,808
<u>Total comprehensive income for the year</u>	-	-	-	7,111,424	7,111,424
Profit for the year	-	-	-	(1,785,000)	(1,785,000)
Other comprehensive loss	-	-	-	5,326,424	5,326,424
Total comprehensive income for the year	-	-	-	(711,142)	-
Transfer to statutory reserve	-	-	711,142	(711,142)	-
Balance at 31 December 2019	120,000,000	-	18,668,959	49,589,273	188,258,232
Balance at 1 January 2020	120,000,000	-	18,668,959	49,589,273	188,258,232
<u>Total comprehensive income for the year</u>	-	-	-	15,768,392	15,768,392
Profit for the year	-	-	-	(1,354,000)	(1,354,000)
Other comprehensive loss	-	-	-	14,414,392	14,414,392
<u>Total comprehensive income for the year</u>	-	-	-	(1,576,839)	-
Transfer to statutory reserve	-	-	1,576,839	-	-
Transaction with owners of the Company	-	52,000,000	-	-	52,000,000
Balance at 31 December 2020	120,000,000	52,000,000	20,245,798	62,426,826	254,672,624

The accompanying notes from 1 to 29 form an integral part of these financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Note	2020	2019
Cash flow from operating activities			
Profit before zakat		18,853,214	11,089,092
Adjustments for:			
Depreciation on property and equipment	4	3,713,227	3,602,840
Depreciation on assets held for leasing	6	131,734,872	135,770,447
Amortization of intangible assets	5	466,710	494,206
Impairment loss on asset held for sale	6	(975,086)	(5,480,001)
Loss on disposal of property and equipment		1,484	-
Employees' end of service charge for the year	12	2,858,000	2,480,000
Impairment loss on trade receivables	8	22,981,080	3,324,085
Finance costs		11,825,300	17,625,376
Reversal of provision for obsolete and slow-moving inventories	7	(18,566)	(839,330)
		<u>191,440,235</u>	<u>168,066,715</u>
Changes in:			
Inventories		(2,170,634)	(159,382)
Trade receivables		(3,486,270)	(14,818,445)
Advances, prepayments and other current assets		(11,528,908)	1,047,051
Trade payables and other current liabilities		52,392,680	16,172,469
Cash generated from operations		<u>226,647,103</u>	<u>170,308,408</u>
Zakat paid	14	(3,616,376)	(4,754,372)
Employees' end of service benefit paid	12	(1,872,000)	(1,597,000)
Finance costs paid		(12,288,519)	(17,625,376)
Net cash from operating activities		<u>208,870,208</u>	<u>146,331,660</u>
Cash flow from investing activities			
Acquisition of property and equipment	4	(1,538,939)	(1,958,912)
Assets held for leasing, net	6	(274,766,668)	(48,434,096)
Purchase of intangible assets	5	(914,414)	(124,330)
Net cash used in investing activities		<u>(277,220,021)</u>	<u>(50,517,338)</u>
Financing activities			
Additional contribution from shareholders	16	25,000,000	-
Lease payment		(930,507)	(1,669,908)
Net movement of loans and borrowings		29,800,331	(110,828,954)
Net cash from / (used in) financing activities		<u>53,869,824</u>	<u>(112,498,862)</u>
Net decrease in cash and cash equivalents		<u>(14,479,989)</u>	<u>(16,684,540)</u>
Cash and cash equivalents at 1 January	10	20,060,032	36,744,572
Cash and cash equivalents at 31 December	10	<u>5,580,043</u>	<u>20,060,032</u>

SUPPLEMENTAL NON-CASH INFORMATION

Recognition of right of use asset	4	(1,960,130)	(9,634,734)
Transfer to contribution from shareholders	22	27,000,000	-

The accompanying notes from 1 to 29 form an integral part of these financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(Expressed in Saudi Arabian Riyals unless otherwise stated)

1. CORPORATE INFORMATION

Al-Jazira Equipment Company Limited (‘the Company’) is a Saudi Limited Liability Company formed under Regulations for Companies in the Kingdom of Saudi Arabia (‘KSA’) under Commercial Registration No. 2051005734 dated 12 Rabi I 1400 (corresponding to 30 January 1980).

The principal activities of the company are trading and maintenance of vehicles and lease of vehicles. As per the articles of company can carry out the operations of machinery, equipment and spare parts, trade in petroleum products and lease of equipment.

The registered office of the Company is located at Al-Raka in Al-Khobar, Saudi Arabia.

The Company operates through following branches. The results, assets and liabilities of these branches are also included in these financial statements:

S. No	Branch	C.R. Number	Location
1	Branch of Al-Jazira equipment Co. Ltd	1010223730	Riyadh
2	Al-Jazira Equipment Workshop for cars maintenance	2051056100	Khobar
3	Branch of Al-Jazira equipment Co. Ltd	2055009302	Jubail
4	Branch of Al-Jazira equipment Co. Ltd	4030157860	Jeddah
5	Branch of Al Jazira equipment Co. Ltd	4700011448	Yanbu
6	Al Jazira equipment Co. Ltd	2051005734	Khobar
7	Branch of Al Jazira equipment Co. Ltd	1010435524	Riyadh
8	Workshop of Al Jazira equipment Co. Ltd	2055024475	Jubail
9	Branch of Al Jazira equipment Co. Ltd	4700019476	Yanbu
10	Branch of Al Jazira Equipment Company Limited	2051063528	Khobar
11	Branch of Al Jazira Equipment Company Limited	2055025693	Jubail
12	Branch of Al Jazira Equipment Company Limited *	3550039453	Tabouk
13	Branch of Al Jazira Equipment Company Limited	4700112751	Yanbu
14	Al Jazira equipment Co .Ltd (Workshop)	2062617663	Nabih
15	Al Jazira equipment Co .Ltd (Transfer)	2062617664	Nabih
16	Al Jazira equipment Co .Ltd (Rent of trucks without driver)	2062617780	Nabih
17	Al Jazira equipment Co. Ltd (Motor equipment rental)	4700106768	Yanbu
18	Al Jazira equipment Co. Ltd (Motor equipment rental)	2050136804	Dammam
19	Al Jazira equipment Co. Ltd (Used car show room)	2050136805	Dammam
20	Al Jazira equipment Co. Ltd (Vehicle repair services)	4030388632	Jeddah

* The branch closed during the year 2020.

2. BASIS OF ACCOUNTING

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia (“IFRS as endorsed in KSA”) and other standards and pronouncements that are issued by Saudi Organization of Certified Public Accountants (SOCPA).

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost basis, except for net defined benefit liability which measured at projected unit credit method.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

(Expressed in Saudi Arabian Riyals unless otherwise stated)

2. BASIS OF ACCOUNTING (CONTINUED)

2.3 Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals ('SR'), which is the Company's functional currency. All amounts have been expressed in SR, unless otherwise indicated.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS as endorsed in KSA requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

a) *Useful lives and residual value of property and equipment, assets held for leasing and intangibles*

The Company's management determines the estimated useful lives of property and equipment, assets held for leasing and intangibles for calculating depreciation / amortization. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value, depreciation method and useful lives annually and future depreciation /amortization charges are adjusted where management believes these differ from previous estimates.

b) *Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

c) *Incremental borrowing rate for lease agreements*

The Company cannot readily determine the interest rate implicit in the lease agreement, therefore, it uses its Incremental Borrowing Rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available, such as for the Company that do not enter into financing transactions or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

(Expressed in Saudi Arabian Riyals unless otherwise stated)

2. BASIS OF ACCOUNTING (CONTINUED)

2.4 Critical accounting estimates and judgments (continued)

d) *Fair value measurement of financial instruments*

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

e) *Impairment of trade and other receivables*

An allowance for impairment of trade receivables is provided based on an expected credit loss (ECL) model. This will require considerable judgment as to how changes in economic factors affects ECL, which will be determined on a probability weighted basis. The Company measures the loss allowance at an amount equal to the lifetime expected credit losses for trade receivables that do not contain a significant financing component ('simplified approach'). Any subsequent recoveries of amounts previously written-off are credited in the statement of profit or loss and other comprehensive income.

f) *Employee benefits – defined benefit plan*

The cost of employees' end of service benefits are determined using actuarial valuation. Certain actuarial assumptions have been adopted as disclosed in (Note 12) to the financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect gains and losses in those years.

g) *Zakat*

The Company is subject to Zakat in accordance with the regulations of General Authority of Zakat and Tax ("GAZT"). Significant judgment is required to determine the provision for the year. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authority within the Kingdom of Saudi Arabia. The amount of such provision is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Company and the tax authority. Such differences of interpretations may arise on a wide variety of issues depending on the prevailing conditions.

h) *Impairment of inventories*

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. This estimation is performed on an individual line item basis and a provision for non-moving and obsolete inventory items applied according to the inventory type and the degree of ageing or obsolescence.

i) *Provisions and contingencies*

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

(Expressed in Saudi Arabian Riyals unless otherwise stated)

2. BASIS OF ACCOUNTING (CONTINUED)

2.4 Critical accounting estimates and judgments (continued)

i) Provisions and contingencies (continued)

All possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or all present obligations arising from past events but not recognized because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability; assessed at each statement of financial position date and disclosed in the financial statements under contingent liabilities.

j) *Going concern*

The Company's management has made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future, including the analysis of the potential impact in relation to the outbreak of Covid-19, which under IAS 1 Presentation of Financial Statements is at least, but is not limited to, twelve months from the end of the reporting period. Furthermore, the management is not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company applies the classification and measurement requirements for financial instruments under IFRS 9 'Financial Instruments'.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial asset

a) Classification and subsequent measurement

The Company classifies its financial assets as those to be measured subsequently at amortized cost if they meet the following criteria:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

(Expressed in Saudi Arabian Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)

Financial asset (continued)

a) Classification and subsequent measurement (continued)

The classification depends on the Company's business model for managing financial assets and the contractual terms of the financial assets cash flows.

The Company initially measures the trade and other receivables at the transaction price as the trade and other receivables do not contain a significant financing component.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses ("ECL") for financial assets measured at amortized cost. The ECL is recognized either for lifetime or for 12 months. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of based on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the customer;
- Significant increases in credit risk on other financial instruments of the same customer;
- Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of customers and changes in the operating results of the customer;
- Macroeconomic information (such as market interest rates or growth rates);
- Past due information adjusted for future information;

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company has adopted the simplified approach as allowed by IFRS 9 and measures the loss allowance at an amount equal to lifetime expected credit losses for all trade and other receivables and contract assets that result from contracts with the customers. The Company determines the expected credit losses on trade and other receivables by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors and other receivables adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)
Financial asset (continued)

b) Impairment of financial assets (continued)

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. Objective evidence that financial assets are impaired can include significant financial difficulty, default or delinquency of the counterparty, restructuring of amounts due on terms that the Company would not otherwise consider, indications that a customer will enter bankruptcy, or other observable data relating to customers such as adverse changes in the economic conditions that correlate with defaults by the customers.

The Company considers evidence of impairment at both a specific asset and collective level. All individually significant financial instruments found not to be specifically impaired are then collectively (with similar risk characteristics) assessed for any impairment that has been incurred but not yet identified.

Impairment losses for a financial instrument are recognized in the profit or loss and reflected in impairment for credit losses. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the profit or loss.

When an asset is uncollectible, it is written-off against the related provision. Such assets are written-off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the provision. The amount of the reversal is recognized in the statement of profit or loss.

Derecognition

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. A financial liability is derecognized from the statement of financial position when the Company has discharged its obligation, or the contract is cancelled or expires.

Financial liabilities

a) Classification and subsequent measurement of financial liabilities

The Company classifies its financial liabilities as those to be measured subsequently at amortized cost using the effective interest method, if they are not:

- contingent consideration of an acquirer in a business combination,
- held-for-trading, or
- designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The Company does not classify any of its financial liabilities under 'fair value through profit or loss (FVTPL)'.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)
Financial liabilities (continued)

b) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

c) Offsetting

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.2 Property and equipment

a) *Initial recognition and measurement*

Items of property and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of a self-constructed item of property and equipment comprises the cost of materials and direct labor and any other costs directly attributable to bringing the item to working condition for its intended use.

Cost of an acquired item of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of bringing the item to working condition for its intended use.

Parts of an item of property and equipment having varying useful lives are accounted for as separate component of property and equipment, if considered significant.

b) *Subsequent expenditure*

Subsequent expenditure is capitalized when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in statement of profit or loss and other comprehensive income as incurred.

c) *Derecognition*

Property and equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in the statement of profit or loss and other comprehensive income.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Property and equipment (continued)

d) Depreciation

Depreciation is calculated on cost of items of property and equipment less their estimated residual values over their estimated useful lives and is recognized in the statement of profit or loss and other comprehensive income. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Leasehold improvements are amortized over the shorter of the estimated useful life or the remaining term of the lease. The estimated useful lives are as follows:

	Years
• Leasehold improvements	10
• Machinery and equipment	6-7
• Furniture and fixtures	10
• Office equipment	4
• Computers and telecommunication	6-7
• Right of use asset	3-9

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if required.

3.3 Intangible assets

a) Initial recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Expenditure incurred which are eligible for capitalization under intangible assets are carried as intangible assets under development till they are ready for their intended use.

b) Subsequent expenditure

Subsequent expenditure is capitalized when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

c) Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit or loss and other comprehensive income.

d) Amortization

Amortization is calculated to allocate the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortization in statement of profit or loss and other comprehensive income. The intangible assets that the Company holds consists of computer software. It is measured at cost less accumulated amortization and any accumulated impairment losses. The estimated useful life is as follows:

	Years
Computer software	6-7

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Inventories

a) Vehicles held for sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognized in statement of profit or loss and other comprehensive income.

Once classified as held-for-sale, intangible assets and property and equipment are no longer amortised or depreciated.

b) Spare Parts and Work in Progress

Inventories are measured at the lower of cost and net realisable value. Cost is determined on a weighted average basis, and includes expenditure incurred in acquiring the inventories conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.5 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds the recoverable amount, which is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is arrived based on available data from binding sales transactions at arm's length, for similar assets. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses are recognized in statement of profit or loss and other comprehensive income. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGUs on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Foreign currency

Transactions in foreign currencies are translated to functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities (which are not covered by a forward foreign exchange contract) denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. The foreign currency gain or loss on monetary items from settlement and translation of foreign currency transactions are generally recognized in the statement of profit or loss and other comprehensive income.

3.7 Employee Benefits

a) *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short term employee benefits comprise of wages, salaries, incentives, short term leave salary etc.

b) *Defined benefit plans*

The Company is operating an unfunded end of service defined benefit plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized and are not reclassified to profit or loss in subsequent periods. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Company recognizes the following changes in the net defined benefit obligation under 'administration expenses' and 'selling and distribution expenses' in the financial statements:

The defined benefit liability comprises the present value of the defined benefit obligation, less past service costs.

- Service costs comprising current service costs and past-service costs.
- Net interest expense or income.

The defined benefit liability comprises the present value of the defined benefit obligation, less past service costs.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Employee Benefits (continued)

c) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

3.8 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and murabaha deposits with original maturities of less than three months which are subject to an insignificant risk of changes in value.

3.9 Zakat

The Company is subject to Zakat in accordance with the Zakat regulation issued by the General Authority of Zakat and Tax ("GAZT") in the Kingdom of Saudi Arabia which is subject to interpretations. Zakat is recognized in the income statement. Zakat is levied at a fixed rate of 2.5% of the zakat base as defined in the Zakat regulations.

The Company's management establishes provisions where appropriate on the basis of amounts expected to be paid to the GAZT and periodically evaluates positions taken in the Zakat returns with respect to situations in which applicable Zakat regulation is subject to interpretation.

3.10 Provisions and contingent liabilities

a) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are reviewed and adjusted at each reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for. If outflows to settle the provisions are no longer probable, reversal of the provision is recorded as income.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

b) Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent liabilities are based on judgment of management / independent experts and are not recognized in the financial statements but disclosed in the notes to financial statements. These are reviewed at end of the reporting period and are adjusted as appropriate.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Leases (continued)

As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract. The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'revenue'.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Asset held for lease

Assets held for lease are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses.

Cost of an acquired item of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of bringing the item to working condition for its intended use.

Subsequent expenditure is capitalized when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

Assets held for lease is derecognized when no lease contract finish. Gains and losses on disposal of an item of asset held for lease are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in the statement of profit or loss.

Depreciation is calculated on cost of items of vehicles held for lease less their estimated residual values over the shorter of the lease term and their useful lives and is recognized in the statement of profit or loss and other comprehensive income. The estimated useful lives are as follows:

	Years
Vehicles	4-6

3.13 Revenue

The core principle of the IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 requires that entities apply a five-step to determine when to recognize revenue and at what amount.

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when or as the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes revenue when or as a performance obligation is satisfied, i.e. when control of the goods or services pertaining to the respective performance obligation is transferred to the customer.

Revenue comprises of i) Revenue from operating leases ii) Revenue from rental operations iii) Revenue from sale of leased vehicles and iv) Revenue from workshop and service centers.

a) Revenue from operating leases (motor vehicle)

Motor vehicle leasing is the primary business activity of the Company. The Company leases motor vehicles (both passenger vehicles and commercial vehicles) to intending customers. All the lease agreements are classified as operating lease. The lease rentals are payable monthly in arrears by the customer. Revenue is recognised on raising invoice by end of each month to its customers.

The Company undertakes the activity of selling used cars. Motor vehicles given on lease are sold on completion of the lease term. Vehicles given on rent are sold on the basis of usage. The Company recognises sale proceeds as revenue on sale.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Revenue (continued)

b) Revenue from rental operations

The Company provides car renting services to its customers who are interested to obtain cars on rent for a short-term period i.e. hourly or monthly (until 11 months). The Company raises invoices on completion of the service. Revenue from car renting is recognised based on time period. Revenue recognised till the date of invoicing is recognised as unbilled revenue. Upon raising invoice, unbilled revenue is moved to trade receivables.

c) Revenue from workshop and service centers

The workshops are primarily operated by the Company to provide services to the Lease and Rent division of the Company. The Company also serves outside customers, however, the amount is significantly lower. The Company recognizes revenue at the time of issuance of invoice i.e. on completion of the repair services. Revenue and cost of sales relating to other divisions within the Company are netted off as inter-department amounts. In effect, revenue from workshops reflect revenue recognized from outside customers only.

3.14 Expenses

Selling and marketing, general and administrative expenses include direct and indirect costs not specifically part of cost of sales. Selling and marketing expenses are those arising from the Company's efforts underlying the marketing, selling and distribution functions. All other expenses are classified as general and administrative expenses. Allocations of common expenses between cost of sales, and selling and marketing and general and administrative expenses, when required, are made on a consistent basis.

3.15 Finance costs

Finance costs comprises of interest expenses and bank charges incurred by the Company during the year. These are recorded on accrued basis as and when incurred

3.16 Dividends

The dividends are recorded as liability in the period in which they are appropriately authorised and no longer at the discretion of the entity.

3.17 Statutory reserve

In accordance with the Company's Articles of Association, the Company established a statutory reserve by the appropriation of 10% of net income until the reserve is equal 30% of the share capital. This reserve is not available for distribution.

3.18 New standards, amendments and interpretations

The following amendments to IFRS that have to be mandatorily applied as per 1 January 2020 by the Company, which are relevant to the Company:

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 'Business Combinations' clarifies the definition of a business as an integrated set of activities and assets that must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. However, a business can exist without including all of the inputs and processes needed to create outputs. These amendments have no impact on the financial statements of the Company but may affect future periods should the Company enter into any business combinations.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 New standards, amendments and interpretations (continued)

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting policies, Changes in Accounting Estimates and Errors' provide a new definition of material. This definition states: "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

Materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

3.19 Standards issued but not yet effective

The IFRS standards and interpretations that are issued and relevant for the Company, but not yet effective, up to the date of issuance of the Company's financial statements are elaborated below. These standards will be adopted by the Company when they become effective.

Amendments to IAS 16 – Property, Plant and Equipment

The amendment prohibits entities from deduction from the costs of an item of property, plant and equipment, any proceeds of the sale of produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in statement of income.

The amendment must be applied retrospectively only to items of property, plant and equipment made available for the use of on or after the beginning of the earliest period presented when the entity first applies the amendment. The effective date is 1 January 2022. Currently, this amendment will not have an impact for the Company. The Company will apply it once it becomes effective.

Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract

In May 2020, the International Accounting Standards Board published 'Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)'. The amendments are intended to clarify the definition of the costs of fulfilling a contract for consistency and comparability across companies. The amendments specify that the cost of fulfilling a contract comprises costs that relate directly to the contract, and include both:

- The incremental costs of fulfilling that contract; and
- An allocation of other costs that relate directly to fulfilling contracts.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply to contracts existing at the date the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate. Comparatives are not restated on transition. Currently, this amendment will not have an impact for the Company and apply it once it become effective and it recognizes a provision for onerous contracts.

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4. PROPERTY AND EQUIPMENT

	Machinery and equipment	Leasehold improvements	Furniture and fixtures	Computers and telecommunications	Right-of-use (ROU) Asset*	Total
Cost						
Balance at 1 January 2020	7,322,258	20,091,485	8,632,548	4,273,044	9,634,734	49,954,069
Additions during the year	607,336	237,028	1,054,232	572,583	1,960,130	4,431,309
Transfers during the year	-	70,657	(1,002,897)	-	-	(932,240)
Cancellation of lease	-	-	-	-	(904,770)	(904,770)
Disposal during the year	(4,550)	-	(8,355)	(15,877)	-	(28,782)
Balance at 31 December 2020	7,925,044	20,399,170	8,675,528	4,829,750	10,690,094	52,519,586
Accumulated depreciation						
Balance at 1 January 2020	7,233,586	13,387,517	5,764,960	3,198,273	1,427,832	31,012,168
Depreciation for the year	66,513	1,271,708	366,882	308,053	1,700,071	3,713,227
Cancellation of lease	-	-	-	-	(278,395)	(278,395)
Disposal during the year	(4,550)	-	(6,871)	(15,877)	-	(27,298)
Balance at 31 December 2020	7,295,549	14,659,225	6,124,971	3,490,449	2,849,508	34,419,702
Carrying amounts						
For the year ended 31 December 2020	629,495	5,739,945	2,550,557	1,339,301	7,840,586	18,099,884
Cost	7,288,475	19,557,722	7,322,392	4,191,834	-	38,360,423
Recognition of ROU asset on initial application of IFRS 16	-	-	-	-	9,634,734	9,634,734
Balance at 1 January 2019 (adjusted)	7,288,475	19,557,722	7,322,392	4,191,834	9,634,734	47,995,157
Additions	33,783	533,763	1,310,156	81,210	-	1,958,912
Balance at 31 December 2019	7,322,258	20,091,485	8,632,548	4,273,044	9,634,734	49,954,069
Accumulated depreciation	7,183,047	11,894,805	5,445,980	2,885,496	-	27,409,328
Balance at 1 January 2019	50,539	1,492,712	318,980	312,777	1,427,832	3,602,840
Depreciation	7,233,586	13,387,517	5,764,960	3,198,273	1,427,832	31,012,168
Balance at 31 December 2019	88,672	6,703,968	2,867,588	1,074,771	8,206,902	18,941,901

Carrying amounts
For the year ended 31 December 2019
*Right of use assets consist of leased land and buildings.

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5. INTANGIBLE ASSETS

Software	31 December 2020			31 December 2019
	Software	Under development	Total	
Cost				
Balance at 1 January	3,451,353	-	3,451,353	3,327,023
Additions	458,789	455,625	914,414	124,330
Disposals	(950)	-	(950)	-
Balance at 31 December	3,909,192	455,625	4,364,817	3,451,353
Accumulated amortization				
Balance at 1 January	1,820,484	-	1,820,484	1,326,278
Amortization	466,710	-	466,710	494,206
Disposal	(950)	-	(950)	-
Balance at 31 December	2,286,244	-	2,286,244	1,820,484
Carrying amount				
At 31 December	1,622,948	455,625	2,078,573	1,630,869

6. ASSETS HELD FOR LEASING

	31 December 2020	31 December 2019
Cost		
Balance at 1 January	772,367,280	838,125,641
Additions during the year	370,347,397	164,431,750
Transfers to vehicles held for sale	(312,930,973)	(230,190,111)
Balance at 31 December	829,783,704	772,367,280
Accumulated depreciation		
Balance at 1 January	317,471,440	302,392,977
Charge for the year	131,734,872	135,770,447
Transfers to vehicle held for sale	(217,350,244)	(120,691,984)
Balance at 31 December	231,856,068	317,471,440
Accumulated impairment		
Balance at 1 January	7,573,126	13,053,127
Impairment reversal for the year	(975,086)	(5,480,001)
Balance at 31 December	6,598,040	7,573,126
Carrying amount		
Balance at 31 December	591,329,596	447,322,714

The Company transfers the assets at the end of their lease term to inventories as vehicles held for sale, in the ordinary course of business.

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7. INVENTORIES

	Note	31 December 2020	31 December 2019
Vehicles held for sale		5,742,536	3,246,384
Spare parts		1,958,980	2,284,498
Provisions for slow moving items	7.1	(2,244,912)	(2,263,478)
		5,456,604	3,267,404

7.1 The movement in provision for slow moving items is as follows:

	31 December 2020	31 December 2019
Balance as at 1 January	2,263,478	3,102,808
Reversal for the year	(18,566)	(839,330)
Balance as at 31 December	2,244,912	2,263,478

8. TRADE RECEIVABLES

	31 December 2020	31 December 2019
Trade receivables	197,147,019	193,708,053
Trade receivables- related parties (note 22)	7,134,472	7,087,166
Less: Provision for impairment loss	(79,944,478)	(56,963,398)
	124,337,013	143,831,821

The movement in the provision for impairment loss is as follows:

	31 December 2020	31 December 2019
Balance at the beginning of the year	56,963,398	64,449,415
Charge for the year	22,981,080	3,324,085
Written off during the year	-	(10,810,102)
Balance at the end of the year	79,944,478	56,963,398

9. ADVANCES, PREPAYMENTS AND OTHER CURRENT ASSETS

	31 December 2020	31 December 2019
VAT refundable	9,643,834	-
Advances to vendors	5,395,184	785,354
Accrued income	3,589,314	3,594,570
Due from employees	2,884,236	5,193,258
Prepaid expenses	1,232,159	1,642,637
	22,744,727	11,215,819

10. CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Cash in hand	331,203	374,203
Bank balances	5,248,840	5,685,829
Murabaha deposits	-	14,000,000
	5,580,043	20,060,032

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11. LOANS AND BORROWINGS

	31 December 2020	31 December 2019
Non-current		
Murabaha loan	164,156,286	126,666,667
Loan from a shareholder	-	27,000,000
	164,156,286	153,666,667
Current		
Murabaha loan	160,775,187	168,464,475
Total	324,931,473	322,131,142

Murabaha loan represent short-term and long-term Murabaha facilities granted by local commercial banks at rate ranging to from 2.68% to 4.15% (2019: 4.4% to 5.1%). The facilities are secured by promissory notes from the Company.

The aggregate repayment schedule of long-term debt is as follows;	31 December 2020	31 December 2019
Within one year	160,775,187	168,464,475
1-2 years	102,931,974	91,000,000
2-5 years	14,615,387	35,666,667
Thereafter	46,608,925	27,000,000
Total	324,931,473	322,131,142

12. EMPLOYEE BENEFITS

The present value of total employee benefits liability recognized in the statement of financial position is determined as follows:

	31 December 2020	31 December 2019
Employees' end of service benefits	15,172,000	13,372,000

Movement in net defined liability

The movement in the present value of the end-of-service benefits over the year is as follows:

	31 December 2020	31 December 2019
Balance at 1 January	13,372,000	10,704,000
Included in profit or loss		
Current service cost	2,317,000	1,876,000
Interest cost	541,000	604,000
Total	2,858,000	2,480,000
Included in other comprehensive income		
Actuarial gain/(loss) arising from:		
- financial assumptions	981,000	2,039,000
- experience adjustments	373,000	(254,000)
Total	1,354,000	1,785,000
Benefits paid	(1,872,000)	(1,597,000)
Balance at 31 December	15,712,000	13,372,000

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12. EMPLOYEE BENEFITS (continued)

The expense is recognized in the following line items in the statement of profit or loss and other comprehensive income:

	<u>2020</u>	<u>2019</u>
General and administrative expenses	1,184,968	992,000
Sales and marketing	1,673,032	1,488,000
	<u>2,858,000</u>	<u>2,480,000</u>

Actuarial assumptions

The actuarial assumptions used to calculate the indicative defined benefit liabilities are as follows (expressed as weighted averages):

	<u>31 December 2020</u>	<u>31 December 2019</u>
Financial assumptions		
Discount rate	2.9%	3.5%
Future salary growth/ expected rate of salary increases	3.0%	3.0%
Demographic assumptions		
Retirement age (in years)	60	60
Turnover (age wise)	Medium	Medium

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<u>31 December 2020</u>		<u>31 December 2019</u>	
	Increase	Decrease	Increase	Decrease
Financial assumptions				
Discount rate (0.25% movement)	(466,000)	466,000	(397,000)	397,000
Future salary growth (0.25% movement)	479,000	(479,000)	411,000	(411,000)

As at 31 December 2020, the weighted average duration of the defined benefit obligation is 12.5 years (2019: 12.5 years).

During the year ended 31 December 2020, an independent actuarial exercise has been conducted to ensure the adequacy of provision for employees' end of service benefits in accordance with the rules stated under the Saudi Arabian Labor and Workmen Law by using the Projected Unit Credit Method as required under IAS 19.

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13. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31 December 2020	31 December 2019
Trade payables	111,507,873	53,206,661
Accrued expenses	28,624,787	35,917,368
Due to related parties (note 22)	19,465,774	18,036,060
Accrued interest	1,602,537	2,423,096
Others	1,633,736	1,537,873
	162,834,707	111,121,058

14. ZAKAT PROVISION

The movement in the provision for zakat is as follows:

	31 December 2020	31 December 2019
Balance as at 1 January	3,423,296	4,200,000
Zakat charge:		
For the current year	2,891,733	3,423,296
For the prior year	193,089	554,372
	3,084,822	3,977,668
Payments during the year	(3,616,376)	(4,754,372)
Balance as at 31 December	2,891,742	3,423,296

Components of zakat base

The principal elements of the zakat base are as follows:

	31 December 2020	31 December 2019
Equity	188,258,232	182,931,808
Additional contribution from shareholders	52,000,000	-
Opening provisions and adjustments	88,214,934	63,096,666
Loans and borrowings	351,931,473	337,324,322
Adjusted net income	45,278,154	17,956,950
	725,682,793	601,309,746
Less:		
Book value of non-current assets	(612,134,428)	(468,504,628)
Zakat base (A)	113,548,365	132,805,118
Zakat Charge at 2.5% of zakat base	2,891,741	3,423,296

14.1 Status of Zakat assessments

The Company has submitted its Zakat returns up to year ended 31 December 2019, settled zakat as per the return and obtained the required certificate, further the Company has received the final Zakat assessment till the year 2016 and finalized its position with the General Authority of Zakat and Tax (GAZT). However, zakat assessments for the year 2017 to 2019 are still open.

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15. SHARE CAPITAL

Capital

The share capital of the Company amounting to SR 120,000,000 (2019: SR 120,000,000) is divided into 120,000,000 shares (2019: 120,000,000 shares) of SR 1 each, which are fully paid and owned as follows:

	Number of Shares	Value (SR)
Saudi Economic and Development Holding Company	118,800,000	118,800,000
Sadad Trading Company Limited	1,200,000	1,200,000
	120,000,000	120,000,000

Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on assets and makes adjustments to its in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is interest bearing loans and borrowing.

16. ADDITIONAL CONTRIBUTION FROM SHAREHOLDERS

The shareholders of the Company, in their meeting held on 14 Sha'ban 1441H (corresponding to 11 December 2019G), resolved to increase the capital of the Company from SR 120 million to SR 145 million by injecting an additional funds of SR 25,000,000. However, the legal formalities in respect of the increase in capital were not completed as of year ended 31 December 2020. Subsequent to the year end, the Shareholders have decided to further increase the share capital by SR 35 million and in this regard SR 27 million has been transferred from shareholder loan to contribution from shareholders and legal formalities to be completed during the year 2021.

17. STATUTORY RESERVE

In accordance with the Company's Articles of Association, the Company established a statutory reserve by the appropriation of 10% of net income until the reserve is equal 30% of the share capital. This reserve is not available for distribution.

18. REVENUE

Revenue from contracts with customers is disaggregated by major service lines and timing of revenue recognition as follows;

Revenue classification	For the year ended 31 December 2020	For the year ended 31 December 2019
Operating leases	247,388,319	244,768,651
Sale of leased vehicles	144,573,463	130,605,320
Revenue from workshop and service center	10,392,070	10,036,418
Rental operations	-	10,682,898
	402,353,852	396,093,287

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18. REVENUE (continued)

	For the year ended 31 December 2020	For the year ended 31 December 2019
Timing of revenue recognition		
Over time	247,388,319	255,451,549
At point in time	154,965,533	140,641,738
	402,353,852	396,093,287
Primary geographical market		
Saudi Arabia	402,353,852	396,093,287

19. COST OF SALES

	For the year ended 31 December 2020	For the year ended 31 December 2019
Leasing costs	167,125,482	172,618,848
Cost of leased vehicles sold	93,079,964	115,997,657
Workshop, service and parts costs	2,759,517	3,676,247
	262,964,963	292,292,752

20. SELLING AND DISTRIBUTION EXPENSES

	For the year ended 31 December 2020	For the year ended 31 December 2019
Salaries and employees' benefits	31,879,303	19,419,509
Other operating selling expenses	11,243,950	6,849,334
Commission and advertisement	6,449,896	4,271,907
	49,573,149	30,540,750

21. ADMINISTRATIVE EXPENSES

	For the year ended 31 December 2020	For the year ended 31 December 2019
Salaries and employee related costs	26,105,182	26,248,226
Consultancy and professional charges	3,777,824	5,388,648
Licenses and registrations	2,105,707	1,332,612
Depreciation and amortization	898,694	3,112,517
Vehicle expenses	802,517	1,112,235
Utilities	730,383	995,600
Rent expenses	494,465	2,683,952
Travel expenses	475,246	927,051
Repairs and maintenance	204,707	695,038
Supplies	3,550	137,379
Other expenses	930,611	592,822
	36,528,886	43,226,080

22. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Company's shareholders, associated companies and their shareholders, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties. Related party transactions are dealt with on agreed terms and conditions of such transactions duly approved by the Company's management.

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22. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

a) The list of related parties is as follows:

Name	Relationship
Saudi Economic and Development Holding Company	Shareholder
Elaf Travel and Tourism Company Limited	Other related party
Al Mahmal Facilities Services Company	Other related party
Arabian Entertainment Company	Other related party
Nahdi Medical Company	Other related party

b) Following are the significant transactions with related parties:

Name	Relationship	Nature of transactions	2020	2019
Saudi Economic Development Company	Shareholder	Expense charged by Shareholder	1,448,459	1,690,577

c) Due from related parties as at 31 December are comprised of the following:

	31 December 2020	31 December 2019
Saudi Economic Development Company	6,757,254	6,757,254
Elaf Travel Tourism Company Limited	194,528	155,045
Arabian Entertainment Company	182,690	170,604
Nahdi Medical Company	-	4,263
	7,134,472	7,087,166

d) Due to related parties as at 31 December are comprised of the following:

	31 December 2020	31 December 2019
Saudi Economic Development Company*	19,465,774	45,036,060

* This balance is not payable within one year after the reporting date and accordingly has been classified as non-current liability. During the year, the Company resolved to convert SR 27 million as additional contribution from shareholders (note 16).

e) Transactions with key management personnel

i. Key management personnel compensation comprised the following:

	2020	2019
Short term employee benefits	6,475,549	4,792,500
Post-employment benefits	421,963	399,375

Compensation to key management personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan.

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23. FINANCIAL INSTRUMENTS

Accounting classifications and fair values

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

Fair value of cash and bank balances, trade and other receivables, trade and other payables approximate their carrying amounts largely due to short term maturities of these instruments.

Financial instruments by category:

Description	31 December 2020	31 December 2019
Financial assets measured at amortised cost		
Cash and cash equivalents	5,580,043	20,060,032
Trade receivables	117,202,541	136,744,655
Due from related parties	7,134,472	7,087,166
	129,917,056	163,891,853
Financial liabilities measured at amortised cost		
Loans and borrowings	324,931,473	322,131,142
Trade and other current liabilities	143,368,933	93,084,998
Due to related parties	19,465,774	18,036,060
	487,766,180	433,252,200

24. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and interest rate risks and equity price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management framework

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The most important types of risk are credit risk, currency risk, equity price risk and interest rate risks.

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

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

The Audit Committee oversees compliance by management with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Financial instruments carried on the statement of financial position include cash and bank balances, trade and other receivables, trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

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24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management framework (continued)

Financial asset and liability are offset, and net amounts reported in the financial statements, when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk.

Interest rate risk

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's statement of financial position and cash flows. Management monitors the changes in interest rates.

Currency risk

Currency risk is the risk that the value of a financial instrument denominated in foreign currencies will fluctuate due to changes in foreign exchange rates, in case the Company does not hedge its currency exposure by means of hedging instruments.

The Company's transactions are principally in Saudi Riyals. Other transactions in foreign currencies are not material and hence the Company is not exposed to any significant currency risk.

Equity price risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. Since, the Company has not invested in quoted equity securities, it is not exposed to equity price risks.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's principal financial assets subject to credit risk are bank balances and trade and other receivables.

Credit risk arises from the possibility that assets could be impaired because counter parties cannot meet their obligations in transactions involving financial instruments. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular segment of customers. The Company has established procedures to manage credit exposure including credit approvals, credit limits and guarantee requirements. These procedures are mainly due to the Company's internal guidelines. An impairment allowance is maintained on trade receivables based on the "Expected Credit Loss" model. The allowance is measured based on the lifetime expected credit losses (simplified approach) as these do not contain a significant financing component.

The Company's gross maximum exposure to credit risk at the reporting date is as follows:

	31 December 2020	31 December 2019
Financial assets		
Cash and cash equivalent	5,580,043	20,060,032
Trade receivables	124,337,013	143,831,821
	129,917,056	163,891,853

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24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management framework (continued)

b) Credit risk (continued)

The following tables provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2019 and 2020.

31 December 2020	Weighted average loss rate	Gross Carrying Amount	Loss Allowance
Current	4.0%	41,554,820	1,671,592
0-90 days	4.8%	38,433,608	1,831,266
91-180 days	10.3%	14,024,412	1,450,780
181-270 days	12.7%	12,876,330	1,640,066
271-360 days	33.1%	8,682,048	2,870,150
361 and more	79.5%	88,710,273	70,480,624
Balance at the end of the year		204,281,491	79,944,478

31 December 2019	Weighted average loss rate	Gross Carrying Amount	Loss Allowance
Current	5.6%	50,355,938	2,837,775
0-90 days	11.8%	39,438,051	4,654,277
91-180 days	17.1%	14,703,460	2,513,481
181-270 days	19.9%	10,457,648	2,079,171
271-360 days	26.7%	12,332,046	3,287,575
361 and more	56.6%	73,508,076	41,591,119
Balance at the end of the year		200,795,219	56,963,398

c) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet the Company's future commitments. Also, maturity profile of the Company's financial instruments is monitored to ensure that adequate liquidity is maintained or made available, as necessary to the Company. For instance, concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets.

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24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management framework (continued)

c) Liquidity risk (continued)

However as at 31 December 2020, the Company's current liabilities exceed current assets by SR 172 million. However, management is confident that additional repayment requirements will be met out of available unused banking facilities further the board is expecting to increase the equity for each of next five years which will gradually turn around the current liability position of the company. Hence the Company has no significant concentration of liquidity risk.

The Company's financial liabilities primarily consist of accounts payable and other liabilities.

The following is contractual undiscounted maturity analysis of the financial liabilities of the Company as at 31 December:

31 December 2020	Carrying amount	On Demand	less than 6 months	1 year or less	above 1 year
<i>Non derivative financial liabilities</i>					
Trade payable and other current liabilities	111,507,873	2,302,195	103,531,567	2,446,820	3,227,291
Due to related parties	19,465,774	19,465,774	-	-	-
Loans and borrowings	324,931,473	-	-	153,454,963	171,476,510
	455,905,120	21,767,969	103,531,567	155,901,783	174,703,801
31 December 2019	Carrying amount	On Demand	less than 6 months	1 year or less	above 1 year
<i>Non derivative financial liabilities</i>					
Trade payable and other current liabilities	53,206,661	8,352,533	43,040,733	1,813,395	-
Due to related parties	18,036,060	18,036,060	-	-	-
Loans and borrowings	322,131,142	-	-	168,464,475	153,666,667
	393,373,863	26,388,593	43,040,733	170,277,870	153,666,667

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

(Expressed in Saudi Arabian Riyals unless otherwise stated)

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management framework (continued)

c) Liquidity risk (continued)

OPERATING LEASE ARRANGEMENTS

Rental expenses

	31 December 2020	31 December 2019
Payments under operating leases recognized as an expense	1,622,122	3,401,690

The above operating lease payments represent rentals payable by the Company for corporate office, branch offices and workshops.

Commitments for minimum rental payments under leases are as follows:

	31 December 2020	31 December 2019
Less than one year	2,463,900	1,463,400
More than one year but less than five years	6,811,728	5,413,600
More than five years	85,000	2,741,800
	9,360,628	9,618,800

Rental income

The operating lease receipts represent rentals receivable by the Company for vehicles leased out. Leases are negotiated for an average term of three years.

	31 December 2020	31 December 2019
Revenue under operating leases recognized as income during the year	247,388,319	255,451,549

25. COMMITMENT AND CONTINGENCIES

Contingencies and commitments

	31 December 2020	31 December 2019
Letter of guarantees	25,699,667	14,242,195
Capital commitments	15,935,815	-
Other commitments	11,570,093	4,451,425
	53,205,575	18,693,620

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

(Expressed in Saudi Arabian Riyals unless otherwise stated)

26. COVID-19 ASSESSMENT

The outbreak of novel coronavirus (“COVID-19”) since early 2020 and its spread across mainland China and then globally caused disruptions to businesses and economic activities including in the KSA. The World Health Organisation qualified COVID-19 as a pandemic, with governments issuing strict regulations and guidance for its populations and organisations. It necessitated the Company to re-assess its judgments and the key sources of estimation applied to the annual financial statements for the year ended 31 December 2020. Further, the Management has assessed the overall impact on the Company’s operations. Based on this assessment, no significant adjustments were required in the financial statements for the year ended 31 December 2020. However, in view of the ongoing uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and/or liabilities in future periods. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

27. SUBSEQUENT EVENTS

The Board of Directors have passed a resolution to increase the share capital from SR 120 million to SR 180 million during 2021.

There were no significant events between the end of the reporting period and the date when financial statements are approved which requires adjustments / disclosure in these financial statements.

28. RECLASSIFICATION

During the year, the Company reclassified and rearranged certain comparative balances to conform to current year’s presentation. These reclassifications have no impact on previously reported net income or retained earnings.

	<u>As per previously reported</u>	<u>Reclassified amounts</u>	<u>Amount of reclassification</u>
<i>Statement of income statement</i>			
Cost of sales	(292,566,568)	273,816	(292,292,752)
Gross profit	103,526,719	273,816	103,800,535
Administrative expenses	(35,477,830)	(7,748,250)	(43,226,080)
Selling and distribution expenses	(38,015,184)	7,474,434	(30,540,750)

29. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Company's Board of Directors on 17 March 2021 corresponding to 4 Shaban 1441H.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
For the Year Ended 31 December 2021

**AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A LIMITED LIABILITY COMPANY)**

**FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 16، برج البرعش
6189 طريق الأمير تركي، الكورنيش
ص.ب 4803
الخبير 3146 - 34412
المملكة العربية السعودية
سجل تجاري رقم 2051062328
المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Al-Jazira Equipment Company Limited

Opinion

We have audited the financial statements of **Al-Jazira Equipment Company Limited** ("the Company") which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's Articles of Association and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, Board of Directors, are responsible for overseeing the Company's financial reporting process.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia. With the paid-up capital of (25,000,000) SAR. (Previously known as "KPMG Al Fozan & Partners Certified Public Accountants") A non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مبنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأسمالها (25,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والناجئة لكي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.



Independent Auditor's Report

To the Shareholders of Al-Jazira Equipment Company Limited (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Al-Jazira Equipment Company Limited** ("the Company").

For KPMG Professional Services



Abdulaziz Abdullah Alnaim
License No: 394



Al Khobar: 11 Ramadan 1443H
Corresponding to: 12 April 2022G

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Note	31 December 2021	31 December 2020
Assets			
Non-current assets			
Property and equipment	4	30,859,901	18,099,884
Intangible assets	5	6,321,897	2,078,573
Assets held for leasing	6	657,155,249	591,329,596
		<u>694,337,047</u>	<u>611,508,053</u>
Current assets			
Inventories	7	10,127,729	5,456,604
Trade receivables	8	151,678,803	127,926,327
Advances, prepayments and other current assets	9	17,329,256	19,155,413
Cash and cash equivalents	10	5,192,187	5,580,043
Total current assets		<u>184,327,975</u>	<u>158,118,387</u>
Total assets		<u>878,665,022</u>	<u>769,626,440</u>
Equity			
Share capital	16	180,000,000	120,000,000
Additional contribution from shareholders		-	52,000,000
Statutory reserve	17	26,391,601	20,245,798
Retained earnings		109,744,312	62,426,826
Total equity		<u>316,135,913</u>	<u>254,672,624</u>
Liabilities			
Non-current liabilities			
Loans and borrowings	11	194,683,109	164,156,286
Employee benefits	13	18,096,336	15,712,000
Lease liability	12	16,522,224	5,449,809
		<u>229,301,669</u>	<u>185,318,095</u>
Current liabilities			
Current portion of loans and borrowings	11	197,356,486	160,775,187
Current portion of lease liability	12	4,094,736	3,134,085
Trade payables and other current liabilities	14	127,265,784	162,834,707
Zakat provision	15	4,510,434	2,891,742
Total current liabilities		<u>333,227,440</u>	<u>329,635,721</u>
Total liabilities		<u>562,529,109</u>	<u>514,953,816</u>
Total equity and liabilities		<u>878,665,022</u>	<u>769,626,440</u>



Chief Executive officer



Chief Financial Officer

The accompanying notes from 1 to 28 form an integral part of these financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

(Expressed in Saudi Arabian Riyals unless otherwise stated)

		31 December	31 December
	Note	2021	2020
Revenue	18	382,578,441	402,353,852
Cost of sales	19	(209,442,377)	(262,964,963)
Gross profit		173,136,064	139,388,889
Selling and distribution expenses	20	(59,877,088)	(49,573,149)
Administrative expenses	21	(40,619,656)	(36,528,886)
Impairment loss on trade receivables	8	-	(22,981,080)
Other income		4,194,945	372,740
Operating profit		76,834,265	30,678,514
Finance cost		(11,482,861)	(11,825,300)
Profit before zakat		65,351,404	18,853,214
Zakat expense	15	(3,893,375)	(3,084,822)
Profit for the year		61,458,029	15,768,392
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>			
Re-measurement of defined benefit liability	13	5,260	(1,354,000)
Other comprehensive income / (loss) for the year		5,260	(1,354,000)
Total comprehensive income for the year		61,463,289	14,414,392

The accompanying notes from 1 to 28 form an integral part of these financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Share capital	Additional contribution from shareholders (note 16)	Statutory reserve	Retained earnings	Total equity
Balance at 1 January 2020	120,000,000	-	18,668,959	49,589,273	188,258,232
<u>Total comprehensive income for the year</u>	-	-	-	15,768,392	15,768,392
Profit for the year	-	-	-	(1,354,000)	(1,354,000)
Other comprehensive loss	-	-	-	14,414,392	14,414,392
Total comprehensive income for the year	-	-	-	(1,576,839)	-
Transfer to statutory reserve	-	-	1,576,839	-	-
Transaction with owners of the Company	-	52,000,000	-	-	52,000,000
Additional contribution from shareholders	-	52,000,000	20,245,798	62,426,826	254,672,624
Balance at 31 December 2020	120,000,000	-	20,245,798	62,426,826	254,672,624
Balance at 1 January 2021	120,000,000	52,000,000	20,245,798	62,426,826	254,672,624
<u>Total comprehensive income for the year</u>	-	-	-	61,458,029	61,458,029
Profit for the year	-	-	-	5,260	5,260
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	61,463,289	61,463,289
Transfer to statutory reserve	-	-	6,145,803	(6,145,803)	-
Transaction with owners of the Company	-	-	-	-	-
Increase in share capital during the year (note 16)	60,000,000	(52,000,000)	-	(8,000,000)	-
Balance at 31 December 2021	180,000,000	-	26,391,601	109,744,312	316,135,913

The accompanying notes from 1 to 28 form an integral part of these financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Note	2021	2020
Cash flow from operating activities			
Profit before zakat		65,351,404	18,853,214
Adjustments for:			
Depreciation on property and equipment	4	5,109,510	3,713,227
Depreciation on assets held for leasing	6	101,375,317	131,734,872
Amortization of intangible assets	5	514,582	466,710
Impairment loss / reversal loss on asset held for sale	6	2,587,181	(975,086)
Loss on disposal of property and equipment		-	1,484
Employee benefits charge for the year	13	3,389,000	2,858,000
Impairment loss on trade receivables	8	-	22,981,080
Finance cost		11,482,861	11,825,300
Provision / (reversal) for obsolete and slow-moving inventories	7	457,110	(18,566)
		<u>190,266,965</u>	<u>191,440,235</u>
Changes in:			
Inventories		(5,128,235)	(2,170,634)
Trade receivables		(23,752,476)	(3,486,270)
Advances, prepayments and other current assets		1,826,157	(11,528,908)
Trade payables and other current liabilities		(35,914,195)	52,392,680
Cash generated from operations		<u>127,298,216</u>	<u>226,647,103</u>
Zakat paid	15	(2,274,683)	(3,616,376)
Employee benefits paid	13	(999,404)	(1,872,000)
Finance cost paid		(10,486,429)	(12,288,519)
Net cash from operating activities		<u>113,537,700</u>	<u>208,870,208</u>
Cash flow from investing activities			
Acquisition of property and equipment	4	(3,519,035)	(1,538,939)
Acquisition of assets held for leasing	6	(230,670,435)	(370,347,397)
Transfer of assets held for leasing	6	60,882,284	95,580,729
Purchase of intangible assets	5	(4,757,906)	(914,414)
Net cash used in investing activities		<u>(178,065,092)</u>	<u>(277,220,021)</u>
Financing activities			
Additional contribution from shareholders	16	-	25,000,000
Lease payment		(2,968,586)	(930,507)
Net movement of loans and borrowings		67,108,122	29,800,331
Net cash from financing activities		<u>64,139,536</u>	<u>53,869,824</u>
Net decrease in cash and cash equivalents		<u>(387,856)</u>	<u>(14,479,989)</u>
Cash and cash equivalents at 1 January	10	5,580,043	20,060,032
Cash and cash equivalents at 31 December	10	<u>5,192,187</u>	<u>5,580,043</u>
<u>SUPPLEMENTAL NON-CASH INFORMATION</u>			
Recognition of right of use asset	4	(14,350,492)	(1,960,130)
Transfer to contribution from shareholders		-	27,000,000
Transfer of assets held for leasing		60,882,284	95,580,729

The accompanying notes from 1 to 28 form an integral part of these financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

(Expressed in Saudi Arabian Riyals unless otherwise stated)

1. CORPORATE INFORMATION

Al-Jazira Equipment Company Limited ('the Company') is a Saudi Limited Liability Company formed under Regulations for Companies in the Kingdom of Saudi Arabia ('KSA') under Commercial Registration No. 2051005734 dated 12 Rabi' 1 1400 (corresponding to 30 January 1980).

The principal activities of the company are trading and maintenance of vehicles and lease of vehicles. As per the articles of Company can carry out the operations of machinery, equipment and spare parts, trade in petroleum products and lease of equipment.

The registered office of the Company is located at Al-Raka in Al-Khobar, Saudi Arabia.

The Company operates through following branches. The results, assets and liabilities of these branches are also included in these financial statements:

S. No	Branch	C.R. Number	Location
1	Branch of Al-Jazira equipment Co. Ltd	1010223730	Riyadh
2	Al-Jazira Equipment Workshop for cars maintenance *	2051056100	Khobar
3	Branch of Al-Jazira equipment Co. Ltd *	2055009302	Jubail
4	Branch of Al-Jazira equipment Co. Ltd	4030157860	Jeddah
5	Branch of Al Jazira equipment Co. Ltd	4700011448	Yanbu
6	Al Jazira equipment Co. Ltd	2051005734	Khobar
7	Branch of Al Jazira equipment Co. Ltd	1010435524	Riyadh
8	Workshop of Al Jazira equipment Co. Ltd	2055024475	Jubail
9	Branch of Al Jazira equipment Co. Ltd	4700019476	Yanbu
10	Branch of Al Jazira Equipment Co. Ltd *	2051063528	Jubail
11	Branch of Al Jazira Equipment Co. Ltd *	2055025693	Khobar
13	Branch of Al Jazira Equipment Co. Ltd	4700112751	Yanbu
14	Al Jazira equipment Co .Ltd (Workshop)	2062617663	Nabih
15	Al Jazira equipment Co .Ltd (Transfer)	2062617664	Nabih
16	Al Jazira equipment Co .Ltd (Rent of trucks without driver)	2062617780	Nabih
17	Al Jazira equipment Co. Ltd (Motor equipment rental)	4700106768	Yanbu
18	Al Jazira equipment Co. Ltd (Motor equipment rental)	2050136804	Dammam
19	Al Jazira equipment Co. Ltd (Used car show room)	2050136805	Dammam
20	Al Jazira equipment Co. Ltd (Vehicle repair services)	4030388632	Jeddah

* The Branches closed during the year 2021.

2. BASIS OF PREPERATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia ("IFRS as endorsed in KSA") and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost basis, except for net defined benefit liability which measured at projected unit credit method.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

(Expressed in Saudi Arabian Riyals unless otherwise stated)

2. BASIS OF PREPERATION (CONTINUED)

2.3 Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals ('SR'), which is also the Company's functional currency. All amounts have been expressed in SR, unless otherwise indicated.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS as endorsed in KSA requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

- a) *Useful lives and residual value of property and equipment, assets held for leasing and intangibles***
The Company's management determines the estimated useful lives of property and equipment, assets held for leasing and intangibles for calculating depreciation / amortization. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value, depreciation method and useful lives annually and future depreciation /amortisation charges are adjusted where management believes these differ from previous estimates.
- b) *Impairment of non-financial assets***
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.
- c) *Incremental borrowing rate for lease agreements***
The Company cannot readily determine the interest rate implicit in the lease agreement, therefore, it uses its Incremental Borrowing Rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available, such as for the Company that do not enter into financing transactions or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

(Expressed in Saudi Arabian Riyals unless otherwise stated)

2. BASIS OF PREPERATION (CONTINUED)

2.4 Critical accounting estimates and judgments (continued)

d) *Fair value measurement of financial instruments*

Company's accounting policies and disclosures require the measurement of fair values, for financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

e) *Impairment of trade and other receivables*

An allowance for impairment of trade receivables is provided based on an expected credit loss (ECL) model. This will require considerable judgment as to how changes in economic factors affects ECL, which will be determined on a probability weighted basis. The Company measures the loss allowance at an amount equal to the lifetime expected credit losses for trade receivables that do not contain a significant financing component ('simplified approach'). Any subsequent recoveries of amounts previously written-off are credited in the statement of profit or loss and other comprehensive income.

f) *Employee benefits – defined benefit plan*

The cost of employees' end of service benefits are determined using actuarial valuation. Certain actuarial assumptions have been adopted as disclosed in (Note 13) to the financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect gains and losses in those years.

g) *Zakat*

The Company is subject to Zakat in accordance with the Zakat, Tax and Customs Authority ("ZATCA") regulations. Zakat computation involves relevant knowledge and judgment of the Zakat rules and regulations to assess the impact of Zakat liability at a particular period end. This liability is considered an estimate until the final assessment by ZATCA is carried out until which the Company retains exposure to additional Zakat liability.

h) *Impairment of inventories*

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. This estimation is performed on an individual line item basis and a provision for non-moving and obsolete inventory items applied according to the inventory type and the degree of ageing or obsolescence.

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2. BASIS OF PREPERATION (CONTINUED)

2.4 Critical accounting estimates and judgments (continued)

a) *Provisions and contingencies*

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

All possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or all present obligations arising from past events but not recognized because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability; assessed at each statement of financial position date and disclosed in the financial statements under contingent liabilities.

b) *Going concern*

The Company's management has made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future, including the analysis of the potential impact in relation to the outbreak of Covid-19, which under IAS 1 Presentation of Financial Statements is at least, but is not limited to, twelve months from the end of the reporting period. Furthermore, the management is not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company applies the classification and measurement requirements for financial instruments under IFRS 9 'Financial Instruments'.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)

Financial asset

a) Classification and subsequent measurement

The Company classifies its financial assets as those to be measured subsequently at amortized cost if they meet the following criteria:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The classification depends on the Company's business model for managing financial assets and the contractual terms of the financial assets cash flows.

The Company initially measures the trade and other receivables at the transaction price as the trade and other receivables do not contain a significant financing component.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses ("ECL") for financial assets measured at amortized cost. The ECL is recognized either for lifetime or for 12 months. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of based on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the customer;
- Significant increases in credit risk on other financial instruments of the same customer;
- Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of customers and changes in the operating results of the customer;
- Macroeconomic information (such as market interest rates or growth rates); and
- Past due information adjusted for future information.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)

Financial asset (continued)

Impairment of financial assets (continued)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company has adopted the simplified approach as allowed by IFRS 9 and measures the loss allowance at an amount equal to lifetime expected credit losses for all trade and other receivables and contract assets that result from contracts with the customers. The Company determines the expected credit losses on trade and other receivables by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors and other receivables adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. Objective evidence that financial assets are impaired can include significant financial difficulty, default or delinquency of the counterparty, restructuring of amounts due on terms that the Company would not otherwise consider, indications that a customer will enter bankruptcy, or other observable data relating to customers such as adverse changes in the economic conditions that correlate with defaults by the customers.

The Company considers evidence of impairment at both a specific asset and collective level. All individually significant financial instruments found not to be specifically impaired are then collectively (with similar risk characteristics) assessed for any impairment that has been incurred but not yet identified.

Impairment losses for a financial instrument are recognized in the profit or loss and reflected in impairment for credit losses. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of profit or loss and other comprehensive income.

When an asset is uncollectible, it is written-off against the related provision. Such assets are written-off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the provision. The amount of the reversal is recognized in the statement of profit or loss and other comprehensive income.

c) Derecognition

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. A financial liability is derecognized from the statement of financial position when the Company has discharged its obligation, or the contract is cancelled or expires.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)

Financial liabilities

a) Classification and subsequent measurement of financial liabilities

The Company classifies its financial liabilities as those to be measured subsequently at amortized cost using the effective interest method, if they are not:

- contingent consideration of an acquirer in a business combination,
- held-for-trading, or
- designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The Company does not classify any of its financial liabilities under ‘fair value through profit or loss (FVTPL)’.

b) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

c) Offsetting

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.2 Property and equipment

a) Initial recognition and measurement

Items of property and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of a self-constructed item of property and equipment comprises the cost of materials and direct labor and any other costs directly attributable to bringing the item to working condition for its intended use.

Cost of an acquired item of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of bringing the item to working condition for its intended use.

Parts of an item of property and equipment having varying useful lives are accounted for as separate component of property and equipment, if considered significant.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Subsequent expenditure

Subsequent expenditure is capitalized when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in statement of profit or loss and other comprehensive income as incurred.

c) Derecognition

Property and equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in the statement of profit or loss and other comprehensive income.

d) Depreciation

Depreciation is calculated on cost of items of property and equipment less their estimated residual values over their estimated useful lives and is recognized in the statement of profit or loss and other comprehensive income. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Leasehold improvements are amortized over the shorter of the estimated useful life or the remaining term of the lease. The estimated useful lives are as follows:

	Years
• Leasehold improvements	3-9
• Tools and equipment	6-7
• Furniture and fixtures	10
• Office equipment	4
• Computers and telecommunication	6-7
• Right of use asset	3-9

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if required.

3.3 Intangible assets

a) Initial recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Expenditure incurred which are eligible for capitalization under intangible assets are carried as intangible assets under development till they are ready for their intended use.

b) Subsequent expenditure

Subsequent expenditure is capitalized when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Intangible assets (continued)

c) Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit or loss and other comprehensive income.

d) Amortization

Amortization is calculated to allocate the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortization in statement of profit or loss and other comprehensive income. The intangible assets that the Company holds consists of computer software. It is measured at cost less accumulated amortization and any accumulated impairment losses. The estimated useful life is as follows:

	Years
Computer software	6-7

3.4 Inventories

a) Vehicles held for sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognized in statement of profit or loss and other comprehensive income.

Once classified as held-for-sale, vehicles are no longer depreciated.

b) Spare Parts and work in Progress

Inventories are measured at the lower of cost and net realisable value. Cost is determined on a weighted average basis, and includes expenditure incurred in acquiring the inventories conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.5 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds the recoverable amount, which is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is arrived based on available data from binding sales transactions at arm's length, for similar assets. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Impairment of non-financial assets (continued)

Impairment losses are recognized in statement of profit or loss and other comprehensive income. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGUs on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.6 Foreign currency

Transactions in foreign currencies are translated to functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities (which are not covered by a forward foreign exchange contract) denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. The foreign currency gain or loss on monetary items from settlement and translation of foreign currency transactions are generally recognized in the statement of profit or loss and other comprehensive income.

3.7 Employee benefits

a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short term employee benefits comprise of wages, salaries, incentives, short term leave salary etc.

b) Defined benefit plans

The Company is operating an unfunded end of service defined benefit plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized and are not reclassified to profit or loss in subsequent periods. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Company recognizes the following changes in the net defined benefit obligation under 'administration expenses' and 'selling and distribution expenses' in the financial statements:

The defined benefit liability comprises the present value of the defined benefit obligation, less past service costs.

- Service costs comprising current service costs and past-service costs.
- Net interest expense or income.

The defined benefit liability comprises the present value of the defined benefit obligation, less past service costs.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Employee benefits (continued)

c) *Termination benefits*

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

3.8 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, cash on hand and deposits with original maturities of less than three months which are subject to an insignificant risk of changes in value. Statement of cashflows is prepared using indirect method.

3.9 Zakat

The Company is subject to Zakat in accordance with the Zakat regulations issued by the Zakat, Tax and Customs Authority (“ZATCA”) in the Kingdom of Saudi Arabia which is subject to interpretations. Zakat is recognized in the income statement. Zakat is levied at a fixed rate of 2.5% of the zakat base as defined in the Zakat regulations.

The Company’s management establishes provisions where appropriate on the basis of amounts expected to be paid to the ZATCA and periodically evaluates positions taken in the Zakat returns with respect to situations in which applicable Zakat regulation is subject to interpretation.

3.10 Provisions and contingent liabilities

a) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are reviewed and adjusted at each reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for. If outflows to settle the provisions are no longer probable, reversal of the provision is recorded as income.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

b) Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent liabilities are based on judgment of management / independent experts and are not recognized in the financial statements but disclosed in the notes to financial statements. These are reviewed at end of the reporting period and are adjusted as appropriate.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Leases (continued)

As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract. The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'revenue'.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Assets held for lease

Assets held for lease are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses.

Cost of an acquired item of asset held for lease comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of bringing the item to working condition for its intended use.

Subsequent expenditure is capitalized when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

Assets held for lease is derecognized when no lease contract finish. Gains and losses on disposal of an item of asset held for lease are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in the statement of profit or loss.

Depreciation is calculated on cost of items of vehicles held for lease less their estimated residual values over the shorter of the lease term and their useful lives and is recognized in the statement of profit or loss and other comprehensive income. The estimated useful lives are as follows:

	Years
Vehicles	4-7

During the year, the Company has revised its accounting estimate relating to the useful life of assets held for leasing increasing the useful life up to seven years and impact of this revision has been recognized in income statement for the current period. Had there been no change in the accounting estimate the income for the current period would have been lower by SR 37.22 million and the carrying amount of assets held for leasing would have been lower by same amount.

3.13 Revenue

The core principle of the IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 requires that entities apply a five-step to determine when to recognize revenue and at what amount.

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when or as the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes revenue when or as a performance obligation is satisfied, i.e. when control of the goods or services pertaining to the respective performance obligation is transferred to the customer.

Revenue comprises of i) Revenue from operating leases ii) Revenue from rental operations iii) Revenue from sale of leased vehicles and iv) Revenue from workshop and service centers.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Revenue (continued)

a) Revenue from operating leases (motor vehicle)

Motor vehicle leasing is the primary business activity of the Company. The Company leases motor vehicles (both passenger vehicles and commercial vehicles) to intending customers. All the lease agreements are classified as operating lease. The lease rentals are payable monthly in arrears by the customer. Revenue is recognised on raising invoice by end of each month to its customers.

The Company undertakes the activity of selling used cars. Motor vehicles given on lease are sold on completion of the lease term. Vehicles given on rent are sold on the basis of usage. The Company recognises sale proceeds as revenue on sale.

b) Revenue from rental operations

The Company provides car renting services to its customers who are interested to obtain cars on rent for a short-term period i.e. hourly or monthly (until 11 months). The Company raises invoices on completion of the service. Revenue from car renting is recognised based on time period. Revenue recognised till the date of invoicing is recognised as unbilled revenue. Upon raising invoice, unbilled revenue is moved to trade receivables.

c) Revenue from workshop and service centers

The workshops are primarily operated by the Company to provide services to the Lease and Rent division of the Company. The Company also serves outside customers, however, the amount is significantly lower. The Company recognizes revenue at the time of issuance of invoice i.e. on completion of the repair services. Revenue and cost of sales relating to other divisions within the Company are netted off as inter-department amounts. In effect, revenue from workshops reflect revenue recognized from outside customers only.

3.14 Other income

Other income is recognized when earned.

3.15 Expenses

Administrative expenses, selling and distribution expenses include direct and indirect costs not specifically part of cost of sales. Selling and distribution expenses are those arising from the Company's efforts underlying the marketing, selling and distribution functions. All other expenses are classified as administrative expenses. Allocations of common expenses between cost of sales, and selling and marketing and general and administrative expenses, when required, are made on a consistent basis.

3.16 Value Added Tax (VAT)

Assets and expenses are recognised net of amount of VAT, except that when VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the separate statement of financial position.

3.17 Finance cost

Finance cost comprises of interest expenses and bank charges incurred by the Company during the year. These are recorded on accrued basis as and when incurred.

3.18 Dividends

The dividends are recorded as liability in the period in which they are appropriately authorised and no longer at the discretion of the entity.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Statutory reserve

In accordance with the Company's Articles of Association, the Company established a statutory reserve by the appropriation of 10% of net income until the reserve is equal 30% of the share capital. This reserve is not available for distribution.

3.20 New standards, amendments and interpretations

a) New and amended standards adopted by the Company

Following are the recent changes to IFRSs adopted in annual periods beginning on 01 January 2021:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).
- COVID-19 Related Rent Concessions (Amendment to IFRS 16).

The amendments listed above are either not relevant or do not have any material impact on the financial statements of the Company.

The Company has not early adopted the following new and revised standards that have been issued but are not yet effective:

Onerous Contracts - Cost of fulfilling a contract (Amendments to IAS 37), effective for annual periods beginning on or after 01 January 2022.

- Annual Improvements to IFRS standards 2018 - 2020, effective for annual periods beginning on or after 01 January 2022.
- Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16), effective for annual periods beginning on or after 01 January 2022.
- Reference to the Conceptual Framework (amendments to IFRS 3), effective for annual periods beginning on or after 01 January 2022.
- IFRS 17 insurance Contracts, effective for annual periods beginning on or after 01 January 2023.
- Classification of liabilities as current or non-current (Amendments to IAS 1), effective for annual periods beginning on or after 01 January 2023.
- Amendments to IFRS 17, effective for annual periods beginning on or after 01 January 2023.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2), effective for annual periods beginning on or after 01 January 2023.
- Definition of Accounting Estimate (Amendments to IAS 8), effective for annual periods beginning on or after 01 January 2023.
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes, effective for annual periods beginning on or after 01 January 2023.
- COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16), effective for annual periods beginning on or after 01 April 2021.
- Sale or Contribution of assets between an Investor and its associate or Joint Venture (Amendments to IFRS 10 and IAS 28), with effective annual period yet to be determined.

The above-mentioned IFRSs are not expected to have a significant impact on the financial statements of the Company.

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4. PROPERTY AND EQUIPMENT

	Tools and equipment	Leasehold improvements	Furniture and fixtures	Computers and telecommunication	Right-of-use (ROU) Asset*	Total
Cost:						
Balance at 1 January 2020	7,322,258	20,091,485	8,632,548	4,273,044	9,634,734	49,954,069
Additions during the year	607,336	237,028	1,054,232	572,583	1,960,130	4,431,309
Transfers during the year	-	70,657	(1,002,897)	-	-	(932,240)
Cancellation of lease	(4,550)	-	-	(15,877)	(904,770)	(904,770)
Disposal during the year	-	-	(8,355)	-	-	(8,355)
Balance at 31 December 2020	7,925,044	20,399,170	8,675,528	4,829,750	10,690,094	52,519,586
Accumulated depreciation:						
Balance at 1 January 2020	7,233,586	13,387,517	5,764,960	3,198,273	1,427,832	31,012,168
Depreciation for the year	66,513	1,271,708	366,882	308,053	1,700,071	3,713,227
Cancellation of lease	-	-	-	-	(278,395)	(278,395)
Disposal during the year	(4,550)	-	(6,871)	(15,877)	-	(27,298)
Balance at 31 December 2020	7,295,549	14,659,225	6,124,971	3,490,449	2,849,508	34,419,702
Carrying amounts:						
For the year ended 31 December 2020	629,495	5,739,945	2,550,557	1,339,301	7,840,586	18,099,884
Cost:						
Balance at 1 January 2021	7,925,044	20,399,170	8,675,528	4,829,750	10,690,094	52,519,586
Additions during the year	678,093	2,139,847	246,700	454,395	14,350,492	17,869,527
Balance at 31 December 2021	8,603,137	22,539,017	8,922,228	5,284,145	25,040,586	70,389,113
Accumulated depreciation:						
Balance at 1 January 2021	7,295,549	14,659,225	6,124,971	3,490,449	2,849,508	34,419,702
Depreciation for the year	191,840	946,516	427,700	388,458	3,154,996	5,109,510
Balance at 31 December 2021	7,487,389	15,605,741	6,552,671	3,878,907	6,004,504	39,529,212
Carrying amounts:						
For the year ended 31 December 2021	1,113,478	7,142,925	2,369,557	1,405,237	18,828,704	30,859,901

*Right of use assets consist of office spaces and workshops.

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5. INTANGIBLE ASSETS

Software	31 December 2021			31 December 2020
	Software	Under development	Total	
Cost:				
Balance at 1 January	3,909,192	455,625	4,364,817	3,451,353
Additions	4,757,906	-	4,757,906	914,414
Transfer/(disposal)	455,625	(455,625)	-	(950)
Balance at 31 December	9,122,723	-	9,122,723	4,364,817
Accumulated amortization:				
Balance at 1 January	2,286,244	-	2,286,244	1,820,484
Amortization	514,582	-	514,582	466,710
Disposal	-	-	-	(950)
Balance at 31 December	2,800,826	-	2,800,826	2,286,244
Carrying amount:				
At 31 December	6,321,897	-	6,321,897	2,078,573

6. ASSETS HELD FOR LEASING

	31 December 2021	31 December 2020
Cost:		
Balance at 1 January	829,783,704	772,367,280
Additions during the year	230,670,435	370,347,397
Transfers to vehicles held for sale	(142,903,371)	(312,930,973)
Balance at 31 December	917,550,768	829,783,704
Accumulated depreciation:		
Balance at 1 January	231,856,068	317,471,440
Charge for the year	101,375,317	131,734,872
Transfers to vehicle held for sale	(82,021,087)	(217,350,244)
Balance at 31 December	251,210,298	231,856,068
Accumulated impairment:		
Balance at 1 January	6,598,040	7,573,126
Impairment loss / (reversal) for the year	2,587,181	(975,086)
Balance at 31 December	9,185,221	6,598,040
Carrying amount:		
Balance at 31 December	657,155,249	591,329,596

The Company transfers the assets at the end of their lease term to inventories as vehicles held for sale, in the ordinary course of business.

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7. INVENTORIES

	31 December 2021	31 December 2020
Vehicles held for sale	6,715,428	5,742,536
Spare parts	6,114,323	1,958,980
Provisions for slow moving items	(2,702,022)	(2,244,912)
	<u>10,127,729</u>	<u>5,456,604</u>

The movement in provision for slow moving items is as follows:

	31 December 2021	31 December 2020
Balance as at 1 January	2,244,912	2,263,478
Provision / (reversal) for the year	457,110	(18,566)
Balance as at 31 December	<u>2,702,022</u>	<u>2,244,912</u>

8. TRADE RECEIVABLES

	31 December 2021	31 December 2020
Trade receivables	215,442,855	196,226,134
Trade receivables - related parties (note 22)	7,774,797	8,055,357
Unbilled receivables	7,505,629	3,589,314
Less: Impairment loss on trade receivables	(79,044,478)	(79,944,478)
	<u>151,678,803</u>	<u>127,926,327</u>

The movement in provision for impairment loss is as follows:

	31 December 2021	31 December 2020
Balance at the beginning of the year	79,944,478	56,963,398
Provision charge for the year	-	22,981,080
Write-off during the year	(900,000)	-
Balance at the end of the year	<u>79,044,478</u>	<u>79,944,478</u>

9. ADVANCES, PREPAYMENTS AND OTHER CURRENT ASSETS

	31 December 2021	31 December 2020
Advances to vendors	6,533,453	5,395,184
VAT refundable	6,013,435	9,643,834
Due from employees	2,821,491	2,884,236
Prepaid expenses	1,960,877	1,232,159
	<u>17,329,256</u>	<u>19,155,413</u>

10. CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
Cash in hand	329,150	331,203
Cash at bank	4,863,037	5,248,840
	<u>5,192,187</u>	<u>5,580,043</u>

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11. LOANS AND BORROWINGS

	Note	31 December 2021	31 December 2020
Non-current			
Murabaha loan	11.1	150,159,300	164,156,286
Tawarroq loan	11.2	44,523,809	-
		<u>194,683,109</u>	<u>164,156,286</u>
Current			
Murabaha loan		176,880,295	160,775,187
Tawarroq loan		20,476,191	-
		<u>197,356,486</u>	<u>160,775,187</u>

11.1 Murabaha loan represent short-term and long-term Murabaha facilities granted by local commercial banks at rate ranging from 2.53% to 2.65% (2020: 2.68% to 4.15%). The facilities are secured by promissory notes from the Company.

11.2 During the year, the Company obtained Tawarroq loan facilities granted from local commercial banks at rate ranging of SAIBOR plus 1.65%. This financing amount shall be repaid by monthly or quarterly installments with first installment commencing after six months from drawdown. Repayment of each finance will be communicated to the Company by the local bank and the facility will expire on 31 October 2024. The facility is secured by promissory notes from the Shareholder and also include covenants to maintain certain financial ratios.

The aggregate repayment schedule of long-term debt is as follows;	31 December 2021	31 December 2020
Within one year	193,173,793	160,775,187
One to two years	136,538,468	102,931,974
Two to five years	62,327,334	14,615,387
Above five years	-	46,608,925
	<u>392,039,595</u>	<u>324,931,473</u>

12. LEASE LIABILITY

Lease liabilities

The Company has lease agreements for office spaces and workshops. The leases typically run for a period of 3 to 9 years, but may be renewal upon mutual consent of Company and lessor. Wherever practicable the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

	31 December 2021	31 December 2020
Balance as at 1 January	8,583,894	7,964,832
Addition during the year	14,350,492	1,960,130
Cancellation of lease	-	(904,770)
Payments made	(2,968,586)	(930,506)
Finance cost	651,160	494,208
Balance as at 31 December	<u>20,616,960</u>	<u>8,583,894</u>

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12. LEASE LIABILITY (CONTINUED)

	31 December 2021	31 December 2020
Lease liabilities – non-current	16,522,224	5,449,809
Lease liabilities – current maturity	4,094,736	3,134,085
	20,616,960	8,583,894

13. EMPLOYEE BENEFITS

The present value of total employee benefits liability recognized in the statement of financial position is determined as follows:

	31 December 2021	31 December 2020
Employees' end of service benefits	18,096,336	15,172,000

Movement in net defined liability

The movement in the present value of the end-of-service benefits over the year is as follows:

	31 December 2021	31 December 2020
Balance at 1 January	15,712,000	13,372,000
Included in statement of profit or loss		
Current service cost	2,851,000	2,317,000
Interest cost	538,000	541,000
	3,389,000	2,858,000
Included in other comprehensive income		
Actuarial gain / (loss) arising from:		
- financial assumptions	307,427	981,000
- experience adjustments	(312,687)	373,000
	(5,260)	1,354,000
Benefits paid	(999,404)	(1,872,000)
Balance at 31 December	18,096,336	15,712,000

The expense is recognized in the following line items in the statement of profit or loss and other comprehensive income:

	2021	2020
Administrative expenses	1,475,573	1,184,968
Selling and distribution expenses	1,913,427	1,673,032
	3,389,000	2,858,000

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13. EMPLOYEE BENEFITS (CONTINUED)

Actuarial assumptions

The actuarial assumptions used to calculate the indicative defined benefit liabilities are as follows (expressed as weighted averages):

	<u>31 December 2021</u>	<u>31 December 2020</u>
Financial assumptions		
Discount rate	2.73%	2.9%
Future salary growth/ expected rate of salary increases	3.00%	3.0%
Demographic assumptions		
Retirement age (in years)	60	60
Turnover (age wise)	Medium	Medium

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<u>31 December 2021</u>		<u>31 December 2020</u>	
	Increase	Decrease	Increase	Decrease
Financial assumptions				
Discount rate (0.25% movement)	(904,817)	977,202	(927,008)	927,008
Future salary growth (0.25% movement)	977,202	(904,817)	958,432	(958,432)

As at 31 December 2021, the weighted average duration of the defined benefit obligation is 10.58 years (2020: 12.4 years).

During the year ended 31 December 2021 and 2020, an independent actuarial exercise has been conducted to ensure the adequacy of provision for employees' end of service benefits in accordance with the rules stated under the Saudi Arabian Labor and Workmen Law by using the Projected Unit Credit Method as required under IAS 19.

14. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	<u>31 December 2021</u>	<u>31 December 2020</u>
Trade payables	78,889,586	111,507,873
Due to related parties (note 22)	20,855,391	19,465,774
Accrued expenses	18,978,211	28,624,787
Accrued interest	2,598,969	1,602,537
Advance from customers	5,943,627	1,633,736
	<u>127,265,784</u>	<u>162,834,707</u>

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15. ZAKAT PROVISION

The movement in the provision for zakat is as follows:

	31 December 2021	31 December 2020
Balance as at 1 January	2,891,742	3,423,296
Zakat charge:		
For the current year	4,510,434	2,891,733
For the prior year	(617,059)	193,089
	3,893,375	3,084,822
Payments during the year	(2,274,683)	(3,616,376)
Balance as at 31 December	4,510,434	2,891,742

Components of zakat base

The principal elements of the zakat base are as follows:

	31 December 2021	31 December 2020
Equity	289,744,312	188,258,232
Additional contribution from shareholders	-	52,000,000
Opening provisions and adjustments	122,509,676	88,214,934
Loans and borrowings	392,039,595	351,931,473
Adjusted net income	60,538,215	45,278,154
	864,831,798	725,682,793
Less:		
Book value of non-current assets	(684,414,438)	(612,134,428)
Zakat base (A)	180,417,360	113,548,365
Zakat Charge at 2.5% of zakat base	4,510,434	2,891,741

15.1 Status of Zakat assessments

The Company has submitted its Zakat returns up to year ended 31 December 2020, settled zakat as per the return and obtained the required certificate, further the Company has received the final Zakat assessment till the year 2016 and finalized its position with the Zakat, Tax and Customs Authority ("ZATCA"). However, zakat assessments for the year 2017 to 2020 are still open.

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16. SHARE CAPITAL

The shareholders of the Company in their meeting held on 14 Sha`ban 1441H (corresponding to 11 December 2019G), resolved to increase the capital of the Company from SR 120 million to SR 145 million by injecting an additional funds of SR 25,000,000. However, the legal formalities in respect of the increase in capital were not completed as of year ended 31 December 2020. Further in the current year, the Shareholders decided to further increase the share capital by SR 35 million and in this regard SR 27 million was transferred from shareholder loan to contribution from shareholders and SR 8 million was transferred from retained earnings. Legal formalities in this regard were completed during the year.

The Company's share capital as at December 31, 2021 consists of 180,000,000 shares of SR 1 each, fully paid and held as follows:

	Number of Shares	Value (SR)
Saudi Economic and Development Holding Company	178,200,000	178,200,000
Sadad Trading Company Limited	1,800,000	1,800,000
	180,000,000	180,000,000

The Company's share capital as at December 31, 2020 consisted of 120,000,000 shares of SR 1 each, fully paid and held as follows:

	Number of Shares	Value (SR)
Saudi Economic and Development Holding Company	118,800,000	118,800,000
Sadad Trading Company Limited	1,200,000	1,200,000
	120,000,000	120,000,000

Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business. The Company manages its capital structure by monitoring return on assets and makes adjustments to its in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is interest bearing loans and borrowing.

17. STATUTORY RESERVE

In accordance with the Company's Articles of Association, the Company established a statutory reserve by the appropriation of 10% of net income until the reserve is equal 30% of the share capital. This reserve is not available for distribution.

18. REVENUE

Revenue from contracts with customers is disaggregated by major service lines and timing of revenue recognition as follows;

Revenue classification	31 December 2021	31 December 2020
Operating leases	274,901,267	247,388,319
Sale of leased vehicles	92,600,509	144,573,463
Revenue from workshop and service center	15,076,665	10,392,070
	382,578,441	402,353,852

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18. REVENUE (CONTINUED)

Timing of revenue recognition	31 December 2021	31 December 2020
Over time	274,901,267	247,388,319
At point in time	107,677,174	154,965,533
	382,578,441	402,353,852
Primary geographical market		
Saudi Arabia	382,578,441	402,353,852

19. COST OF SALES

	31 December 2021	31 December 2020
Leasing costs	35,668,076	35,390,610
Depreciation on assets held for leasing (note 6)	101,375,317	131,734,872
Cost of leased vehicles sold	59,624,013	93,079,964
Workshop, service and parts costs	12,774,971	2,759,517
	209,442,377	262,964,963

20. SELLING AND DISTRIBUTION EXPENSES

	31 December 2021	31 December 2020
Salaries and employee related costs	38,080,384	31,879,303
Depreciation and amortization (note 4 and 5)	4,740,708	3,281,243
Impairment charge/(reversal) on assets held for leasing (note 6)	2,587,181	(975,086)
Other operating selling expenses	7,087,453	8,937,793
Commission and advertisement	7,381,362	6,449,896
	59,877,088	49,573,149

21. ADMINISTRATIVE EXPENSES

	31 December 2021	31 December 2020
Salaries and employee related costs	29,366,377	26,105,182
Consultancy and professional charges	1,621,182	3,777,824
Licenses and registrations	3,603,268	2,105,707
Depreciation and amortization (note 4 and 5)	883,384	898,694
Impairment charge/(reversal) on inventories (note 7)	457,110	(18,566)
Vehicle expenses	29,031	802,517
Utilities	884,582	730,383
Rent expenses	703,117	494,465
Travel expenses	559,489	475,246
Repairs and maintenance	236,112	204,707
Other expenses	2,276,004	952,727
	40,619,656	36,528,886

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22. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Company's shareholders, associated companies and their shareholders, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties. Related party transactions are dealt with on agreed terms and conditions of such transactions duly approved by the Company's management.

a) The list of related parties is as follows:

Name	Relationship
Saudi Economic and Development Holding Company	Shareholder
Sadad Trading Company Limited	Shareholder
Elaf Travel Tourism Company Limited	Other related party
Arabian Entertainment Company	Other related party
Intima Real Estate Services	Other related party
Elaf Hotels Co	Other related party
Bonnon Company Limited	Other related party
Elaf Hotel Red Sea Mall	Other related party
Almahmal Trading Co	Other related party
Nahdi Medical Company	Other related party

b) Following are the significant transactions with related parties:

Name	Nature of transactions	2021	2020
Saudi Economic Development Company	Expense charged by Shareholder	1,105,000	1,448,459
Elaf Travel Tourism Company Ltd	Operating lease rental	192,166	654,960
Arabian Entertainment Company	Operating lease rental	23,320	233,097
Intima Real Estate Services	Operating lease rental	26,180	84,300
Elaf Hotels Co	Operating lease rental	65,000	156,000
Elaf Hotel Red Sea Mall	Operating lease rental	38,992	152,640
Almahmal Trading Co	Operating lease rental	516,119	119,577
Nahdi Medical Company	Operating lease rental	61,650	206,160

c) Due from related parties as at 31 December are comprised of the following:

	31 December 2021	31 December 2020
Saudi Economic Development Company	6,816,918	7,303,791
Almahmal Trading Co	508,845	137,513
Elaf Travel Tourism Company Limited	220,991	194,528
Intima Real Estate Services	111,950	31,905
Elaf Hotels Co	58,849	177,600
Elaf Hotel Red Sea Mall	37,693	21,719
Nahdi Medical Company	13,940	-
Bonnon Company Limited	5,611	5,611
Arabian Entertainment Company	-	182,690
	7,774,797	8,055,357

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22. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

d) Due to related parties as at 31 December are comprised of the following:

	31 December 2021	31 December 2020
Saudi Economic Development Company	<u>20,855,391</u>	<u>19,465,774</u>

e) Transactions with key management personnel

i. Key management personnel compensation comprised the following:

	2021	2020
Short term employee benefits	<u>6,216,665</u>	6,475,549
Post-employment benefits	623,450	421,963

Compensation to key management personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan.

23. FINANCIAL INSTRUMENTS

Accounting classifications and fair values

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

Fair value of cash and bank balances, trade and other receivables, trade and other payables approximate their carrying amounts largely due to short term maturities of these instruments.

Financial instruments by category:

Description	31 December 2021	31 December 2020
Financial assets measured at amortised cost		
Cash and cash equivalents	5,192,187	5,580,043
Trade receivables	215,442,855	196,226,134
Due from related parties	7,774,797	8,055,357
Unbilled receivables	7,505,629	3,589,314
Due from employees	2,821,491	2,884,236
	<u>238,736,959</u>	<u>216,335,084</u>
Financial liabilities measured at amortised cost		
Loans and borrowings	392,039,595	324,931,473
Trade and other current liabilities	106,410,393	143,368,933
Due to related parties	20,855,391	19,465,774
	<u>519,305,379</u>	<u>487,766,180</u>

24. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and interest rate risks and equity price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

(Expressed in Saudi Arabian Riyals unless otherwise stated)

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management framework

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The most important types of risk are credit risk, currency risk, equity price risk and interest rate risks.

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

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

The Audit Committee oversees compliance by management with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Financial instruments carried on the statement of financial position include cash and bank balances, trade and other receivables, trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Risk management framework

Financial asset and liability are offset, and net amounts reported in the financial statements, when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk.

Interest rate risk

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's statement of financial position and cash flows. Management monitors the changes in interest rates.

Currency risk

Currency risk is the risk that the value of a financial instrument denominated in foreign currencies will fluctuate due to changes in foreign exchange rates, in case the Company does not hedge its currency exposure by means of hedging instruments.

The Company's transactions are principally in Saudi Riyals. Other transactions in foreign currencies are not material and hence the Company is not exposed to any significant currency risk.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

(Expressed in Saudi Arabian Riyals unless otherwise stated)

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management framework (continued)

Market risk (continued)

Equity price risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. Since, the Company has not invested in quoted equity securities, it is not exposed to equity price risks.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's principal financial assets subject to credit risk are bank balances and trade and other receivables.

Credit risk arises from the possibility that assets could be impaired because counter parties cannot meet their obligations in transactions involving financial instruments. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular segment of customers. The Company has established procedures to manage credit exposure including credit approvals, credit limits and guarantee requirements. These procedures are mainly due to the Company's internal guidelines. An impairment allowance is maintained on trade receivables based on the "Expected Credit Loss" model. The allowance is measured based on the lifetime expected credit losses (simplified approach) as these do not contain a significant financing component.

The Company's gross maximum exposure to credit risk at the reporting date is as follows:

	<u>31 December 2021</u>	<u>31 December 2020</u>
Financial assets		
Bank balances	4,863,037	5,248,840
Trade receivables	<u>230,723,281</u>	<u>207,870,805</u>
	<u>235,586,318</u>	<u>213,119,645</u>

The following tables provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2020 and 2021.

31 December 2021	Weighted average loss rate	Gross Carrying Amount	Loss Allowance
Current	1.24%	63,217,947	785,979
0-90 days	3.01%	48,001,959	1,443,741
91-180 days	10.41%	16,383,760	1,705,831
181-270 days	20.59%	8,930,152	1,838,426
271-360 days and above	77.79%	94,189,463	73,270,501
Balance at the end of the year		<u>230,723,281</u>	<u>79,044,478</u>

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

(Expressed in Saudi Arabian Riyals unless otherwise stated)

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management framework (continued)

Credit risk (continued)

31 December 2020	Weighted average loss rate	Gross Carrying Amount	Loss Allowance
Current	3.70%	45,144,134	1,671,592
0-90 days	4.76%	38,433,608	1,831,266
91-180 days	10.34%	14,024,412	1,450,780
181-270 days	12.74%	12,876,330	1,640,066
271-360 days and above	75.31%	97,392,321	73,350,774
Balance at the end of the year		<u>207,870,805</u>	<u>79,944,478</u>

b) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet the Company's future commitments. Also, maturity profile of the Company's financial instruments is monitored to ensure that adequate liquidity is maintained or made available, as necessary to the Company. For instance, concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets.

However as at 31 December 2021, the Company's current liabilities exceed current assets by SR 150 million. However, management is confident that additional repayment requirements will be met out of available unused banking facilities further the board is expecting to increase the equity for each of next five years which will gradually turn around the current liability position of the company. Hence the Company has no significant concentration of liquidity risk.

The Company's financial liabilities primarily consist of accounts payable and other liabilities.

The following is contractual undiscounted maturity analysis of the financial liabilities of the Company as at 31 December:

31 December 2021	Carrying amount	On Demand	less than 6 months	1 year or less	above 1 year
<i>Non derivative financial liabilities</i>					
Trade payable and other current liabilities	106,410,393	-	-	-	-
Due to related parties	20,855,391	20,855,391	-	-	-
Loans and borrowings	392,039,595	-	92,999,795	104,356,691	194,683,109
	<u>519,305,379</u>	<u>20,855,391</u>	<u>92,999,795</u>	<u>104,356,691</u>	<u>194,683,109</u>

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

(Expressed in Saudi Arabian Riyals unless otherwise stated)

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management framework (continued)

Liquidity risk (continued)

31 December 2020	Carrying amount	On Demand	less than 6 months	1 year or less	above 1 year
<i>Non derivative financial liabilities</i>					
Trade payable and other current liabilities	143,368,933	143,368,933	-	-	-
Due to related parties	19,465,774	19,465,774	-	-	-
Loans and borrowings	324,931,473	-	-	153,454,963	171,476,510
	<u>487,766,180</u>	<u>162,834,707</u>	-	<u>153,454,963</u>	<u>171,476,510</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

OPERATING LEASE ARRANGEMENTS

Rental expenses

	31 December 2021	31 December 2020
Payments under operating leases recognized as an expense	<u>1,629,884</u>	<u>1,622,122</u>

25. COMMITMENT AND CONTINGENCIES

Contingencies and commitments

	31 December 2021	31 December 2020
Letter of guarantees	<u>14,596,560</u>	25,699,667
Capital commitments	-	15,935,815
Other commitments	<u>70,500,302</u>	11,570,093
	<u>85,096,862</u>	<u>53,205,575</u>

26. COMPARATIVE FIGURES

Certain comparative figures have been rearranged and reclassified to conform to current year's presentation, where necessary.

27. SUBSEQUENT EVENTS

No adjusting event occurred at the date of authorization of these financial statements by Board of Directors, which may have an impact on the financial statements.

28. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Company's Board of Directors on 11 April 2022 corresponding to 10 Ramadan 1443H.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

31 DECEMBER 2022

AL-JAZIRA EQUIPMENT COMPANY LIMITED

(A Limited Liability Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

31 December 2022

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Statement of financial position	4
Statement of changes in partners' equity	5
Statement of cash flows	6
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Ernst & Young Professional Services (Professional LLC)
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1/2

**INDEPENDENT AUDITOR'S REPORT
TO THE PARTNERS OF AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A LIMITED LIABILITY COMPANY)**

Opinion

We have audited the financial statements of Al-Jazira Equipment Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in partners' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements dated (11 Ramadan 1443H) corresponding to 12 April 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia, other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and the Company's Articles of Association, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**INDEPENDENT AUDITOR'S REPORT
TO THE PARTNERS OF AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A LIMITED LIABILITY COMPANY) (continued)**

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

for Ernst & Young Professional Services

Saud A. Altamimi
Certified Public Accountant
License No. 650



Al Khobar: 11 Ramadhan 1444H
2 April 2023

AL-JAZIRA EQUIPMENT COMPANY LIMITED

(A Limited Liability Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	2022 SR	2021 SR
Revenues	6	430,047,886	382,578,441
Cost of sales	7	(267,401,979)	(212,029,558)
GROSS PROFIT		162,645,907	170,548,883
General and administration expenses	8	(42,146,200)	(40,619,656)
Selling and distribution expenses	9	(70,460,972)	(57,289,907)
OPERATING PROFIT		50,038,735	72,639,320
Other income	10	5,722,884	4,194,945
Finance costs	11	(24,158,168)	(11,482,861)
PROFIT BEFORE ZAKAT		31,603,451	65,351,404
Zakat	25	(4,840,378)	(3,893,375)
PROFIT FOR THE YEAR		26,763,073	61,458,029
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Actuarial gain on employees' defined benefit liabilities	23	3,787,556	5,260
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		30,550,629	61,463,289

The attached notes 1 to 32 form part of these financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 SR	2021 SR
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	12	884,216,532	668,979,068
Right of use assets	13	34,280,290	19,036,082
Intangible assets	14	4,932,670	6,321,897
TOTAL NON-CURRENT ASSETS		923,429,492	694,337,047
CURRENT ASSETS			
Inventories	15	10,869,284	10,127,729
Trade receivables	16	184,862,461	143,904,006
Amounts due from related parties	17	8,488,533	7,774,797
Advances, prepayments and other current assets	18	19,329,759	17,329,256
Cash and bank balances	19	13,615,414	5,192,187
TOTAL CURRENT ASSETS		237,165,451	184,327,975
TOTAL ASSETS		1,160,594,943	878,665,022
EQUITY AND LIABILITIES			
EQUITY			
Capital	20	180,000,000	180,000,000
Statutory reserve	21	29,067,908	26,391,601
Retained earnings		137,618,634	109,744,312
TOTAL EQUITY		346,686,542	316,135,913
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current portion of term loans	22	323,366,522	194,683,109
Lease liabilities	13	28,474,407	16,522,224
Employees' terminal benefits	23	16,645,688	18,096,336
TOTAL NON-CURRENT LIABILITIES		368,486,617	229,301,669
CURRENT LIABILITIES			
Current portion of term loans	22	285,340,205	197,356,486
Trade payables		81,621,963	78,889,586
Accrued expenses and other current liabilities	24	46,766,073	27,520,807
Zakat payable	25	5,262,883	4,510,434
Amounts due to related parties	17	20,868,718	20,855,391
Lease liabilities - current portion	13	5,561,942	4,094,736
TOTAL CURRENT LIABILITIES		445,421,784	333,227,440
TOTAL LIABILITIES		813,908,401	562,529,109
TOTAL LIABILITIES AND EQUITY		1,160,594,943	878,665,022

The attached notes 1 to 32 form part of these financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

STATEMENT OF CHANGES IN PARTNERS' EQUITY

For the year ended 31 December 2022

	Capital SR	Additional Contribution from Shareholders		Statutory reserve SR	Retained earnings SR	Total SR
		SR	SR			
At 1 January 2021	120,000,000	52,000,000	20,245,798	62,426,826	254,672,624	
Profit for the year	-	-	-	61,458,029	61,458,029	
Other comprehensive income for the year	-	-	-	5,260	5,260	
Total comprehensive income for the year	-	-	-	61,463,289	61,463,289	
Capital increase (note 20)	60,000,000	(52,000,000)	-	(8,000,000)	-	
Transfer to statutory reserve	-	-	6,145,803	(6,145,803)	-	
At 31 December 2021	180,000,000	-	26,391,601	109,744,312	316,135,913	
At 1 January 2022	180,000,000	-	26,391,601	109,744,312	316,135,913	
Profit for the year	-	-	-	26,763,073	26,763,073	
Other comprehensive income for the year	-	-	-	3,787,556	3,787,556	
Total comprehensive income for the year	-	-	-	30,550,629	30,550,629	
Transfer to statutory reserve	-	-	2,676,307	(2,676,307)	-	
At 31 December 2022	180,000,000	-	29,067,908	137,618,634	346,686,542	

The attached notes 1 to 32 form part of these financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Notes	2022 SR	2021 SR
OPERATING ACTIVITIES			
Profit before zakat		31,603,451	65,351,404
<i>Adjustments to reconcile profit before zakat to net cashflows:</i>			
Depreciation of property and equipment	12	126,499,506	103,329,831
Amortisation of intangible assets	14	1,152,658	514,582
Depreciation of right-of-use assets	13	4,358,313	3,154,996
Employees' terminal benefits service cost	23	2,897,457	3,389,000
Impairment (reversal) / charge on property and equipment	12	(4,515,205)	2,587,181
Allowance for expected credit losses	16	11,731,573	-
Loss on disposal of property and equipment		34,940	-
Impairment (reversal) / loss on inventory	15	(458,283)	457,110
Finance cost		24,158,168	11,482,861
		<u>197,462,578</u>	<u>190,266,965</u>
Working capital Changes:			
Inventories		68,893,138	55,754,049
Trade receivables		(52,690,028)	(23,752,476)
Advances, prepayments and other current assets		(2,000,503)	1,826,157
Amounts due from related parties		(713,736)	-
Accrued expenses and other current liabilities		14,917,613	(35,914,195)
Trade payables		2,732,377	-
Amounts due to related parties		13,327	-
Cash generated from operations		<u>228,614,766</u>	<u>188,180,500</u>
Employees terminal benefits paid	23	(1,019,783)	(999,404)
Additions of motor vehicles	12	(388,683,376)	(230,670,435)
Finance cost paid		(17,998,978)	(10,486,429)
Zakat paid	25	(4,087,929)	(2,274,683)
Net cash used in operating activities		<u>(183,175,300)</u>	<u>(56,250,451)</u>
INVESTING ACTIVITIES			
Additions of property and equipment (excluding motor vehicles)	12	(17,814,839)	(3,519,035)
Additions in intangible assets		(14,517)	-
Proceeds from sale of property and equipment		65,100	-
Disposals/(purchases) of intangible asstes	14	251,086	(4,757,906)
Net cash used in investing activities		<u>(17,513,170)</u>	<u>(8,276,941)</u>
FINANCING ACTIVITIES			
Payment for lease liabilities	13	(7,555,435)	(2,968,586)
Receipt of term loans		486,475,226	421,581,995
Payment of term loans		(269,808,094)	(354,473,873)
Net cash generated from financing activities		<u>209,111,697</u>	<u>64,139,536</u>
NET INCREASE (DECREASE) IN CASH AND BANK BALANCES			
Cash and bank balances at the beginning of the year		5,192,187	5,580,043
Cash and bank balances at the end of the year	19	<u>13,615,414</u>	<u>5,192,187</u>
Significant non-cash transactions:			
Transfer of motor vehicles from property and equipment to inventories	12	69,176,410	60,882,284
Addition to right-of-use assets and lease liability	13	23,481,698	14,350,492
Lease modifications	13	(3,879,177)	-
Capital increase through transfer from retained earnings		-	8,000,000

The attached notes 1 to 32 form part of these financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

1 CORPORATE INFORMATION

Al-Jazira Equipment Company Limited (the "Company") is a Saudi Limited Liability Company formed under Regulations for Companies in the Kingdom of Saudi Arabia ("KSA") under Commercial Registration No. 2051005734 dated 12 Rabi' 1 1400 (corresponding to 30 January 1980).

The principal activities of the Company are trading and maintenance of vehicles and lease of vehicles. As per the articles of association, the Company can carry out the operations of machinery, equipment and spare parts, trade in petroleum products and lease of equipment.

The registered office of the Company is located at Al-Raka in Al-Khobar, Saudi Arabia.

The Company operates through following branches. The results, assets and liabilities of these branches are also included in these financial statements:

S. No	Branch	C.R. Number	Location
1	Al Jazira equipment Company Limited (Motor equipment rental)	2050136804	Dammam
2	Al Jazira Equipment Company Limited. (Used Cars Showroom)	2050145781	Dammam
3	Al Jazira equipment Company Limited (Used car show room)*	2050136805	Dammam
4	Branch of Al-Jazira equipment Company Limited	4030157860	Jeddah
5	Al Jazira equipment Company Limited (Vehicle repair services)	4030388632	Jeddah
6	Al Jazira Equipment Company Limited. (Transfer)	4030488833	Jeddah
7	Workshop of Al Jazira equipment Company Limited	2055024475	Jubail
8	Branch of Al-Jazira equipment Company Limited*	2055009302	Jubail
9	Al Jazira equipment Company Limited (Workshop)	2062617663	Nabih
10	Al Jazira equipment Company Limited (Transfer)*	2062617664	Nabih
11	Al Jazira equipment Company Limited (Rent of trucks without driver)*	2062617780	Nabih
12	Branch of Al-Jazira equipment Company Limited	1010223730	Riyadh
13	Branch of Al Jazira equipment Company Limited	1010435524	Riyadh
14	Al Jazira Equipment Company Limited. (Transfer)	1010791750	Riyadh
15	Al Jazira Equipment Company Limited. (Transfer)	1010797597	Riyadh
16	Al Jazira equipment Company Limited (Motor equipment rental)*	4700106768	Yanbu
17	Branch of Al Jazira equipment Company Limited	4700011448	Yanbu
18	Branch of Al Jazira equipment Company Limited	4700019476	Yanbu
19	Branch of Al Jazira Equipment Company Limited	4700112751	Yanbu

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA")

2.2 Basis of measurement

These financial statements have prepared on historical cost convention except as otherwise disclosed in the accounting policies below.

2.3 Presentation and functional currency

These financial statements are presented in Saudi Riyal ("SR") which is the functional and presentation currency of the Company. All financial information presented in SR has been rounded off to the nearest Saudi Riyal ("SR"), unless otherwise indicated.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

(i) *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. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

(ii) *Lease classification – Company as a lessor*

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Keeping in view the business model of the Company, the Company has determined that leasing of vehicles does not transfer substantially all the risks and rewards incidental to ownership of the vehicles subject to the lease arrangement, hence such lease arrangements are classified as operating lease.

(iii) *Determining the lease term of contracts – Company as a lessee*

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Information about the assumptions and estimation uncertainties is included in the following areas:

(i) *Useful lives and residual value of property and equipment*

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

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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

(ii) Allowance for inventory

The Company recognizes an allowance for inventories due to factors such as obsolescence, physical damage etc. The estimation of such losses includes the consideration of factors including but not limited to introduction of new models or technology by the specific manufacturer and both existing and emerging market conditions.

(iii) Provision for expected credit losses (ECL) of accounts receivable and contract assets

The Company has selected simplified approach for all lease accounts receivable. The Company uses a provision matrix to calculate ECL for accounts receivable. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECL on the Company's accounts receivable is disclosed in note 16.

(iv) Defined benefit plan

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employee turnover rate. Due to the complexities involved in the valuation and its long-term nature; a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the market yield on high quality Corporate/Government bonds. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country. Further details about employee benefits obligations are provided in note 23.

(v) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

(vi) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

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NOTES TO THE FINANCIAL STATEMENTS

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3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

(vi) Provisions (continued)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(vii) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity - specific estimates.

(viii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied in the preparation of these financial statements:

4.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

The Company classifies all other liabilities as non-current.

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NOTES TO THE FINANCIAL STATEMENTS

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Revenue recognition

(i) Long term lease – the Company as a lessor

Motor vehicle leasing is the primary business activity of the Company. The Company leases motor vehicles (both passenger vehicles and commercial vehicles) to intending customers. All the lease agreements are classified as operating lease. The lease rentals are payable monthly in arrears by the customer. Revenue is recognised on raising invoice by end of each month to its customers. The Company undertakes the activity of selling used cars. Motor vehicles given on lease are sold on completion of the lease term. Vehicles given on rent are sold on the basis of usage. The Company recognises sale proceeds as revenue on sale.

(ii) Revenue from rental operations

The Company provides car renting services to its customers who are interested to obtain cars on rent for a short-term period i.e. hourly or monthly (until 11 months). The Company raises invoices on completion of the service. Revenue from car renting is recognised based on time period. Revenue recognised till the date of invoicing is recognised as unbilled revenue. Upon raising invoice, unbilled revenue is moved to trade receivables.

(iii) Revenue from workshop and service centers

The workshops are primarily operated by the Company to provide repairs and maintenance services. The Company recognizes revenue at the time of issuance of invoice i.e. on completion of the repair and maintenance services.

4.3 Expenses

(i) Cost of revenue

Cost of revenue represents all expenses directly attributable or incidental to the core operating activities of the Company including but not limited depreciation of vehicles under rental arrangements, cost of vehicle inventories disposed of, directly attributable employee related costs etc.

(ii) Selling and administration expenses

Selling and distribution expenses are costs arising from the Company's efforts underlying marketing activities and function. All other expenses are classified as administrative expenses. Allocation of common expenses between cost of revenue, selling and marketing and administrative expenses, where required, is made on a reasonable basis with regards to the nature and circumstances of the common expenses.

4.4 Zakat

The Company is subject to zakat in accordance with the regulations of Zakat, Tax and Customs Authority ("ZATCA"). Provision for zakat for the Company is charged to the statement of comprehensive income.

Withholding tax

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

Value added tax

Expenses and assets are recognized net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value add tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included.

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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Zakat (continued)

Value added tax (continued)

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4.5 Finance cost

Finance cost comprises of interest expenses and bank charges incurred by the Company during the year. These are recorded on accrued basis as and when incurred.

4.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in statement of comprehensive income when the asset is derecognized, modified or impaired. This category is relevant to the Company. The Company's financial assets at amortized cost includes accounts receivable, employees' receivables and amounts due from related parties.

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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Financial instruments (continued)

i) Financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. For accounts receivable, the Company applies a simplified approach in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, or payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Financial instruments (continued)

ii) Financial liabilities (continued)

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortized cost (lease liabilities and borrowing), and
- Financial liabilities at fair value through profit or loss.

Financial liabilities at amortized cost (lease liabilities and borrowing)

This category is relevant to the Company. After initial recognition, lease liabilities and interest-bearing loans and borrowing are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses as a result of unwinding of interest cost through EIR amortization process and on de-recognition of financial liabilities are recognized in the statement of comprehensive income.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income. This category generally applies to lease liabilities and borrowings.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by International Financial Reporting Standard 9 (Financial Instruments) ('IFRS 9').

Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.7 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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NOTES TO THE FINANCIAL STATEMENTS

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Impairment of non-financial assets (continued)

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss and comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4.8 Inventories

Inventories represent vehicles held for sale, spare parts and other supplies.

Vehicles held for sale

These are measured at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. The carrying amount of inventories is recognized as cost of revenue when the inventories are sold. The Company recognizes an allowance for inventory losses due to factors such as obsolescence, physical damage etc.

Spare parts and supplies

The cost of spare parts and supplies is based on weighted average principle. Other costs are included in the cost of spare parts and supplies only to the extent they are incurred in bringing them to their present location and condition.

4.9 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment (other than vehicles transferred to inventories as 'Vehicles held for sale') are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within other operating income in the statement of comprehensive income.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Property and equipment (continued)

Subsequent costs

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in the statement of comprehensive income as incurred.

Capital work in progress

Capital work-in-progress are stated at cost net of accumulated impairment, if any and represents all costs relating directly or indirectly to the acquisition or construction of assets where acquisition or construction is in progress and will be transferred to relevant category of property and equipment once completed.

Depreciation

Depreciation represents the systematic allocation of the depreciable amount of an asset over its estimated useful life. Depreciable amount represents cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lands are not depreciated.

Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively if required.

Vehicles designated for sale are transferred to inventory and related depreciation is suspended at the date of transfer.

	<u>Estimated useful lives</u>
Leasehold improvements	3 to 9 years
Tools and equipment	6 to 7 years
Furniture and fixtures	10 years
Office equipment	4 years
Computers and telecommunication	6 to 7 years
Motor vehicles	2.5 to 5.1 years
Right of use assets	3 to 9 years

4.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in statement of comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

The amortization period for the Company's intangible assets with finite life is as follows:

Software	6 to 7 years
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At 31 December 2022

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Intangible assets (continued)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

4.11 Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment, refer note 13.

(b) Lease liabilities

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Lease (continued)

(ii) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

4.12 Accounts payable

Accounts payable are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

Accounts payable are obligations on the basis of normal credit terms and do not bear interest. Accounts payable denominated in a foreign currency are translated into Saudi Riyal using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

4.13 Provisions

Provisions are recognized when the Company has:

- A present legal or constructive obligation as a result of a past event;
- It is probable that an outflow of economic resources will be required to settle the obligation in the future; and
- The amount can be reliably estimated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax and zakat rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as part of the finance costs in the profit or loss in the statement of comprehensive income.

An onerous contract is one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The Company has two types of onerous contracts; onerous projects contracts and onerous operating lease contracts.

4.14 Employees' terminal benefits

The Company operates a defined benefit scheme for its employees in accordance with labor regulations applicable in the Kingdom of Saudi Arabia. The liabilities are recognized in the statement of financial position at the reporting date. Defined benefits liabilities are the present value of the defined benefits obligations at the reporting date. The cost of providing the benefits under the defined benefits plan is determined using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the other comprehensive income.

Finance cost is calculated by applying the discount rate to the net defined benefit liability. The Company recognizes the following changes in the net defined benefit obligation under operating costs and general and administration expenses in the profit or loss.

- Service costs comprising current service costs and past-service costs; and
- Net finance cost or income

The defined benefit asset or liability comprises the present value of the defined benefit obligation, less past service costs and less the fair value of plan assets out of which the obligations are to be settled. However, currently the plan is unfunded and has no assets.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
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At 31 December 2022

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Foreign currencies

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss. Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., the translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

4.16 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, they are recorded in the statement of financial position under accounts payable and accruals. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing an asset or a liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of an asset or a liability and level of the fair value hierarchy as explained above.

4.18 Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash at banks and cash on hand which are subject to an insignificant risk of changes in value. Statement of cashflows is prepared using indirect method.

4.19 Dividends distribution

The Company recognizes a liability to pay a dividend when the distribution is authorized, and the distribution is no longer at the discretion of the Company. According to the Saudi Arabian Regulations for Companies, dividends are approved upon approval by the partners. Interim dividends, if any, are recorded when approved by the board of directors the corresponding amount is directly recognized in the statement of change in equity.

5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

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5 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

5 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (continued)

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Company is currently assessing the impact of the amendments.

5.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

In accordance with the transitional provisions, the Company applies the amendments to contracts for which it has not yet fulfilled all of its obligations, at the beginning of the annual reporting period in which it first applies the amendments. There were no impact on statements of financial position and statement of profit or loss and other comprehensive income.

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

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5.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS (continued)

IFRS 9 Financial Instruments – Fees in the '10 per cent' test

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Company as there were no modifications of the Company financial instruments during the period.

6 REVENUES

	2022	2021
	SR	SR
Long term lease	320,436,890	274,901,267
Sales of motor vehicles	82,460,794	92,600,509
Workshop and service center	27,150,202	15,076,665
	<u>430,047,886</u>	<u>382,578,441</u>

Timing of revenue recognition

	2022	2021
	SR	SR
Over time	320,436,890	274,901,267
At a point in time	109,610,996	107,677,174
	<u>430,047,886</u>	<u>382,578,441</u>

Primary geographical market

Saudi Arabia	<u>430,047,886</u>	<u>382,578,441</u>
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7 COST OF SALES

	2022	2021
	SR	SR
Depreciation of property and equipment (note 12)	124,786,239	101,375,317
Cost of vehicles sold	67,389,833	59,624,013
Maintenance and repair	32,488,992	19,417,841
Insurance	22,418,035	20,571,917
Workshop cost and spare parts consumed	13,560,792	8,453,289
Allowance for expected credit losses	11,731,576	-
Impairment reversal on property and equipment	(4,515,205)	2,587,181
Impairment reversal on inventory	(458,283)	-
	<u>267,401,979</u>	<u>212,029,558</u>

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NOTES TO THE FINANCIAL STATEMENTS

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8 GENERAL AND ADMINISTRATION EXPENSES

	2022	2021
	SR	SR
Employees' cost	27,540,877	27,614,017
Licenses and permits	4,911,816	3,603,268
Travel and conveyance	2,063,068	588,520
Utilities	1,689,188	884,582
Amortisation on intangible assets (note 14)	1,135,683	514,582
Professional and consulting fees	1,182,616	1,621,182
Hiring and training	145,311	1,752,360
Rent expense	741,679	703,117
Depreciation on right-of-use assets (note 13)	805,943	-
Depreciation on property and equipment (note 12)	691,174	368,802
Office expenses	331,155	421,027
Impairment loss / (reversal)	290,074	457,110
Repair and maintenance	229,111	236,112
Other expenses	388,505	1,854,977
	<u>42,146,200</u>	<u>40,619,656</u>

9 SELLING AND DISTRIBUTION EXPENSES

	2022	2021
	SR	SR
Employees' cost	48,666,401	38,080,384
Commission and advertisement	6,925,097	7,381,362
Depreciation on right-of-use assets (note 13)	3,552,370	3,154,996
Depreciation on property and equipment (note 12)	1,022,093	1,585,712
Amortisation on intangible assets (note 14)	16,975	-
Others	10,278,036	7,087,453
	<u>70,460,972</u>	<u>57,289,907</u>

10 OTHER INCOME

	2022	2021
	SR	SR
Other revenue	<u>5,722,884</u>	<u>4,194,945</u>

11 FINANCE COSTS

	2022	2021
	SR	SR
Interest on term loan	21,584,826	10,831,701
Lease liabilities	1,372,303	651,160
Employees end of service benefits	459,234	-
Bank charges	741,805	-
	<u>24,158,168</u>	<u>11,482,861</u>

AL-JAZIRA EQUIPMENT COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

12 PROPERTY AND EQUIPMENT

	Motor vehicles		Tools and equipment		Leasehold improvements		Furniture and fixtures		Computers and telecommunications		Total	
	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR
Cost:												
At 1 January 2021	829,783,704	7,925,044	20,399,170	8,675,528	4,829,750	871,613,196						
Additions	230,670,435	678,093	2,139,847	246,700	454,395	234,189,470						
Transfers to inventories	(142,903,371)	-	-	-	-	(142,903,371)						
At 31 December 2021	917,550,768	8,603,137	22,539,017	8,922,228	5,284,145	962,899,295						
Additions	388,683,376	1,823,194	14,310,346	765,648	915,651	406,498,215						
Transfers to inventories	(152,776,875)	-	-	-	-	(152,776,875)						
Disposals	-	-	-	(236,452)	-	(236,452)						
At 31 December 2022	1,153,457,269	10,426,331	36,849,363	9,451,424	6,199,796	1,216,384,183						
Accumulated depreciation and accumulated impairment:												
At 1 January 2021	238,454,108	7,295,549	14,659,225	6,124,971	3,490,449	270,024,302						
Charge for the year	101,375,317	191,840	946,516	427,700	388,458	103,329,831						
Impairment loss	2,587,181	-	-	-	-	2,587,181						
Transfer to inventories	(82,021,087)	-	-	-	-	(82,021,087)						
At 31 December 2021	260,395,519	7,487,389	15,605,741	6,552,671	3,878,907	293,920,227						
Charge for the year	124,335,474	256,343	975,382	464,159	468,148	126,499,506						
Impairment (reversal)	(4,515,205)	-	-	-	-	(4,515,205)						
Disposals	-	-	-	(136,412)	-	(136,412)						
Transfers to inventories	(83,600,465)	-	-	-	-	(83,600,465)						
At 31 December 2022	296,615,323	7,743,732	16,581,123	6,880,418	4,347,055	332,167,651						
Net book amounts:												
At 31 December 2021	657,155,249	1,115,748	6,933,276	2,369,557	1,405,238	668,979,068						
At 31 December 2022	856,841,946	2,682,599	20,268,240	2,571,006	1,852,741	884,216,532						

AL-JAZIRA EQUIPMENT COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

12 PROPERTY AND EQUIPMENT

Motor vehicles' balance as at 31 December 2022 includes SR 80.9 million (2021: SR 4.2 million) not available for intended use, and no depreciation is being charged on such vehicles. The Company expects such vehicles to be available for intended use in first quarter of 2023.

Transfer to inventories represents cost and accumulated depreciation of vehicles retired from fleets and transferred to Motor vehicles inventories.

The expense is recognized in the following line items in the statement of profit or loss and comprehensive income:

	Notes	2022	2021
		SR	SR
Cost of sales	7	124,786,239	101,375,317
Selling and distribution expenses	9	1,022,093	1,585,712
General and administration expenses	8	691,174	368,802
		126,499,506	103,329,831

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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

13 LEASES AND RELATED RIGHT OF USE ASSETS

	<i>Land and buildings</i>
	<i>SR</i>
At 1 January 2021	7,840,586
Additions	14,350,492
Depreciation expense	<u>(3,154,996)</u>
At 31 December 2021	19,036,082
Additions	23,481,698
Lease modifications	(3,879,177)
Depreciation expense	<u>(4,358,313)</u>
At 31 December 2022	<u>34,280,290</u>

The expense is recognized in the following line items in the statement of profit or loss and comprehensive income:

	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
Selling and distribution expenses (note 9)	3,552,370	3,154,996
General and administration expenses (note 8)	<u>805,943</u>	-
	<u>4,358,313</u>	<u>3,154,996</u>

Lease liabilities

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

	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
At 1 January	20,616,960	8,583,894
Additions	23,481,698	14,350,492
Lease modifications	(3,879,177)	-
Accretion of interest	1,372,303	651,160
Payments	<u>(7,555,435)</u>	<u>(2,968,586)</u>
At 31 December	<u>34,036,349</u>	<u>20,616,960</u>

Lease liabilities are presented in the statement of financial position as follows:

	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
Current liabilities	5,561,942	4,094,736
Non-current liabilities	<u>28,474,407</u>	<u>16,522,224</u>
	<u>34,036,349</u>	<u>20,616,960</u>

Other amounts recognised in profit and loss

Expense relating to short-term and low-value leases (included in selling and marketing and general and administration expenses) recognised during the year ended 31 December 2022 amounted to Saudi Riyals 1.7 million (2021: Saudi Riyals 1.6 million).

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NOTES TO THE FINANCIAL STATEMENTS

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13 LEASES AND RELATED RIGHT OF USE ASSETS (continued)

Additional information about the Company's leasing activities

The Company has lease agreements for office spaces and workshops. Rental contracts are typically made for fixed periods but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

Extension and termination options are included to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension options held are exercisable only by mutual agreement of the Company and the respective lessor.

14 INTANGIBLE ASSETS

	2022	2021
	SR	SR
Cost		
At 1 January 2022	9,122,723	4,364,817
Additions	14,517	4,757,906
Disposals	(272,293)	-
At 31 December 2022	8,864,947	9,122,723
Amortisation		
At 1 January 2022	2,800,826	2,286,244
Amortisation for the year	1,152,658	514,582
Disposal	(21,207)	-
At 31 December 2022	3,932,277	2,800,826
Cost at 31 December 2022	8,864,947	9,122,723
Accumulated amortisation at 31 December 2022	3,932,277	2,800,826
Net book value at 31 December 2022	4,932,670	6,321,897

The expense is recognized in the following line items in the statement of profit or loss and comprehensive income:

	2022	2021
	SR	SR
General and administration expenses (note 8)	1,135,683	514,582
Selling and distribution expenses (note 9)	16,975	-
	1,152,658	514,582

15 INVENTORIES

	2022	2021
	SR	SR
Vehicles held for sale	8,502,005	6,715,428
Spare parts	4,611,018	6,114,323
	13,113,023	12,829,751
Less: Provision for obsolete stock	(2,243,739)	(2,702,022)
	10,869,284	10,127,729

The movement in provision for slow moving inventories is as follows:

	2022	2021
	SR	SR
Balance as at 1 January	2,702,022	2,244,912
(Reversal) / provision for the year	(458,283)	457,110
Balance as at 31 December	2,243,739	2,702,022

AL-JAZIRA EQUIPMENT COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

16 TRADE RECEIVABLES

	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
Accounts receivable	273,250,953	215,442,855
Unbilled receivables	2,387,562	7,505,629
	<u>275,638,515</u>	<u>222,948,484</u>
Less: allowance for expected credit losses	(90,776,054)	(79,044,478)
	<u><u>184,862,461</u></u>	<u><u>143,904,006</u></u>

The Company has assessed expected lifetime losses pertaining to trade receivables as per the simplified approach as permitted by IFRS 9. Trade receivables are due based on individual credit terms of each customer. There were no contracts with a significant financing component or variable consideration during the years ended 31 December 2022 and 2021. Aging profile of trade receivables is as follows:

	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
Current	56,272,046	55,491,217
0-90 days	58,848,832	47,381,104
91-180 days	29,612,270	16,361,954
181-270 days	20,082,560	8,930,152
271-365days	17,232,338	9,156,419
365 days and above	91,202,907	78,122,009
Balance at the end of the year	<u><u>273,250,953</u></u>	<u><u>215,442,855</u></u>

Movement in the allowance for expected credit losses was as follows:

	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
At the beginning of the year	79,044,478	79,944,478
Provided during the year	11,731,576	-
Written off during the year	-	(900,000)
At the end of the year	<u><u>90,776,054</u></u>	<u><u>79,044,478</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

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17 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Company's shareholders, associated companies and their shareholders, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties. Related party transactions are dealt with on agreed terms and conditions of such transactions duly approved by the Company's management.

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transactions</i>	<i>Amounts of transactions</i>		<i>Balances</i>	
			<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
			<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
a) Amounts due from related parties:						
Saudi Economic and Development Holding Company	Shareholder	Operating lease rental	71,846	-	6,839,731	6,816,918
Almahmal Trading Co	Other related party	Operating lease rental	4,092,673	516,119	1,092,385	508,845
Elaf Hotels Co	Other related party	Operating lease rental	239,948	65,000	335,879	58,849
Elaf Travel Tourism Company Limited	Other related party	Operating lease rental	615,651	192,166	101,902	220,991
Intima Real Estate Services	Other related party	Operating lease rental	43,326	26,180	56,802	111,950
Nahdi Medical Company	Other related party	Operating lease rental	81,150	61,650	14,180	13,940
Bonnon Company Limited	Other related party	Operating lease rental	-	-	5,611	5,611
Arabian Entertainment Company	Other related party	Operating lease rental	7,997	23,320	5,191	-
Donia Al-Aswaf Trading Co., Limited (AlShiaka)	Other related party	Operating lease rental	43,756	-	36,852	-
Elaf Hotel Red Sea Mall	Other related party	Operating lease rental	-	38,992	-	37,693
					8,488,533	7,774,797
b) Amounts due to related parties:						
Saudi Economic Development Company	Shareholder	Expense	13,327	1,105,000	20,868,718	20,855,391
c) Key management personnel Compensation:						
		Short term employee benefits	8,331,784	6,216,665		
		Post employment benefits	904,541	623,450		

Compensation to key management personnel includes salaries and contributions to post-employment defined benefit plan.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

18 ADVANCES, PREPAYMENTS AND OTHER CURRENT ASSETS

	2022	2021
	SR	SR
VAT Refundable	9,578,772	6,013,435
Loan to employees	3,530,299	2,821,491
Prepayments	2,948,519	1,607,063
Advances to suppliers	1,386,803	6,533,453
Security deposits	1,195,550	353,814
Other receivables	689,816	-
	<u>19,329,759</u>	<u>17,329,256</u>

19 CASH AND BANK BALANCES

	2022	2021
	SR	SR
Cash at bank	13,277,564	4,863,037
Cash in hand	337,850	329,150
	<u>13,615,414</u>	<u>5,192,187</u>

20 CAPITAL

The authorised, issued and paid up capital is SR 180,000,000 at 31 December 2022 consisting of 180,000 shares (2021: SR 180,000,000 consisting of 180,000 shares) of SR 1,000 each.

<i>Partners</i>	<i>Number of Shares</i>	<i>Percentage (%)</i>	<i>Value of each share SR</i>	<i>Total SR</i>
Saudi Economic and Development Holding Company	178,200	99.00%	1,000	178,200,000
Sadad Trading Company Limited	1,800	1.00%	1,000	1,800,000
	<u>180,000</u>	<u>100.00%</u>		<u>180,000,000</u>

The shareholders of the Company in their meeting held on 14 Sha`ban 1441H corresponding to 11 December 2019, resolved to increase the capital of the Company. However, the legal formalities in respect of the increase in capital were completed as of year ended 31 December 2021 and share capital was increased up to SR 180 million.

21 STATUTORY RESERVE

In accordance with Saudi Arabian Regulations for Companies as at 31 December 2022, the Company must set side 10% of its net income in each year until it has built up a reserve equal to 30% of the capital. The Company may resolve to discontinue such transfers when the reserve totals 30% of the capital. The reserve is not available for distribution.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

22 TERM LOANS

	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
Term loans	608,706,727	392,039,595
Less: current portion	(285,340,205)	(197,356,486)
	<u>323,366,522</u>	<u>194,683,109</u>

The Company has obtained bank facilities from local banks in the form of term loans. Tawarroq loan facilities are granted from local commercial banks at rate ranging from SAIBOR plus 1.65% to 1.75% (2021: 1.65% to 1.75%). These amounts are repaid by semi-annual installments. Repayment of each finance is communicated to the Company by the local bank. These facilities are secured by promissory notes from the partner, the Company and also include covenants to maintain certain financial ratios. The Company has other undrawn facilities with bank available in accordance with the signed facility agreements.

The Company has complied with covenants under the loan facility agreement during year ended 31 December 2022.

Maturity profile of term loans

The maturity profile of long-term borrowings is as follows:

Years ending 31 December:

2023	285,340,205
2024	200,962,285
2025	115,832,811
2026	6,571,426
	<u>608,706,727</u>

23 EMPLOYEES' TERMINAL BENEFITS

The management has carried out an exercise to assess the present value of its defined benefit obligations at 31 December 2022 in respect of employees' defined benefits liabilities under relevant local regulations and contractual arrangements. The following tables summarise the components of net benefit expense recognised in the statement of comprehensive income and balances reported in the statement of financial position:

	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
Present value of employees' terminal benefits	<u>16,645,688</u>	<u>18,096,336</u>
	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
Current service cost	<u>2,897,457</u>	<u>2,851,000</u>
Finance cost	<u>459,234</u>	<u>538,000</u>

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

23 EMPLOYEES' TERMINAL BENEFITS (Continued)

Movement in the present value of defined benefits obligations is as follows:

	2022	2021
	SR	SR
At 1 January	18,096,336	15,712,000
Current service cost	2,897,457	2,851,000
Finance cost	459,234	538,000
Actuarial gain	(3,787,556)	(5,260)
Payments during the year	(1,019,783)	(999,404)
At 31 December	<u>16,645,688</u>	<u>18,096,336</u>

The expense is recognised in the statement of profit or loss as following:

Selling and distribution	2,186,865	1,913,427
General and administration expenses	710,592	1,475,573
Finance cost	459,234	-
	<u>3,356,691</u>	<u>3,389,000</u>

The significant assumptions used in determining employees' terminal benefits are shown below:

	2022	2021
Discount rate	5.02%	2.73%
Future salary increment rate	3.00%	3.00%
Retirement age	60 years	60 years

A quantitative sensitivity analysis for significant assumption on the defined benefit obligation as at 31 December 2022 and 31 December 2021 as shown below:

	2022	2021
	SR	SR
<i>Discount rate</i>		
0.5% increase	(699,119)	(904,817)
0.5% decrease	749,056	977,202
<i>Future salary increase</i>		
1% increase	765,702	977,202
1% decrease	699,119	(904,817)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another. The same method has been applied for the sensitivity analysis as when calculating the recognised pension liability.

The average duration of the defined benefits plan obligation at 31 December 2022 is 9.53 years (31 December 2021: 10.58 years).

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

24 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2022	2021
	SR	SR
Accrued expenses	37,567,460	18,978,211
Accrued interest	6,926,622	2,598,969
Advance from customer	2,271,991	5,943,627
	<u>46,766,073</u>	<u>27,520,807</u>

25 ZAKAT

a) Zakat charge for the year

	2022	2021
	SR	SR
Provision for the year	5,262,883	4,510,434
Adjustment for prior year	(422,505)	(617,059)
Total provision for the year	<u>4,840,378</u>	<u>3,893,375</u>

The provision is based on the following:

	2022	2021
	SR	SR
Equity	316,135,913	289,744,312
Opening provisions and other adjustments	157,231,372	122,509,676
Term loans	608,706,727	392,039,595
Book value of long term assets	(923,429,492)	(684,414,438)
	<u>158,644,520</u>	<u>119,879,145</u>
Zakatable results for the year	46,941,176	60,538,215
Zakat base	<u>205,585,696</u>	<u>180,417,360</u>

The difference between the financial results and adjusted income is mainly due to adjustments for certain costs based on the relevant regulations.

The movement in the zakat provision was as follows:

	2022	2021
	SR	SR
At the beginning of the year	4,510,434	2,891,742
Provided during the year	5,262,883	4,510,434
Prior year adjustments	(422,505)	(617,059)
	<u>4,840,378</u>	<u>3,893,375</u>
Paid during the year	(4,087,929)	(2,274,683)
At the end of the year	<u>5,262,883</u>	<u>4,510,434</u>

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

25 ZAKAT LIABILITY (Continued)

b) Status of assessments

The Company has submitted the zakat and income tax returns up to the year 2021 and obtained zakat and income tax certificates. The Company received final ZAKAT assessment till the year 2016 and finalized its position with Zakat, Tax and Customs Authority (ZATCA). The return for years 2017 to 2021 have been filed and no assessment has been issued by ZATCA

26 FINANCIAL INSTRUMENTS

Financial assets consist of cash and bank balances, amounts due from related parties, trade receivable and some other current assets. Financial liabilities consist of trade payable, amounts due to related parties, lease liabilities and some other current liabilities. Carrying value of financial assets and liabilities at 31 December 2022 and 2021 were as follows:

	2022 SR	2021 SR
Financial assets		
<i>Financial assets measured at amortised cost less impairment:</i>		
Trade receivables	184,862,461	143,904,006
Amounts due from related parties	8,488,533	7,774,797
Cash and bank balances	13,615,414	5,192,187
	221,960,845	166,059,730
Financial liabilities		
<i>Financial liabilities measured at amortised cost:</i>		
Term loans	608,706,727	392,039,595
Trade payables	81,621,963	78,889,586
Accrued expenses and other current liabilities	46,766,073	27,520,807
Amounts due to related parties	20,868,718	20,855,391
	149,256,754	127,265,784

27 FINANCIAL INSTRUMENT AND RISK MANAGEMENT

The Company's principal financial liabilities comprise bank borrowings, accounts payable and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include accounts receivable, unbilled receivables, other receivables and bank balances.

The Company is exposed to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management objectives and policies focuses on having cost effective funding as well as managing financial risk to minimize earnings volatility, sufficient liquidity to repay creditors and lender institutions and provide maximum return to partners.

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings as well as deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

27 FINANCIAL INSTRUMENT AND RISK MANAGEMENT (continued)

(i) Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the borrowings obtained at variable rates.

Foreign exchange risk

Currency risk is the risk that the value of a financial instrument denominated in foreign currencies will fluctuate due to changes in foreign exchange rates, in case the Company does not hedge its currency exposure by means of hedging instruments. The Company's transactions are principally in Saudi Riyals. Other transactions in foreign currencies are not material and hence the Company is not exposed to any significant currency risk.

Price risk

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company's financial assets and liabilities are not exposed to price risk.

(ii) Credit Risk

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

To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. The Company's gross maximum exposure to credit risk at the reporting date is as follows:

	2022	2021
	SR	SR
Trade receivables	184,862,461	143,904,006
Bank balances	13,277,564	4,863,037
	<u>198,140,025</u>	<u>148,767,043</u>

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

Cash flow forecasting is performed by the management which monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

27 FINANCIAL INSTRUMENT AND RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Below is the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

31 December 2022	Within 1 year	1 to 5 years	More than 5 years	Total
	SR	SR	SR	SR
Trade payables	81,621,963	-	-	81,621,963
Accrued expenses and other current liabilities	46,766,073	-	-	46,766,073
Amounts due to related parties	20,868,718	-	-	20,868,718
Lease liabilities	5,561,942	41,814,700	-	47,376,642
Long term loans	291,170,316	330,089,728	-	621,260,044
	445,989,012	371,904,428	-	817,893,440

31 December 2021	Within 1 year	1 to 5 years	More than 5 years	Total
	SR	SR	SR	SR
Trade payables	78,889,586	-	-	78,889,586
Accrued expenses and other current liabilities	27,520,807	-	-	27,520,807
Amounts due to related parties	20,855,391	-	-	20,855,391
Lease liabilities	4,094,736	16,522,224	-	20,616,960
Long term loans	197,356,486	194,683,109	-	392,039,595
	328,717,006	211,205,333	-	539,922,339

28 COMMITMENTS AND CONTINGENCIES

	2022 SR	2021 SR
Letter of guarantees	21,447,190	14,596,560

29 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes Capital and all other equity reserves attributable to the partners of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The Company informally monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

29 CAPITAL MANAGEMENT (continued)

	2021 SR	2020 SR
Trade payables	81,621,963	78,889,586
Accrued expenses and other current liabilities	46,766,073	27,520,807
Term loans	608,706,727	392,039,595
Lease liabilities	34,036,349	20,616,960
Less: Cash and bank balances	(13,615,414)	(5,192,187)
Net debt	757,515,698	513,874,761
Capital	180,000,000	180,000,000
Statutory reserves	29,067,908	26,391,601
Retained earnings	137,618,634	109,744,312
Equity	346,686,542	316,135,913
Gearing ratio	2.19	1.63

30 COMPARATIVE FIGURES

Certain of the prior year amounts have been reclassified to conform with the presentation in the current year. These changes have been made to improve the quality of information presented. Such reclassification changes do not affect previously reported profit or equity.

31 SUBSEQUENT EVENTS

In the opinion of management, there have been no significant subsequent events since the year ended 31 December 2022 that would have a material impact on the financial position of the Company as reflected in these financial statements.

32 APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 31 December 2022 were authorised for issuance on 23 Sha'ban 1444H (corresponding to 15 March 2023).

**AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)**

INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2023

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

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Interim condensed statement of changes in equity	4
Interim condensed statement of cash flows	5 - 6
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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AL-JAZIRA EQUIPMENT COMPANY LIMITED (A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)

Introduction:

We have reviewed the accompanying interim condensed statement of financial position of Al-Jazira Equipment Company Limited (the "Company"), a Single Shareholder Limited Liability Company as at 30 September 2023, and the related interim condensed statement of comprehensive income for the nine-month period ended 30 September 2023 and related interim condensed statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as 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.

Conclusion:

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

for Ernst & Young Professional Services

Abdullah Zuhair AlShaikh
Certified Public Accountant
License No. (568)



Al Khobar: 13 Jumada Al-Akhirah1445H
26 December 2023

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)
 INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
 (All amounts in Saudi Riyals unless otherwise stated)

	Note	For the nine-month period ended 30 September 2023	For the nine-month period ended 30 September 2022
Revenue	5	372,666,024	317,672,400
Cost of sales	6	<u>(208,748,355)</u>	<u>(189,926,648)</u>
GROSS PROFIT		163,917,669	127,745,752
General and administrative expenses		(34,583,164)	(33,773,262)
Selling and distribution expenses		<u>(55,547,906)</u>	<u>(52,837,769)</u>
OPERATING PROFIT		73,786,599	41,134,721
Other operating income, net		9,644,341	3,884,742
Finance costs	7	<u>(40,274,815)</u>	<u>(15,716,392)</u>
PROFIT BEFORE ZAKAT		43,156,125	29,303,071
Zakat expense		<u>(3,200,000)</u>	<u>(3,299,339)</u>
NET PROFIT FOR THE PERIOD		39,956,125	26,003,732
Other comprehensive income for the period		<u>1,198,494</u>	<u>4,045,808</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>41,154,619</u>	<u>30,049,540</u>

The interim condensed financial statements including other explanatory notes were authorized for issue by the Board of Directors on 26 December 2023 and were signed on their behalf by:



 Muhammad Irfan
 Chief Financial Officer



 Eng. Emad Saleh Rajab
 Chief Executive Officer

The attached notes 1 to 15 form an integral part of these interim condensed financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	30 September 2023 (Unaudited)	31 December 2022 (Restated)	1 January 2022 (Restated)
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	8	1,143,170,234	902,524,507	685,897,081
Right-of-use assets		30,985,862	34,280,290	19,036,082
Intangible assets		4,507,876	4,932,670	6,321,897
TOTAL NON-CURRENT ASSETS		1,178,663,972	941,737,467	711,255,060
CURRENT ASSETS				
Inventories	9	14,323,134	11,864,852	12,339,422
Trade receivables	10	292,234,303	184,862,461	143,904,006
Amounts due from related parties	12	2,564,517	8,488,533	7,774,797
Advances, prepayments and other current assets		28,929,864	19,329,759	17,329,256
Cash and bank balances		14,170,240	13,615,414	5,192,187
TOTAL CURRENT ASSETS		352,222,058	238,161,019	186,539,668
TOTAL ASSETS		1,530,886,030	1,179,898,486	897,794,728
EQUITY AND LIABILITIES				
EQUITY				
Share capital	1	300,000,000	180,000,000	180,000,000
Statutory reserve		29,067,908	29,067,908	26,391,601
Retained earnings		198,076,796	156,922,177	128,874,018
TOTAL EQUITY		527,144,704	365,990,085	335,265,619
NON-CURRENT LIABILITIES				
Non-current portion of term loans	11	358,375,475	323,366,522	194,683,109
Lease liabilities		23,229,326	28,474,407	16,522,224
Employees' terminal benefits		14,798,260	16,645,688	18,096,336
TOTAL NON-CURRENT LIABILITIES		396,403,061	368,486,617	229,301,669
CURRENT LIABILITIES				
Current portion of term loans	11	290,485,714	285,340,205	197,356,486
Trade payables		179,458,099	81,621,963	78,889,586
Accrued expenses and other current liabilities		74,527,748	46,766,073	27,520,807
Zakat payable		3,187,693	5,262,883	4,510,434
Amounts due to a related party		50,000,000	20,868,718	20,855,391
Lease liabilities - current portion		9,679,011	5,561,942	4,094,736
TOTAL CURRENT LIABILITIES		607,338,265	445,421,784	333,227,440
TOTAL LIABILITIES		1,003,741,326	813,908,401	562,529,109
TOTAL EQUITY AND LIABILITIES		1,530,886,030	1,179,898,486	897,794,728



Muhammad Irfan
Chief Financial Officer




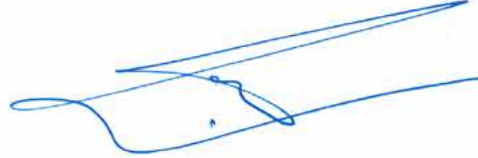
Eng. Emad Saleh Rajab
Chief Executive Officer

The attached notes 1 to 15 form an integral part of these interim condensed financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)
 INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
 (All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Total equity
At 1 January 2022, as previously reported	180,000,000	26,391,601	109,744,312	316,135,913
Impact of restatements (Note 14)	-	-	19,129,706	19,129,706
Balance at 1 January 2022 (restated)	180,000,000	26,391,601	128,874,018	335,265,619
Net profit for the period	-	-	26,003,732	26,003,732
Other comprehensive income for the period	-	-	4,045,808	4,045,808
Total comprehensive income for the period	-	-	30,049,540	30,049,540
At 30 September 2022 (Unaudited)	180,000,000	26,391,601	158,923,558	365,315,159
At 1 January 2023 (Restated)	180,000,000	29,067,908	156,922,177	365,990,085
Addition capital contribution	120,000,000	-	-	120,000,000
Net profit for the period	-	-	39,956,125	39,956,125
Other comprehensive income for the period	-	-	1,198,494	1,198,494
Total comprehensive income for the period	-	-	41,154,619	41,154,619
At 30 September 2023 (Unaudited)	300,000,000	29,067,908	198,076,796	527,144,704


 Muhammad Irfan
 Chief Financial Officer


 Eng. Emad Saleh Rajab
 Chief Executive Officer

The attached notes 1 to 15 form an integral part of these interim condensed financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)
 INTERIM CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED)
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
 (All amounts in Saudi Riyals unless otherwise stated)

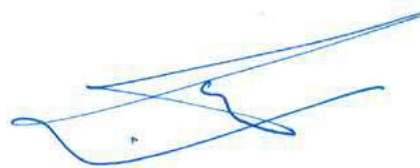
	30 September 2023	30 September 2022
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
OPERATING ACTIVITIES		
Profit before zakat	43,156,125	29,303,071
Adjustment to reconcile profit before zakat to net cash flows:		
Depreciation of property and equipment	90,309,098	79,702,596
Amortisation of intangible assets	889,906	868,548
Depreciation of right-of-use assets	4,469,938	3,992,659
Employees' terminal benefits service cost	1,691,981	2,133,919
Allowance for expected credit losses	-	9,051,250
Loss on disposal of property and equipment	-	21,501
Finance cost	40,274,815	15,716,392
	180,791,863	140,789,936
Working capital Changes:		
Inventories	53,954,888	56,656,047
Trade receivables	(107,371,842)	(49,965,008)
Advances, prepayments and other current assets	(9,600,105)	(7,290,336)
Amounts due from related parties	5,924,016	(1,138,001)
Accrued expenses and other current liabilities	22,602,043	26,894,254
Trade payables	97,836,136	(24,835,692)
Amounts due to related parties	29,131,282	358,327
Cash from operating activities	273,268,281	141,469,527
Employees terminal benefits paid	(2,904,266)	(832,437)
Additions of motor vehicles	(381,374,571)	(253,901,581)
Finance cost paid	(32,962,210)	(10,124,634)
Zakat paid	(5,275,190)	(4,087,929)
Net cash flows used in operating activities	(149,247,956)	(127,477,054)
INVESTING ACTIVITIES		
Additions of property and equipment (excluding motor vehicles)	(5,993,424)	(12,236,401)
Additions in intangible assets	(465,112)	(14,524)
Proceeds from sale of property and equipment	-	39,654
Disposals of intangible assets	-	251,095
Net cash flows used in investing activities	(6,458,536)	(11,960,176)
FINANCING ACTIVITIES		
Additional capital contribution	120,000,000	-
Payment for lease liabilities	(3,893,147)	(4,762,934)
Receipt of term loans	268,999,505	354,427,081
Payment of term loans	(228,845,040)	(182,134,711)
Net cash flows from financing activities	156,261,318	167,529,436
NET INCREASE IN CASH AND CASH EQUIVALENTS	554,826	28,092,206
Cash and cash equivalents at the beginning of the period	13,615,414	5,192,187
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	14,170,240	33,284,393

The attached notes 1 to 15 form an integral part of these interim condensed financial statements.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(All amounts in Saudi Riyals unless otherwise stated)

	30 September 2023 <i>(Unaudited)</i>	30 September 2022 <i>(Unaudited)</i>
Non-cash transactions:		
Transfer of motor vehicles from property and equipment to inventories	56,413,170	55,548,692
Addition to right-of-use assets and lease liability	1,518,050	-
Lease modifications	(342,540)	-


Muhammad Irfan
Chief Financial Officer


Eng. Emad Saleh Rajab
Chief Executive Officer

**AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(All amounts in Saudi Riyals unless otherwise stated)

1. CORPORATE INFORMATION

Al-Jazira Equipment Company Limited (the "Company") is a Single Shareholder Limited Liability Company formed under Regulations for Companies in the Kingdom of Saudi Arabia ('KSA') under Commercial Registration No. 2051005734 dated 12 Rabi' 1 1400 (corresponding to 30 January 1980).

The principal activities of the Company are trading and maintenance of vehicles and lease of vehicles. As per the articles of association, the Company can carry out the operations of machinery, equipment and spare parts, trade in petroleum products and lease of equipment.

The registered office of the Company is located at Al-Raka in Al-Khobar, Saudi Arabia.

Equity restructuring

On 13 Safar 1445H (corresponding to 29 August 2023), the shareholders of the Company resolved to convert the Company from a limited liability Company to a single shareholder limited liability Company and to increase the share capital from SR 180,000,000 to SR 300,000,000. The company is now 100% owned by Saudi Economic and Development Holding Company (2022: 99% owned by Saudi Economic and Development Holding Company and 1% owned by Sadad Trading Company Limited).

The Company's Articles of Association and commercial registration was amended to reflect the Company's new Capital structure. The legal formalities relating to the above were also completed during the period.

On 21 December 2023, United International Transportation Company ("Budget Saudi") signed a share subscription agreement (SSA) with Saudi Economic and Development Holding Company ("SEDCO") to fully acquire its subsidiary, Al-Jazira Equipment Company Limited (the "Company"). The deal will be concluded through Budget Saudi's wholly owned subsidiary, Al Jozoor Al Rasekha Trucking Company ("Rahaal"), by issuing new shares to the owner of Company in Budget Saudi. The proposed deal is subject to obtaining the regulatory approvals of the competent authorities and the extraordinary general meeting of Budget Saudi.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022, except for the adoption of new amendments effective as of 1 January 2023, as disclose in note 2.2 below.

2.1 BASIS OF PREPARATION

These interim condensed financial statements have been prepared using historical cost convention. These interim condensed financial statements are presented in Saudi Riyals, which is both the functional and presentation currency of the Company. These interim condensed financial statements of the Company have been prepared in compliance with IAS 34 "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Company has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. The management consider that there are no material uncertainties that may cast doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly, these interim condensed financial statements are to be read in conjunction with the annual financial statements for the year ended 31 December 2022. An interim period is considered as integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

**AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(All amounts in Saudi Riyals unless otherwise stated)

2.2 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

2.2.1 New standards, interpretations and amendments

Following standard, interpretation or amendment are effective as of 1 January 2023 and are adopted by the Company whenever applicable, however, these does not have any impact on the interim condensed financial statements for the period. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective:

- i. IFRS 17 Insurance Contracts
- ii. Definition of Accounting Estimates - Amendments to IAS 8
- iii. Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- iv. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- v. International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12.

2.2.2 Accounting standards issued but not yet effective

- i. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- ii. Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants-Amendments to IAS 1
- iii. Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

3. FAIR VALUE OF ASSETS AND LIABILITIES

As at 30 September 2023 and 31 December 2022, the fair values of the Company's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realized at their current carrying values within twelve months from the date of statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry interest rates which are based on prevailing market interest rates.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim condensed financial statements requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The significant accounting estimates and judgements applied in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022.

Useful lives and residual value of property and equipment

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates. The company estimates the residual value and useful life based on average 3 years historical data of the fleet movement and condition. Accordingly, the useful life is estimated in the range of 44-46 months and recovery ratio in the range from 47% to 57%. Also, the company policy is to cap the residual value at a minimum of 10% of the fleet cost.

The Company annually review and perform an assessment of the useful lives of vehicles and residual values. Accordingly, the estimated useful lives of vehicles have been revised by the Company from 3.86 years (31 December 2022) to 3.88 years for the period ended. The residual value have been revised from 53.1% (December 2022) to 56.6% for the period ended. The change in estimated useful lives and residual value has resulted in a decrease in depreciation expenses and an increase in the cost of sales of vehicles. The net impact of the adjustment amounts to SR 16.39 million on the cost of revenue for the period 30 September 2023. The effect of change in estimate in future periods is impracticable to determine.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
 (All amounts in Saudi Riyals unless otherwise stated)

5. REVENUE

	For the nine-month period ended 30 September 2023	For the nine-month period ended 30 September 2022
Long term lease	289,971,682	236,934,070
Sales of motor vehicles	68,839,540	62,471,333
Workshop and service center	13,854,802	18,266,997
	372,666,024	317,672,400

Timing of revenue recognition

	For the nine-month period ended 30 September 2023	For the nine-month period ended 30 September 2022
Over time	289,971,682	236,934,070
At a point in time	82,694,342	80,738,330
	372,666,024	317,672,400

Primary geographical market

Saudi Arabia	372,666,024	317,672,400
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6. COST OF SALES

	For the nine-month period ended 30 September 2023	For the nine-month period ended 30 September 2022
Depreciation of property and equipment	87,943,866	78,121,099
Cost of vehicles sold	57,493,448	56,374,582
Maintenance and repair	29,685,738	21,435,661
Insurance	30,714,141	15,714,449
Workshop cost and spare parts consumed	2,911,162	9,229,607
Allowance for expected credit losses	-	9,051,250
	208,748,355	189,926,648

**AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(All amounts in Saudi Riyals unless otherwise stated)

7. FINANCE COST

	For the nine-month period ended 30 September 2023	For the nine-month period ended 30 September 2022
Interest on term loan	37,895,463	13,183,210
Lease liabilities	1,589,625	1,589,625
Employees end of service benefits	563,351	344,426
Bank charges	226,376	599,131
	40,274,815	15,716,392

8. PROPERTY AND EQUIPMENT

As at 30 September 2023 (Unaudited)

	<u>Vehicles</u>	<u>Others</u>	<u>Total</u>
Opening net book value	875,149,921	27,374,586	902,524,507
Additions during the period	381,374,571	5,993,424	387,367,995
Transfer of vehicles to inventories during the period	(56,413,170)	-	(56,413,170)
Depreciation charge for the period	(87,943,866)	(2,365,232)	(90,309,098)
Closing net book value	1,112,167,456	31,002,778	1,143,170,234

As at 31 December 2022 (Restated)

	<u>Vehicles</u>	<u>Others</u>	<u>Total</u>
Opening net book value	674,073,261	11,823,819	685,897,080
Additions during the year	388,683,378	17,814,839	406,498,217
Transfer of vehicles to inventories during the year	(80,789,704)	-	(80,789,704)
Disposal during the year	-	(100,040)	(100,040)
Depreciation charge for the year	(106,817,014)	(2,164,032)	(108,981,046)
Closing net book value	875,149,921	27,374,586	902,524,507

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
 (All amounts in Saudi Riyals unless otherwise stated)

8. PROPERTY AND EQUIPMENT (Continued)

As at 1 January 2022 (Restated)	Vehicles	Others	Total
Opening net book value	611,438,184	10,259,298	621,697,482
Additions during the year	230,670,435	3,519,035	234,189,470
Transfer of vehicles to inventories during the year	(68,277,253)	-	(68,277,253)
Depreciation charge for the year	(99,758,104)	(1,954,514)	(101,712,618)
Closing net book value	674,073,262	11,823,819	685,897,081

9. INVENTORIES

	30 September 2023 (Unaudited)	31 December 2022 (Restated)	1 January 2022 (Restated)
Vehicles held for sale	8,643,775	9,497,573	8,482,397
Spare parts	7,923,098	4,611,018	6,559,047
	16,566,873	14,108,591	15,041,444
Less: Provision for obsolete stock	(2,243,739)	(2,243,739)	(2,702,022)
	14,323,134	11,864,852	12,339,422

10. TRADE RECEIVABLES

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Accounts receivable	378,870,130	273,250,953
Unbilled receivables	4,140,227	2,387,562
	383,010,357	275,638,515
Less: allowance for expected credit losses	(90,776,054)	(90,776,054)
	292,234,303	184,862,461

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
 (All amounts in Saudi Riyals unless otherwise stated)

11. TERM LOANS

Term loans are presented in the interim condensed statement of financial position as follows:

	30 September 2023	31 December 2022
	<i>(Unaudited)</i>	<i>(Audited)</i>
Term loans	648,861,189	608,706,727
Less: current portion	(290,485,714)	(285,340,205)
	358,375,475	323,366,522

The Company has obtained bank facilities from local banks in the form of term loans. Tawarraq loan facilities are granted from local commercial banks at rate ranging from SAIBOR plus 1.65% to 1.75% (2022: 1.65% to 1.75%). These amounts are repaid by semi-annual installments. Repayment of each finance is communicated to the Company by the local bank. These facilities are secured by promissory notes from the partner, the Company and also include covenants to maintain certain financial ratios. The Company has other undrawn facilities with bank available in accordance with the signed facility agreements.

11.1 MATURITY PROFILE OF LONG-TERM BORROWINGS

The restructured maturity profile of long-term borrowings is as follows:

Years ending 30 September:

2023	79,936,427
2024	270,319,048
2025	185,500,952
2026	89,624,762
2027	23,480,000
	648,861,189

12. RELATED PARTY TRANSACTIONS

Related parties comprise the shareholders, directors, associated companies and key management personnel. Related parties also include business entities in which certain directors or senior management have an interest ("other related parties").

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of transactions</u>	<i>For the nine - month period ended 30 September 2023</i>	<i>For the nine - month period ended 30 September 2022</i>
Saudi Economic and Development Holding Company	Shareholder	Operating lease rental	31,586	12,506
Almahmal Trading Co	Other related party	Operating lease rental	3,212,792	3,070,196
Elaf Hotels Co	Other related party	Operating lease rental	38,870	97,175
Elaf Travel Tourism Company Limited	Other related party	Operating lease rental	458,736	460,393
Intima Real Estate Services	Other related party	Operating lease rental	20,942	35,449
Nahdi Medical Company	Other related party	Operating lease rental	-	58,337
Arabian Entertainment Company	Other related party	Operating lease rental/Return	(5,191)	7,997
Donia Al-Aswaf Trading Co., Limited (AlShiaka)	Other related party	Operating lease rental	112,753	25,359
Elaf Hotel Red Sea Mall	Other related party	Operating lease rental	-	67,275

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
 (All amounts in Saudi Riyals unless otherwise stated)

12. RELATED PARTY TRANSACTIONS (continued)

a) Amounts due from related parties:

	30 September 2023	31 December 2022
Saudi Economic and 'Development Holding Company	111,390	6,839,731
Almahmal Trading Co	1,916,979	1,092,385
Elaf Hotels Co	322,745	335,879
Elaf Travel Tourism Company Limited	105,611	101,902
Intima Real Estate Services	16,803	56,802
Nahdi Medical Company	-	14,180
Bonnon Company Limited	5,611	5,611
Arabian Entertainment Company	-	5,191
Donia Al-Aswaf Trading Co., Limited (AlShiaka)	33,375	36,852
Elaf Hotel Red Sea Mall	52,003	-
	2,564,517	8,488,533

b) Amounts due to a related party:

	30 September 2023	31 December 2022
Saudi Economic and 'Development Holding Company	50,000,000	20,868,718

c) Key management personnel compensation:

	For the nine-month period ended 30 September 2023	For the nine-month period ended 30 September 2022
Salaries and other short-term employee benefits	5,174,725	6,022,717
Employee benefit obligations	231,681	231,681

d) The Board of Directors' and related committee members' compensation for the nine-month periods ended 30 September 2023 amounted to Saudi Riyals 836,253 (for the nine-month periods ended 30 September 2022: Saudi Riyals 836,253).

13. CONTINGENCIES AND COMMITMENTS

At 30 September 2023, the Company was contingently liable for letter of guarantees in the normal course of business amounting to Saudi Riyals 20.36 million (31 December 2022: Saudi Riyals 21.4 million).

14. RESTATEMENTS

During 2023, the management corrected the carrying values of property and equipment (vehicles), inventory held for sale (vehicles) and the resulting depreciation expense on property and equipment (vehicles) and cost of sales of vehicles by restating each of the affected financial statement line items for the prior periods. The restatement arose as the estimates relating to the useful economic lives and residual values of vehicles has not been accurately reassessed and the depreciation charge for the prior years has not been accounted for in accordance with the requirements of the applicable financial reporting framework.

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
 (All amounts in Saudi Riyals unless otherwise stated)

14. RESTATEMENTS (Continued)

Statement of financial position
At 1 January 2022 (Impact of restatements)

	<i>As previously reported</i> (Audited)	<i>Adjustments</i> (Restated)	<i>As restated</i> (Restated)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	668,979,068	16,918,013	685,897,081
Others*	25,357,979	-	25,357,979
TOTAL NON-CURRENT ASSETS	694,337,047	16,918,013	711,255,060
CURRENT ASSETS			
Inventories	10,127,729	2,211,693	12,339,422
Others*	174,200,246	-	174,200,246
TOTAL CURRENT ASSETS	184,327,975	2,211,693	186,539,668
TOTAL ASSETS	878,665,022	19,129,706	897,794,728
EQUITY			
Retained earnings	109,744,312	19,129,706	128,874,018
Others*	206,391,601	-	206,391,601
TOTAL EQUITY	316,135,913	19,129,706	335,265,619
TOTAL LIABILITIES	562,529,109	-	562,529,109
TOTAL EQUITY AND LIABILITIES	878,665,022	19,129,706	897,794,728

AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
 (All amounts in Saudi Riyals unless otherwise stated)

14. RESTATEMENTS (continued)

At 31 December 2022 (Impact of restatements)

	<u>As previously reported</u> (Audited)	<u>Adjustments</u> (Restated)	<u>As restated</u> (Restated)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	884,216,532	18,307,975	902,524,507
Others*	39,212,960	-	39,212,960
TOTAL NON-CURRENT ASSETS	923,429,492	18,307,975	941,737,467
CURRENT ASSETS			
Inventories	10,869,284	995,568	11,864,852
Others*	226,296,167	-	226,296,167
TOTAL CURRENT ASSETS	237,165,451	995,568	238,161,019
TOTAL ASSETS	1,160,594,943	19,303,543	1,179,898,486
EQUITY			
Retained earnings	137,618,634	19,303,543	156,922,177
Others*	209,067,908	-	209,067,908
TOTAL EQUITY	346,686,542	19,303,543	365,990,085
TOTAL LIABILITIES	813,908,401	-	813,908,401
TOTAL EQUITY AND LIABILITIES	1,160,594,943	19,303,543	1,179,898,486

*Others represent balances which do not have any impact on restatements.

Interim condensed statement of comprehensive income
for the year ended 1 January 2022 (Impact of restatements):

	<u>As previously reported</u> (Audited)	<u>Adjustments</u> (Restated)	<u>As restated</u> (Restated)
Cost of revenue			
Depreciation on property, plant and equipment	101,375,317	(2,210,966)	99,164,351
Cost of sale of vehicles	59,624,013	9,097,565	68,721,578
Operating profit	72,639,320	(6,886,599)	65,752,721
Profit before Zakat	65,351,404	(6,886,599)	58,464,805
Net profit for the year	61,458,029	(6,886,599)	54,571,430
Total comprehensive income for the year	61,463,289	(6,886,599)	54,576,690

**AL-JAZIRA EQUIPMENT COMPANY LIMITED
(A SINGLE SHAREHOLDER LIMITED LIABILITY COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(All amounts in Saudi Riyals unless otherwise stated)

14. RESTATEMENTS (continued)

**Interim condensed statement of comprehensive income
for the year ended 31 December 2022 (Impact of restatements):**

	<u>As previously reported</u> (Audited)	<u>Adjustments</u> (Restated)	<u>As restated</u> (Restated)
Cost of revenue			
Depreciation on property, plant and equipment	124,786,239	(17,518,419)	107,267,820
Cost of sale of vehicles	67,389,833	17,692,256	85,082,089
Operating profit	50,038,735	(173,837)	49,864,898
Profit before Zakat	31,603,451	(173,837)	31,429,614
Net profit for the year	26,763,073	(173,837)	26,589,236
Total comprehensive income for the year	30,550,629	(173,837)	30,376,792

**Statement of changes in equity:
As at 1 January 2022 (Impact of restatements):**

	<u>As previously reported</u> (Audited)	<u>Adjustments</u> (Restated)	<u>As restated</u> (Restated)
Balance as at 1 January 2022	109,744,312	19,129,706	128,874,018

**Statement of changes in equity:
As at 31 December 2022 (Impact of restatements):**

	<u>As previously reported</u> (Audited)	<u>Adjustments</u> (Restated)	<u>As restated</u> (Restated)
Balance as at 31 December 2022	137,618,634	19,303,543	156,922,177

15. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period ended 30 September 2023 that would have a material impact on the financial position of the Company as reflected in these interim condensed financial statements.

Annex (2): Budget Saudi's (unaudited) reviewed pro forma financial statements

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)
PRO FORMA FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 AND
THE YEAR ENDED 31 DECEMBER 2022
AND INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

UNITED INTERNATIONAL TRANSPORTATION COMPANY

(A Saudi Joint Stock Company)

PRO FORMA FINANCIAL INFORMATION**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 AND****THE YEAR ENDED 31 DECEMBER 2022**

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BAKER TILLY MKM & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

**To the management of
United International Transportation Company**
(A Saudi Joint Stock Company)
Jeddah, Kingdom of Saudi Arabia

Report on the Compilation of Pro Forma Financial Information Included in a Prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of United International Transportation Company (the "Company", "Budget Saudi" or the "Acquirer") by management. The pro forma financial information consists of the pro forma statements of financial position as at 30 September 2023 and 31 December 2022, and the pro forma statements of profit or loss and other comprehensive income for the nine-month period ended 30 September 2023 and the year ended 31 December 2022 and related notes. The applicable criteria on the basis of which the management of the Company has compiled the pro forma financial information is described in note 2 to the pro forma financial information.

The pro forma financial information has been compiled by the Company's management to illustrate the impact of the Proposed Acquisition of Al-Jazira Equipment Company Limited ("Auto World" or the "Acquiree") by the Acquirer (the "Proposed Acquisition"), as described in note 2, on the Company's financial position as at 30 September 2023 and 31 December 2022 and its financial performance for the nine-month period ended 30 September 2023 and the year ended 31 December 2022 as if the Proposed Acquisition had taken place at 1 January 2022. As part of this process, information about the financial position and financial performance of Budget Saudi and AutoWorld has been extracted by management from the unaudited interim condensed financial information of Budget Saudi and Auto World for the nine-month period ended 30 September 2023 and their audited financial statements for the year ended 31 December 2022, on which review conclusions and audit opinions, respectively, have been issued by other auditors.

Management's Responsibility for the Pro Forma Financial Information

The Company's management is responsible for the compilation of the pro forma financial information on the basis of the applicable criteria.

Independence and Quality Control

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants and endorsed in the Kingdom of Saudi Arabia ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies the International Standard on Quality Management (1) and maintains a comprehensive quality management system that includes documented policies and procedures on compliance with ethical requirements, professional standards and applicable regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the Company's management on the basis of the applicable criteria.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, 'Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus', as endorsed in the Kingdom of Saudi Arabia. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Company's management has compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS (CONTINUED)

**To the management of
United International Transportation Company**
(A Saudi Joint Stock Company)
Jeddah, Kingdom of Saudi Arabia

Practitioner's Responsibilities (continued)

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in a prospectus is solely to illustrate the impact of the Proposed Acquisition on the unadjusted financial information of Budget Saudi as if the event had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented in the pro forma financial information.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Company's management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the Proposed Acquisition, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been prepared, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria described in note 2 to the pro forma financial information.

Baker Tilly MKM & Co.
Certified Public Accountants




Bader Hatim Al Tamimi
(Certified Public Accountant – License No. 489)
Jeddah 13 Jumada II 1445H
Corresponding to 26 December 2023

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Note	For the nine-month period ended 30 September 2023				For the year ended 31 December 2022				
	Budget Saudi		Auto World		Budget Saudi		Auto World		
	(Acquirer) (Unaudited) SR'000	(Acquiree) SR'000	Pro forma adjustments SR'000	Pro forma (unaudited) SR'000	(Acquirer) (Historical audited) SR'000	(Acquiree) (Historical audited) SR'000	Other adjustments SR'000	Pro forma adjustments SR'000	Pro forma (unaudited) SR'000
Revenue	1,008,330	372,666	-	1,380,996	1,025,162	430,048	-	-	1,455,210
Cost of revenue	(680,776)	(208,748)	-	(889,524)	(666,810)	(267,402)	(174)	-	(934,386)
Gross profit	327,554	163,918	-	491,472	358,352	162,646	(174)	-	520,824
Other operating income, net	23,749	9,644	-	33,393	31,409	5,723	-	-	37,132
Selling and marketing expenses	(41,412)	(55,548)	-	(96,960)	(45,227)	(70,461)	-	-	(115,688)
General and administrative expenses	(60,127)	(34,583)	-	(94,710)	(64,727)	(42,146)	-	-	(106,873)
Impairment loss on trade receivable	(5,909)	-	-	(5,909)	(11,528)	-	-	-	(11,528)
Operating profit	243,855	83,431	-	327,286	268,279	55,762	(174)	-	323,867
Finance costs, net	(27,341)	(40,275)	-	(67,616)	(9,344)	(24,158)	-	-	(33,502)
Net profit before zakat and income tax	216,514	43,156	-	259,670	258,935	31,604	(174)	-	290,365
Zakat and income tax	(5,411)	(3,200)	-	(8,611)	(6,926)	(4,841)	-	-	(11,767)
Net profit	211,103	39,956	-	251,059	252,009	26,763	(174)	-	278,598
Other comprehensive income									
<i>Items that will not be reclassified to profit or loss:</i>									
Re-measurement gains / (losses) on employee benefits	-	1,199	-	1,199	2,192	3,788	-	-	5,980
Total comprehensive income	211,103	41,155	-	252,258	254,201	30,551	(174)	-	284,578
Earnings per share (EPS)									
Basic and diluted EPS attributable to shareholders of the Acquirer (in Saudi Riyals)	2.97		0.25	3.21	3.54		0.02		3.56
Weighted average number of Acquirer shares outstanding (shares)	71,166,700			78,166,700	71,166,700				78,166,700

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE PRO FORMA FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 AND
THE YEAR ENDED 31 DECEMBER 2022**

1. CORPORATE INFORMATION

UNITED INTERNATIONAL TRANSPORTATION COMPANY

United International Transportation Company ("Budget Saudi" or the "Acquirer"), is a Saudi Joint Stock Company registered in Jeddah, Kingdom of Saudi Arabia ("KSA") under Commercial Registration No. 4030017038 dated 7 Sha'aban 1428H (corresponding to 20 August 2007).

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

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

The authorized, issued and paid up capital of Budget Saudi was SR 711.7 million at 30 September 2023 (31 December 2022: the same) consisting of 71.167 million shares of SR 10 each (31 December 2021: the same).

Al-Jazira Equipment Company Limited

Al-Jazira Equipment Company Limited (Auto World or the "Acquiree") is a Single Shareholder Limited Liability Company formed under Regulations for Companies in the Kingdom of Saudi Arabia ('KSA') under Commercial Registration No. 2051005734 dated 12 Rabi' I 1400H (corresponding to 30 January 1980).

The principal activities of the Acquiree are trading and maintenance of vehicles and lease of vehicles under the trade name of "Auto World". As per the articles of association, the Acquiree can carry out the operations of machinery, equipment and spare parts, trade in petroleum products and lease of equipment. The registered office of the Acquiree is located at Al-Raka in Al-Khobar, Saudi Arabia.

The authorized, issued and paid up capital of Auto World was SR 300 million at 30 September 2023 (31 December 2022: SR 180 million) consisting of 300 thousand shares of SR 1,000 each (31 December 2022: 180 thousand shares of SR 1,000 each).

Proposed Acquisition of Auto World by Budget Saudi

On 8 Safar 1445H (24 August 2023), Budget Saudi signed a non-binding memorandum of understanding ("MOU") to acquire all shares of Auto World by issuing shares to its owner Saudi Economic and Development Holding Company (SEDCO).

On 21 December 2023, Budget Saudi finalized a binding share purchase and share subscription agreement (the "Share Swap Agreement") to fully acquire Auto World by way of a capital increase through the issuance of 7 million new ordinary shares to the selling shareholder of Auto World.

2. BASIS OF PREPARATION OF THE PRO FORMA FINANCIAL INFORMATION

These pro forma financial information and accompanying notes illustrate the effects of the Proposed Acquisition (the "Proposed Acquisition") of Auto World by Budget Saudi on the statement of financial position and the statement of profit or loss and other comprehensive income of Budget Saudi as if the Proposed Acquisition had occurred on 1 January 2022. However, we used Budget Saudi share price at the day preceding the signing of the Share Swap Agreement, i.e. the closing share price on 20 December 2023, for the calculation of the value of the pro forma consideration paid by Budget Saudi in these pro forma financial information.

The pro forma financial information are based on the historical unaudited financial information of Budget Saudi and Auto World as at 30 September 2023 and the historical audited financial statements of both entities as at 31 December 2022 as adjusted to give effect to the Proposed Acquisition and the subsequent restatement of the financial statements of Auto World for the year ended 31 December 2022 which was disclosed in the interim condensed financial statements for the nine-month period ended 30 September 2023 .

UNITED INTERNATIONAL TRANSPORTATION COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE PRO FORMA FINANCIAL INFORMATION (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 AND
THE YEAR ENDED 31 DECEMBER 2022**

2. BASIS OF PREPARATION OF THE PRO FORMA FINANCIAL INFORMATION (CONTINUED)

To execute the Proposed Acquisition, Budget Saudi will issue 7,000,000 ordinary shares with a par value of SR 10 per share and a market value of SR 76.6 on the closing of 20 December 2023 to the shareholder owning 100% of the outstanding shares of Auto World. The share swap ratio will be 23.33 Budget Saudi ordinary shares for each one share of Auto World (note 4).

Post the Proposed Acquisition, the share capital of Budget Saudi will be SR 781.667 million consisting of 78.167 million shares of Saudi Riyals 10 each.

The presentation of the pro forma financial information is based on certain pro forma assumptions and has been prepared for illustrative purposes only and, because of its nature, the pro forma statement of financial position and the statement of profit or loss and other comprehensive income address a hypothetical situation and, therefore, do not represent and may not give a true picture of the actual financial position and financial performance. Furthermore, the pro forma financial information is only meaningful when read in conjunction with the historical financial statements of Budget Saudi and Auto World as at 30 September 2023 and 31 December 2022 and for the nine-month period ended 30 September 2023 and the year ended 31 December 2022, respectively. The pro forma financial information does not take into consideration the effects of expected synergies or costs incurred to achieve these synergies as a result of the Proposed Acquisition.

The pro forma financial information has been prepared and presented on the basis of accounting policies of Budget Saudi as disclosed in its financial statements for the nine-month period ended 30 September 2023 and the year ended 31 December 2022. The accounting policies used by Auto World are consistent with those adopted by Budget Saudi.

3. OTHER ADJUSTMENTS

The following other adjustments have been made to the statement of financial position and statement of profit or loss and other comprehensive income of Auto World:

- A) On 29 August 2023, the capital of Auto World increased by SR 120 million from SR 180 million to SR 300 million by issuing 120 thousand new shares of SR 1,000 each fully paid by the partners. For the purpose of compiling these pro-forma financial information, the additional shares issued by Auto World are accounted for as if they had been issued on 1 January 2022. Therefore, the 'Other adjustments' column in the pro forma statement of financial position as at 31 December 2022 shows that the share capital of Auto World as at 31 December 2022 was increased by SR 120 million with a corresponding increase in cash and cash equivalents.
- B) The statement of financial position of Auto World as at 31 December 2022 and the statement of profit or loss for the year then ended have been restated in the interim condensed financial statements of Auto World for the nine-month period ended 30 September 2023. The restatement adjusted the following accounts:

As at 31 December 2022 and for the year then ended:

	As previously reported	Adjustment	Restated
	SR '000	SR '000	SR '000
Property and equipment	884,217	18,308	902,525
Inventory	10,869	996	11,865
Total assets	1,160,596	19,304	1,179,900
Retained earnings	137,619	19,304	156,923
Total equity and liabilities	1,160,596	19,304	1,179,900
Revenue	430,048	-	430,048
Cost of revenue	(267,402)	(174)	(267,576)
Gross profit	162,646	(174)	162,472
Profit	26,763	(174)	26,589
Total Comprehensive income	30,551	(174)	30,377

UNITED INTERNATIONAL TRANSPORTATION COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE PRO FORMA FINANCIAL INFORMATION (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 AND
THE YEAR ENDED 31 DECEMBER 2022

4. PRO FORMA ADJUSTMENTS

The pro forma adjustments are based on preliminary estimates and assumptions that are subject to change.

The pro forma adjustments included in the pro forma financial information are as follows:

- A) To record the issuance of shares of Budget Saudi to the shareholder of Auto World:

The consideration for the acquisition has been calculated on the basis that Budget Saudi will issue 7 million ordinary shares with a par value of SR 10 per share to acquire 100% of the shares of Auto World. Therefore, the share capital of Budget Saudi post the merger will be as follows:

	<i>SR '000</i>
Par value of shares issued by Budget Saudi to the shareholder of Auto World (7 million shares at SR 10 per share)	70,000
Outstanding share capital of Budget Saudi	<u>711,667</u>
Total share capital of Budget Saudi post the Proposed Acquisition	<u>781,667</u>

The weighted average number of Budget Saudi shares outstanding have been calculated as follows:

	For the nine-month period ended 30 September 2023	For the year ended 31 December 2022
	<i>shares</i>	<i>shares</i>
Pre acquisition weighted average number of outstanding shares	71,166,700	71,166,700
Number of shares to be issued by Budget Saudi (note 3A)	<u>7,000,000</u>	<u>7,000,000</u>
Post acquisition weighted average number of outstanding shares	<u>78,166,700</u>	<u>78,166,700</u>

- B) To record the share premium on Budget Saudi shares to be issued upon the Proposed Acquisition:

The purchase consideration has been calculated on the basis of Budget Saudi's share price at the day preceding the signing of the Share Swap Agreement, i.e. the closing share price on 20 December 2023, at which the closing price was SR 76.6 per share on the Saudi Stock Exchange ("Saudi Exchange"). The purchase consideration is based on an indicative share price and the actual purchase consideration will be determined based on the share price on the day the Proposed Acquisition is executed.

	<i>SR '000</i>
Total consideration (7,000,000 shares @ SR 76.6/share)	536,200
Less: par value of shares issued by Budget Saudi to Auto World shareholder	<u>(70,000)</u>
Share premium	<u>466,200</u>

- C) To record initial goodwill being the excess of total consideration over the net assets of Auto World as at 30 September 2023.

	<i>SR '000</i>
Total consideration to be paid in exchange for the equity of Auto World (C1)	536,200
Less: net assets of Auto World as at 30 September 2023 (C2)	<u>(527,145)</u>
Initial Goodwill (C1-C2)	<u>9,055</u>

- D) Swap ratio as per the Share Swap Agreement:

	<i>Shares</i>
Number of shares to be issued by Budget Saudi	7,000,000
Number of shares to be redeemed by Auto World shareholders	<u>300,000</u>
Swap ratio (number of ordinary shares in Budget Saudi to one share in Auto World)	<u>23.33</u>

Annex (3): Al-Jazira Equipment Company's Bylaws including all amendments up to the date of this Circular



نظام أساس

شركة معدات الجزيرة شركة شخص واحد

ذات مسؤولية محدودة

شخص واحد



رقم الطلب 84890

رقم النسخة الإلكترونية 1

المركز الرئيسي الخبر

نظام أساس شركة

شركة معدات الجزيرة شركة شخص واحد (شركة ذات المسؤولية المحدودة من شخص واحد)

بعون الله وتوفيقه تم في 02/03/1445 الموافق 17/09/2023م الاتفاق بين كل من :

اسم الشريك	رقم الهوية	المهنة	تاريخ الميلاد	الجنسية	مكان الإقامة	مدينة الإقامة
الشركة السعودية للاقتصاد والتنميه القابضة سدكو	7000028402			سعودي	السعودية	جدة

حيث رغب الأطراف المذكورين اعلاه بتصحيح اوضاع شركة معدات الجزيرة شركة شخص واحد والمقيدة بالسجل التجاري رقم 2051005734 وتاريخ 12/03/1400 وتعديل نظام الاساس وفقاً لنظام الشركات الصادر بالرسوم الملكي رقم (م/132) وتاريخ 01/12/1443هـ، ولواتحه التنفيذية وأصبحت بنود نظام الاساس كما يلي:-

المادة الأولى : أسم الشركة

شركة معدات الجزيرة شركة شخص واحد (شركة ذات المسؤولية المحدودة من شخص واحد)

المادة الثانية : للمركز الرئيس للشركة

يكون المركز الرئيس للشركة في مدينة الخبر وللشركة الحق في افتتاح فروع لها داخل وخارج المملكة متى اقتضت مصلحة الشركة وذلك بموافقة الإدارة

المادة الثالثة : أغراض الشركة

الباب	الفتة
الصناعات التحويلية	صنع هياكل (أعمال تجهيز العربات) للمركبات ذات المحركات ، صناعة المركبات القطورة والمركبات نصف القطورة
التشييد	أنشطة التشييد المتخصصة الأخرى
تجارة الجملة والتجزئة وإصلاح المركبات ذات المحركات والدراجات النارية	بيع المركبات ذات المحركات
النقل والتخزين	النقل البري للركاب في المدن والضواحي
النقل والتخزين	النقل البري للبضائع
النقل والتخزين	التخزين
الخدمات الإدارية وخدمات الدعم	تأجير المركبات ذات المحركات
الخدمات الإدارية وخدمات الدعم	تأجير الآلات والمعدات الأخرى والسلع الحقيقية

وتمارس الشركة أغراضها وفق الأنظمة المتبعة وبعد الحصول على التراخيص اللازمة من الجهات المختصة إن وجدت.

المادة الرابعة : رأس المال

حدد رأس مال الشركة بـ 30000000 ريال ثلاثمائة مليون ريال مقسم إلى 300000 حصة ، متساوية القيمة قيمة كل حصة 1000 ريال تم توزيعها على الشركاء كالتالي:

الشريك	الحصص النقدية	الحصص العينية	قيمة كل حصة	اجمالي قيمة الحصص
الشركة السعودية للاقتصاد والتنميه القابضة سدكو	300000	0	1000	300000000



رقم الطلب 84890

رقم النسخة الإلكترونية 1

المركز الرئيسي الخبر

300000000	1000	0	300000	الإجمالي
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ويقر الشركاء بأنه تم توزيع الحصص فيما بينهم وتم الوفاء بقيمتها كاملة .

المادة الخامسة : الإدارة

يتولى إدارة الشركة (مجلس مديرين)

(أ) مجلس مديرين مكون من (لا يقل عن 3) :

صلاحيات المجلس

الرئيسية	الفرعية	صلاحيات المجلس
اصدار	اصدار	السجلات التجارية
تجديد	تجديد	
شطب	شطب	
اصدار	اصدار	
تجديد	تجديد	
شطب	شطب	
يحق التوكيل	يحق التوكيل	شراء المؤسسة
يحق التوكيل	يحق التوكيل	التوقيع على جميع المستندات لدى الغرفة التجارية
يحق التوكيل	يحق التوكيل	بيع المؤسسة
يحق التوكيل	يحق التوكيل	مراجعة إدارة السجلات
يحق التوكيل	يحق التوكيل	استخراج السجلات
يحق التوكيل	يحق التوكيل	نقل السجلات التجارية
يحق التوكيل	يحق التوكيل	إدارة السجلات
يحق التوكيل	يحق التوكيل	إلغاء السجلات
يحق التوكيل	يحق التوكيل	الإشراف على السجلات
يحق التوكيل	يحق التوكيل	فتح الاشتراك لدى الغرفة التجارية
يحق التوكيل	يحق التوكيل	اعتماد التوقيع لدى الغرفة التجارية
يحق التوكيل	يحق التوكيل	إلغاء التوقيع لدى الغرفة التجارية
يحق التوكيل	يحق التوكيل	دخول المناقصات واستلام الاستمارات
يحق التوكيل	يحق التوكيل	تحويل فرع المؤسسة
يحق التوكيل	يحق التوكيل	مراجعة التأمينات الاجتماعية
يحق التوكيل	يحق التوكيل	مراجعة مصلحة الزكاة والدخل
يحق التوكيل	يحق التوكيل	فتح فروع للسجلات



رقم الطلب 84890

رقم النسخة الإلكترونية 1

المركز الرئيسي الخبر

إدارة السجل التجاري	يحق التوكيل
إلغاء السجل التجاري	يحق التوكيل
مراجعة الدفاع للمني	يحق التوكيل
تعديل السجلات	يحق التوكيل
إضافة نشاط	يحق التوكيل
حجز الاسم التجاري	يحق التوكيل
تجديد الاشتراك لدى الغرفة التجارية	يحق التوكيل
تعديل السجل التجاري	يحق التوكيل
نقل السجل التجاري	يحق التوكيل
استخراج سجل بدل تالف أو مفقود	يحق التوكيل
استخراج سجل بدل تالف أو مفقود	يحق التوكيل
تسجيل العلامة التجارية	يحق التوكيل
التنازل عن العلامة التجارية	يحق التوكيل
التنازل عن الاسم التجاري	يحق التوكيل
استخراج التراخيص	يحق التوكيل
شراء القوارب	يحق التوكيل
استخراج بدل تالف أو مفقود لتصاريح الصيد	يحق التوكيل
استيراد قوارب	يحق التوكيل
إلغاء رخص قوارب	يحق التوكيل
تجديد التراخيص	يحق التوكيل
تعديل التراخيص	يحق التوكيل
إضافة نشاط	يحق التوكيل
حجز الأسماء	يحق التوكيل
إلغاء التراخيص	يحق التوكيل
تجديد الاشتراك بالغرفة التجارية	يحق التوكيل
فتح الفروع	يحق التوكيل
مراجعة التأمينات الاجتماعية	يحق التوكيل
مراجعة الدفاع للمني	يحق التوكيل
مراجعة مصلحة الزكاة والدخل	يحق التوكيل



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المركز الرئيسي الخبر

استخراج تصريح صيد	يحق التوكيل
استخراج رخصة قارب	يحق التوكيل
تجديد رخصة قارب	يحق التوكيل
نقل رخصة قارب	يحق التوكيل
بيع القارب	يحق التوكيل
تجديد تصريح الصيد	يحق التوكيل
إلغاء تصريح الصيد	يحق التوكيل
استخراج بدل تالف أو مفقود لرخصة القارب	يحق التوكيل
فتح فرع للترخيص	يحق التوكيل
نقل الترخيص	يحق التوكيل
تأسيس شركة	يحق التوكيل
التوقيع على عقود التأسيس وملاحق التعديل	يحق التوكيل
إلغاء عقود التأسيس وملاحق التعديل	يحق التوكيل
توقيع قرارات الشركاء	يحق التوكيل
تعيين المدراء وعزلهم	يحق التوكيل
تعديل أغراض الشركة	يحق التوكيل
تصفية الشركة	يحق التوكيل
تحويل الشركة من مساهمة إلى ذات مسؤولية محدودة	يحق التوكيل
تحويل الشركة من ذات مسؤولية محدودة إلى مساهمة	يحق التوكيل
تحويل الشركة من تضامنية إلى ذات مسؤولية محدودة	يحق التوكيل
زيادة رأس المال	يحق التوكيل
خفض رأس المال	يحق التوكيل
دخول وخروج شركاء	يحق التوكيل
الدخول في شركات قائمة	يحق التوكيل
نقل الحصص والأسهم والسندات	يحق التوكيل
تحديد رأس المال	يحق التوكيل
استلام فائض التخصيص	يحق التوكيل
بيع الحصص والأسهم واستلام القيمة	يحق التوكيل



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يحق التوكيل	التنازل عن الحصص والأسهم من رأس المال
يحق التوكيل	بيع فرع الشركة
يحق التوكيل	تعديل جنسية أحد الشركاء في العقد
يحق التوكيل	قبول التنازل عن الحصص والأسهم ورأس المال
يحق التوكيل	شراء الحصص والأسهم ودفع الثمن
يحق التوكيل	قفل الحسابات لدى البنوك باسم الشركة
يحق التوكيل	فتح الحسابات لدى البنوك باسم الشركة
يحق التوكيل	توقيع الاتفاقيات
يحق التوكيل	تسجيل الشركة
يحق التوكيل	تسجيل الوكالات والعلامات التجارية
يحق التوكيل	حضور الجمعيات العامة
يحق التوكيل	فتح الفروع للشركة
يحق التوكيل	فتح الملفات للشركة
يحق التوكيل	التوقيع على عقود التأسيس وملاحق التعديل لدى كاتب العدل
يحق التوكيل	استخراج السجلات التجارية وتجديدها للشركة
يحق التوكيل	الاشتراك بالفرقة التجارية وتجديدها
يحق التوكيل	مراجعة الهيئة العامة للاستثمار والتوقيع أمامها
يحق التوكيل	مراجعة إدارة الجودة والنوعية وهيئة المواصفات والمقاييس
يحق التوكيل	مراجعة هيئة سوق المال
يحق التوكيل	استخراج التراخيص وتجديدها للشركة
يحق التوكيل	تحويل المؤسسة إلى شركة
يحق التوكيل	تحويل فرع الشركة إلى مؤسسة
يحق التوكيل	تحويل فرع الشركة إلى شركة
يحق التوكيل	نشر عقد التأسيس وملاحق التعديل وملخصاتها والأنظمة



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	الأساسية في الجريدة الرسمية
يحق التوكيل	مراجعة شركات الاتصالات وتأسيس الهواتف الثابتة أو الجوالا باسم الشركة
يحق التوكيل	دخول المناقصات واستلام الاستمارات
يحق التوكيل	توقيع العقود الخاصة بالشركة مع الغير
يحق التوكيل	التنازل عن العلامات التجارية أو إلغاؤها
يحق التوكيل	تعديل اسم الشركة
يحق التوكيل	استخراج التأسيسات
يحق التوكيل	تحويل الشركة إلى مؤسسة
يحق التوكيل	استلام تعويضات التأسيسات
يحق التوكيل	تحديث بيانات العمال
يحق التوكيل	فتح الملفات الأساسية والفرعية وتجديدها وإلغاؤها
يحق التوكيل	تصفية العمالة وإلغاؤها
يحق التوكيل	التبليغ عن هروب العمالة
يحق التوكيل	إلغاء بلاغات الهروب للعمالة
يحق التوكيل	نقل الكفالات
يحق التوكيل	تعديل للمهن
يحق التوكيل	نقل ملكية المنشآت وتصفيتها وإلغاؤها
يحق التوكيل	مراجعة قسم المكاتب الأهلية للاستقدام
يحق التوكيل	مراجعة إدارة الحاسب الآلي في القوى العاملة
يحق التوكيل	استخراج رخص العمل وتجديدها
يحق التوكيل	استلام شهادات السعودية
يحق التوكيل	استخراج كشف بيانات (برنت)
يحق التوكيل	إضافة وحذف السعوديين
يحق التوكيل	استقدام
يحق التوكيل	استقدام
يحق التوكيل	فتح ملف
يحق التوكيل	تفعيل البوابة السعودية



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	يحق التوكيل	استقدام العمالة من الخارج
	يحق التوكيل	إنهاء إجراءات العمالة لدى التأمينات الاجتماعية
	يحق التوكيل	إلغاء التأشيرات
	يحق التوكيل	استرداد مبالغ التأشيرات
	يحق التوكيل	تعديل الجنسيات
	يحق التوكيل	استخراج تأشيرات الزيارات العائلية
	يحق التوكيل	استخراج تأشيرات استقدام العوائل
	يحق التوكيل	مراجعة السفارة
	يحق التوكيل	تمديد تأشيرات الخروج والعودة
	يحق التوكيل	تمديد تأشيرات الزيارة
	يحق التوكيل	استخراج كشف بيانات (برنت)
	يحق التوكيل	إلغاء التأشيرة
	يحق التوكيل	استرداد مبلغ التأشيرة
	يحق التوكيل	تعديل جهة القدوم
	يحق التوكيل	الشركات التي تدخل فيها الشركة كمشرك
	يحق التوكيل	تمثيل الشركة في الشركة المساهم فيها
	يحق التوكيل	استخراج الإقامات
	يحق التوكيل	تجديد الإقامات
	يحق التوكيل	عمل خروج وعودة
	يحق التوكيل	عمل الخروج النهائي
	يحق التوكيل	نقل الكفالات
	يحق التوكيل	استخراج الإقامات بدل مفقود أو تالف
	يحق التوكيل	إنهاء إجراءات العمالة للتوفاة
	يحق التوكيل	التبليغ عن الهروب
	يحق التوكيل	إلغاء بلاغات الهروب
	يحق التوكيل	نقل المعلومات وتحديث البيانات
	يحق التوكيل	التسوية والتنازل عن العمال
	يحق التوكيل	مراجعة إدارة الترحيل والوافدين
	يحق التوكيل	استخراج كشف بيانات العمال (برنت)



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اسقاط العمالة	يحق التوكيل
إدارة أعمال تجارية	يحق التوكيل
نقل كفالة العمالة لنفسه	يحق التوكيل
إضافة للولود	يحق التوكيل
إنهاء إجراءات العامل المتوفي	يحق التوكيل
إدارة شؤون المنافذ	يحق التوكيل
استخراج مشاهد الإعادة	يحق التوكيل
إضافة تابعين	يحق التوكيل
إضافة الأبناء إلى جواز الأب أو الأم	يحق التوكيل
فصل الأبناء من جواز الأب أو الأم	يحق التوكيل
إلغاء تأشيرات الخروج والعودة	يحق التوكيل
إلغاء تأشيرات الخروج النهائي	يحق التوكيل
استخراج تأشيرات سفر بدل تالف أو مفقود	يحق التوكيل
استخراج تمديد تأشيرات الزيارة	يحق التوكيل
تعديل المهن	يحق التوكيل
استخراج تصريح حج	يحق التوكيل
مراجعة شؤون الخادمت	يحق التوكيل
التسجيل في الخدمة الإلكترونية	يحق التوكيل
البنكية	يحق التوكيل
فتح الحسابات	يحق التوكيل
فتح الاعتمادات	يحق التوكيل
الإيداع	يحق التوكيل
السحب	يحق التوكيل
اصدار الشيكات	يحق التوكيل
تحديث الحسابات	يحق التوكيل
استخراج كشوف الحسابات	يحق التوكيل
طلب التسهيلات	يحق التوكيل
طلب الضمانات	يحق التوكيل
توقيع عقود القروض	يحق التوكيل
توقيع الأوراق التجارية	يحق التوكيل
توقيع سندات لأمر	يحق التوكيل
التقدم بأي طلب أو خدمة من الطلبات أو الخدمات المندرجة	يحق التوكيل



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يحق التوكيل	تحت اختصاص هيئة الاتصالات وتقنية المعلومات	
يحق التوكيل	صلاحية التفويض لأي شخص - وفقاً للأنظمة ذات العلاقة- للتقدم بأي من الطلبات أو الخدمات المدرجة تحت اختصاص هيئة الاتصالات وتقنية المعلومات	
يحق التوكيل	مراجعة وزارة الزراعة ومديرية الزراعة بخصوص	
يحق التوكيل	مراجعة كتابة العدل أو المحكمة لقبول إفراغها	
يحق التوكيل	التنازل عن القرار الزراعي	
يحق التوكيل	نقل القرار الزراعي	
يحق التوكيل	استلام الرواتب	
يحق التوكيل	استلام الرواتب التقاعدية	
يحق التوكيل	استلام مكافأة نهاية الخدمة والتعويض عن الإجازات	
يحق التوكيل	تحويل الراتب	
يحق التوكيل	استلام المكافأة	
يحق التوكيل	استخراج تعريف بالراتب	
يحق التوكيل	استلام مستحقاتي	
يحق التوكيل	فتح الحسابات بضوابط شرعية	
يحق التوكيل	قفل الحسابات وتسويتها	
يحق التوكيل	السحب من الحسابات	
يحق التوكيل	استخراج بطاقات صراف آلي	
يحق التوكيل	استخراج البطاقات الائتمانية للتوافق مع الأحكام الشرعية	
يحق التوكيل	استلام الحوالات وصرفها	
يحق التوكيل	صرف الشيكات	
يحق التوكيل	إصدار الشيكات المصدقة	
يحق التوكيل	استخراج دفاتر شيكات	
يحق التوكيل	استخراج كشف حساب	
يحق التوكيل	التحويل من الحسابات	
يحق التوكيل	طلب القروض البنكية المتوافقة مع الأحكام والضوابط الشرعية	
يحق التوكيل	فتح حساب بضوابط شرعية	



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يحق التوكيل	الإيداع في الحساب
يحق التوكيل	تجديد الاشتراك في صناديق الأمانات
يحق التوكيل	فتح صناديق الأمانات
يحق التوكيل	الاشتراك في صناديق الأمانات
يحق التوكيل	طلب الإعفاء من القروض
يحق التوكيل	الاعتراض على الشيكات
يحق التوكيل	تحديث البيانات
يحق التوكيل	تنشيط الحسابات
يحق التوكيل	استلام الشيكات
يحق التوكيل	استرداد وحدات صناديق الأمانات
يحق التوكيل	مراجعة
يحق التوكيل	إعادة جدولة الأقساط
يحق التوكيل	طلب نقاط البيع
يحق التوكيل	طلب اعتماد بنكي
يحق التوكيل	طلب ضمان بنكي
يحق التوكيل	الاشتراك في الشركات المساهمة
يحق التوكيل	استلام شهادات المساهمات
يحق التوكيل	شراء الأسهم للتوافق مع الأحكام الشرعية
يحق التوكيل	بيع الأسهم للتوافق مع الأحكام الشرعية
يحق التوكيل	استلام قيمة الأسهم
يحق التوكيل	استلام الأرباح
يحق التوكيل	استلام الفاتح
يحق التوكيل	فتح المحافظ الاستثمارية بالصوابط الشرعية وتحرير وتعديل وإلغاء الأوامر
يحق التوكيل	الاشتراك
يحق التوكيل	شراء أسهم
يحق التوكيل	بيع أسهم
يحق التوكيل	استرداد وحدات الصناديق الاستثمارية
يحق التوكيل	نقل الأسهم من المحفظة



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				يحق التوكيل	الاشتراك في وحدات الصناديق الاستثمارية المتوافقة مع الأحكام الشرعية
				يحق التوكيل	إدارة المحافظ الاستثمارية
				يحق التوكيل	إستخراج إثبات مديونية
				يحق التوكيل	تصفية المحافظ الاستثمارية
	يحق التوكيل	شراء	العقار		
	يحق التوكيل	بيع			
	يحق التوكيل	افراغ			
	يحق التوكيل	شراء	الاراضي	شراء وبيع وافراغ للممتلكات	ادارة الاملاك
	يحق التوكيل	بيع			
	يحق التوكيل	افراغ			
	يحق التوكيل	شراء	الاسهم		
	يحق التوكيل	بيع			
	يحق التوكيل	حق الرهن		رهن الاملاك	
	يحق التوكيل	فك الرهن			
	يحق التوكيل	القبض			
				يحق التوكيل	فتح محل
				يحق التوكيل	استخراج الكروت الصحية
				يحق التوكيل	تحويل الأراضي الزراعية إلى سكنية
				يحق التوكيل	مراجعة الإدارة العامة للتخطيط العمراني
				يحق التوكيل	فتح المحلات
				يحق التوكيل	استخراج رخص
				يحق التوكيل	تجديد الرخص
				يحق التوكيل	إلغاء الرخص
				يحق التوكيل	نقل الرخص
				يحق التوكيل	استخراج فسوحات البناء والترميم
				يحق التوكيل	تخطيط الأراضي
				يحق التوكيل	استخراج شهادات إتمام البناء
				يحق التوكيل	استخراج رخص تسوير
				يحق التوكيل	استخراج رخص هدم
	يحق التوكيل	تغيير الكيان القانوني			



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يحق التوكيل	زيادة أو تخفيض رأس المال	الموافقة على قرارات الشركاء	تعديل عقد الشركات التي تدخل فيها الشركة كمشريك
يحق التوكيل	قبول التنازل عن الحصص وشراء الحصص		
يحق التوكيل	دخول وخروج الشركاء		
يحق التوكيل	التوقيع على قرار الشركاء بالاندماج		
يحق التوكيل	التعديل على باقي بنود عقد التأسيس		
	يحق التوكيل	تصفية الشركة	
	يحق التوكيل	تحول الشركة الى مؤسسة	
		يحق التوكيل	توقيع عقد الإيجار
		يحق التوكيل	التنازل عن العقد
		يحق التوكيل	عمل مخطط للأرض للملوكة
		يحق التوكيل	مراجعة أمانة
		يحق التوكيل	تحويل الأرض الزراعية إلى سكنية
		يحق التوكيل	الإشراف على البناء
		يحق التوكيل	توقيع العقود مع مؤسسات البناء والمقاولين
		يحق التوكيل	دخول المناقصات واستلام الاستمارات
		يحق التوكيل	تعيين المحكمين
		يحق التوكيل	تعيين المحامين
		يحق التوكيل	التمثيل امام كتليات العدل
يحق التوكيل	سماع الدعاوي والرد عليها	التمثيل امام المحاكم الشرعية	
يحق التوكيل	للمصالحة		
يحق التوكيل	رفض وقبول التحكيم		
يحق التوكيل	رفض وقبول الصلح		
يحق التوكيل	الاقرار والاحتكار		
يحق التوكيل	التنازل		
يحق التوكيل	لرافعه		
يحق التوكيل	للدافعه		
يحق التوكيل	للمطالبة		
يحق التوكيل	لخاصمة		
	يحق التوكيل		استخدام وتنفيذ كافة خدمات وزارة العدل الالكترونية



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المركز الرئيسي الخبر

القضاء	يحق التوكيل	يحق التوكيل
	تفويض/توكيل الغير على تنفيذ خدمات وزارة العدل الالكترونية	يحق التوكيل
	(التوقيع على اتفاقية عقد القرض وتعديلاته وملحقته وكافة الوثائق ذات العلاقة - التوقيع على اتفاقية المتابعة - التوقيع على اتفاقية المشورة - التوقيع أمام كاتب العدل فيما يخص الرهن الصناعي الخاص برهن جميع ممتلكات الشركة - استلام القرض - التنزل عن القرض - طلب الإعفاء من القرض - تسديد القرض - التوقيع على اتفاقية الاعتماد للمستندي)	يحق التوكيل
	(التوقيع على الضمان الاعترابي)	يحق التوكيل
	(التوقيع على اتفاقية نقل الالتزامات وتعديل عقد القرض)	يحق التوكيل
	(التوقيع على اتفاقية ترتيب الديون عن الشركة والشركاء)	يحق التوكيل
	(اصدار وتعديل وإلغاء اعلان التنزل)	يحق التوكيل
البيع والإفراغ للمشتري	يحق التوكيل	يحق التوكيل
الشراء وقبول الإفراغ ودفع الثمن	يحق التوكيل	يحق التوكيل
استلام الصكوك	يحق التوكيل	يحق التوكيل
التأجير	يحق التوكيل	يحق التوكيل
استلام الأجرة	يحق التوكيل	يحق التوكيل
توقيع عقود الأجرة	يحق التوكيل	يحق التوكيل
تجديد عقود الأجرة	يحق التوكيل	يحق التوكيل
إلغاء و فسخ عقود التأجير	يحق التوكيل	يحق التوكيل
الرهن	يحق التوكيل	يحق التوكيل
فك الرهن	يحق التوكيل	يحق التوكيل
التجزئة والفرز	يحق التوكيل	يحق التوكيل
تعديل الحدود والأطوال والمساحة وأرقام القطع والمخططات والصكوك وتواريخها وأسماء الأحياء	يحق التوكيل	يحق التوكيل
بيع	يحق التوكيل	يحق التوكيل
قبول الرهن	يحق التوكيل	يحق التوكيل
تحديث الصكوك و إدخالها في النظام الشامل	يحق التوكيل	يحق التوكيل



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يحق التوكيل	بيع النصيب من
يحق التوكيل	شرك
يحق التوكيل	شرك النصيب من
يحق التوكيل	تأجير
يحق التوكيل	تعديل اسم المالك ورقم السجل للمدني الحفيظة
يحق التوكيل	الهيئة والإفراغ
يحق التوكيل	قبول الهيئة والإفراغ
يحق التوكيل	التنازل عن النقص في المساحة
يحق التوكيل	دمج الصكوك
يحق التوكيل	قبول التنازل والإفراغ
يحق التوكيل	إستخراج مجموعة صكوك بدل مفقود وبياناتها كالتالي :
يحق التوكيل	إستخراج مجموعة صكوك بدل تالف وبياناتها كالتالي :
يحق التوكيل	البيع والإفراغ للورثة
يحق التوكيل	التنازل عن النصيب من
يحق التوكيل	إثبات المبني
يحق التوكيل	استخراج صك بدل تالف
يحق التوكيل	وذلك للعقارات الواقعة
يحق التوكيل	تحويل الأرض الزراعية إلى سكنية أو صناعية
يحق التوكيل	الدخول في المساهمات العقارية
يحق التوكيل	شرك أسهم للمساهمات العقارية
يحق التوكيل	بيع أسهم للمساهمات العقارية
يحق التوكيل	التنازل عن الأرض للمؤجرة
يحق التوكيل	تحديث الصك وإدخاله في النظام الشامل
يحق التوكيل	استخراج صك بدل مفقود
يحق التوكيل	تحويل الأراضي الزراعية إلى سكنية
يحق التوكيل	بناء الأرض
يحق التوكيل	استتجار الأرض
يحق التوكيل	تغيير الكيان القانوني للشركة
	تحويل الشركة من شركة توصية



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يحق التوكيل	بسيطة إلى ذات مسؤولية محدودة
يحق التوكيل	قسمة الأسهم بين الورثة ونقلها إلى محافظهم

صلاحيات رئيس مجلس مديرين

يحق التوكيل	اصدار	الرئيسية	السجلات التجارية
يحق التوكيل	تجديد		
يحق التوكيل	شطب		
يحق التوكيل	اصدار	الفرعية	
يحق التوكيل	تجديد		
يحق التوكيل	شطب		
يحق التوكيل			شراء المؤسسة
يحق التوكيل			التوقيع على جميع المستندات لدى الغرفة التجارية
يحق التوكيل			بيع المؤسسة
يحق التوكيل			مراجعة إدارة السجلات
يحق التوكيل			استخراج السجلات
يحق التوكيل			نقل السجلات التجارية
يحق التوكيل			إدارة السجلات
يحق التوكيل			إلغاء السجلات
يحق التوكيل			الإشراف على السجلات
يحق التوكيل			فتح الاشتراك لدى الغرفة التجارية
يحق التوكيل			اعتماد التوقيع لدى الغرفة التجارية
يحق التوكيل			إلغاء التوقيع لدى الغرفة التجارية
يحق التوكيل			دخول المناقصات واستلام الاستثمارات
يحق التوكيل			تحويل فرع المؤسسة
يحق التوكيل			مراجعة التأمينات الاجتماعية
يحق التوكيل			مراجعة مصلحة الزكاة والدخل
يحق التوكيل			فتح فروع للسجلات
يحق التوكيل			إدارة السجل التجاري
يحق التوكيل			إلغاء السجل التجاري



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مراجعة الدفاع المدني	يحق التوكيل
تعديل السجلات	يحق التوكيل
إضافة نشاط	يحق التوكيل
حجز الاسم التجاري	يحق التوكيل
تجديد الاشتراك لدى الغرفة التجارية	يحق التوكيل
تعديل السجل التجاري	يحق التوكيل
نقل السجل التجاري	يحق التوكيل
استخراج سجل بدل تالف أو مفقود	يحق التوكيل
استخراج سجل بدل تالف أو مفقود	يحق التوكيل
تسجيل العلامة التجارية	يحق التوكيل
التنازل عن العلامة التجارية	يحق التوكيل
التنازل عن الاسم التجاري	يحق التوكيل
استخراج التراخيص	يحق التوكيل
شرك القوارب	يحق التوكيل
استخراج بدل تالف أو مفقود لتصريح الصيد	يحق التوكيل
استيراد قوارب	يحق التوكيل
إلغاء رخص قوارب	يحق التوكيل
تجديد التراخيص	يحق التوكيل
تعديل التراخيص	يحق التوكيل
إضافة نشاط	يحق التوكيل
حجز الأسماء	يحق التوكيل
إلغاء التراخيص	يحق التوكيل
تجديد الاشتراك بالغرفة التجارية	يحق التوكيل
فتح الفروع	يحق التوكيل
مراجعة التأمينات الاجتماعية	يحق التوكيل
مراجعة الدفاع المدني	يحق التوكيل
مراجعة مصلحة الزكاة والدخل	يحق التوكيل
استخراج تصريح صيد	يحق التوكيل
استخراج رخصة قارب	يحق التوكيل
تجديد رخصة قارب	يحق التوكيل



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يحق التوكيل	نقل رخصة قارب
يحق التوكيل	بيع القارب
يحق التوكيل	تجديد تصريح الصيد
يحق التوكيل	إلغاء تصريح الصيد
يحق التوكيل	استخراج بدل تالف أو مفقود لرخصة القارب
يحق التوكيل	فتح فرع للترخيص
يحق التوكيل	نقل الترخيص
يحق التوكيل	تأسيس شركة
يحق التوكيل	التوقيع على عقود التأسيس وملاحق التعديل
يحق التوكيل	إلغاء عقود التأسيس وملاحق التعديل
يحق التوكيل	توقيع قرارات الشركاء
يحق التوكيل	تعيين المدراء وعزلهم
يحق التوكيل	تعديل أغراض الشركة
يحق التوكيل	تصفية الشركة
يحق التوكيل	تحويل الشركة من مساهمة إلى ذات مسؤولية محدودة
يحق التوكيل	تحويل الشركة من ذات مسؤولية محدودة إلى مساهمة
يحق التوكيل	تحويل الشركة من تضامنية إلى ذات مسؤولية محدودة
يحق التوكيل	زيادة رأس المال
يحق التوكيل	خفض رأس المال
يحق التوكيل	دخول وخروج شركاء
يحق التوكيل	الدخول في شركات قائمة
يحق التوكيل	نقل الحصص والأسهم والسندات
يحق التوكيل	تحديد رأس المال
يحق التوكيل	استلام فائض التخصيص
يحق التوكيل	بيع الحصص والأسهم واستلام القيمة
يحق التوكيل	التنازل عن الحصص والأسهم من رأس المال
يحق التوكيل	بيع فرع الشركة



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يحق التوكيل	تعديل جنسية أحد الشركاء في العقد
يحق التوكيل	قبول التنازل عن الحصص والأسهم ورأس المال
يحق التوكيل	شراء الحصص والأسهم ودفع الثمن
يحق التوكيل	قفل الحسابات لدى البنوك باسم الشركة
يحق التوكيل	فتح الحسابات لدى البنوك باسم الشركة
يحق التوكيل	توقيع الاتفاقيات
يحق التوكيل	تسجيل الشركة
يحق التوكيل	تسجيل الوكالات والعلامات التجارية
يحق التوكيل	حضور الجمعيات العامة
يحق التوكيل	فتح الفروع للشركة
يحق التوكيل	فتح الملفات للشركة
يحق التوكيل	التوقيع على عقود التأسيس وملاحق التعديل لدى كاتب العدل
يحق التوكيل	استخراج السجلات التجارية وتجديدها للشركة
يحق التوكيل	الاشتراك بالفرقة التجارية وتجديدها
يحق التوكيل	مراجعة الهيئة العامة للاستثمار والتوقيع أمامها
يحق التوكيل	مراجعة إدارة الجودة والنوعية وهيئة المواصفات والمقاييس
يحق التوكيل	مراجعة هيئة سوق المال
يحق التوكيل	استخراج التراخيص وتجديدها للشركة
يحق التوكيل	تحويل المؤسسة إلى شركة
يحق التوكيل	تحويل فرع الشركة إلى مؤسسة
يحق التوكيل	تحويل فرع الشركة إلى شركة
يحق التوكيل	نشر عقد التأسيس وملاحق التعديل وملخصاتها والأنظمة الأساسية في الجريدة الرسمية
يحق التوكيل	مراجعة شركات الاتصالات وتأسيس الهوائف الثابتة أو الجواللات باسم الشركة



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يحق التوكيل	دخول المناقصات واستلام الاستمارات
يحق التوكيل	توقيع العقود الخاصة بالشركة مع الغير
يحق التوكيل	التنازل عن العلامات التجارية أو إغالتها
يحق التوكيل	تعديل اسم الشركة
يحق التوكيل	استخراج التأشيرات
يحق التوكيل	تحويل الشركة إلى مؤسسة
يحق التوكيل	استلام تعويضات التأشيرات
يحق التوكيل	تحديث بيانات العمال
يحق التوكيل	فتح الملفات الأساسية والفرعية وتجديدها وإلغاؤها
يحق التوكيل	تصفية العمالة وإلغاؤها
يحق التوكيل	التبليغ عن هروب العمالة
يحق التوكيل	إلغاء بلاغات الهروب للعمالة
يحق التوكيل	نقل الكفالات
يحق التوكيل	تعديل للمهن
يحق التوكيل	نقل ملكية المنشآت وتصفيتها وإلغاؤها
يحق التوكيل	مراجعة قسم المكاتب الأهلية للاستقدام
يحق التوكيل	مراجعة إدارة الحاسب الآلي في القوى العاملة
يحق التوكيل	استخراج رخص العمل وتجديدها
يحق التوكيل	استلام شهادات السعودية
يحق التوكيل	استخراج كشف بيانات (برنت)
يحق التوكيل	إضافة وحذف السعوديين
يحق التوكيل	استقدام
يحق التوكيل	استقدام
يحق التوكيل	فتح ملف
يحق التوكيل	تفعيل البوابة السعودية
يحق التوكيل	استقدام العمالة من الخارج
يحق التوكيل	إنهاء إجراءات العمالة لدى التأمينات الاجتماعية



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المركز الرئيسي الخبر

	يحق التوكيل	إلغاء التأشيرات
	يحق التوكيل	استرداد مبالغ التأشيرات
	يحق التوكيل	تعديل الجنسيات
	يحق التوكيل	استخراج تأشيرات الزيارات العائلية
	يحق التوكيل	استخراج تأشيرات استخدام العوائل
	يحق التوكيل	مراجعة السفارة
	يحق التوكيل	تمديد تأشيرات الخروج والعودة
	يحق التوكيل	تمديد تأشيرات الزيارة
	يحق التوكيل	استخراج كشف بيانات (برنت)
	يحق التوكيل	إلغاء التأشيرة
	يحق التوكيل	استرداد مبلغ التأشيرة
	يحق التوكيل	تعديل جهة القيد
يحق التوكيل	تمثيل الشركة في الشركة للمساهم فيها	الشركات التي تدخل فيها الشركة كشريك
	يحق التوكيل	استخراج الإقامات
	يحق التوكيل	تجديد الإقامات
	يحق التوكيل	عمل خروج وعودة
	يحق التوكيل	عمل الخروج النهائي
	يحق التوكيل	نقل الكفالات
	يحق التوكيل	استخراج الإقامات بدل مفقود أو تالف
	يحق التوكيل	إنهاء إجراءات العمالة المتوفاة
	يحق التوكيل	التبليغ عن الهروب
	يحق التوكيل	إلغاء بلاغات الهروب
	يحق التوكيل	نقل المعلومات وتحديث البيانات
	يحق التوكيل	التسوية والتنازل عن العمال
	يحق التوكيل	مراجعة إدارة الترحيل والوافدين
	يحق التوكيل	استخراج كشف بيانات العمال (برنت)
	يحق التوكيل	اسقاط العمالة
	يحق التوكيل	إدارة أعمال التجارية
	يحق التوكيل	نقل كفالة العمالة لنفسه



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	إضافة المولود	يحق التوكيل
	إنهاء إجراءات العامل المتوفى	يحق التوكيل
	إدارة شؤون المنافذ	يحق التوكيل
	استخراج مشاهد الإعادة	يحق التوكيل
	إضافة تابعين	يحق التوكيل
	إضافة الأبناء إلى جواز الأب أو الأم	يحق التوكيل
	فصل الأبناء من جواز الأب أو الأم	يحق التوكيل
	إلغاء تأشيرات الخروج والعودة	يحق التوكيل
	إلغاء تأشيرات الخروج النهائي	يحق التوكيل
	استخراج تأشيرات سفر بدل تالف أو مفقود	يحق التوكيل
	استخراج تمديد تأشيرات الزيارة	يحق التوكيل
	تعديل المهن	يحق التوكيل
	استخراج تصاريح حج	يحق التوكيل
	مراجعة شئون الخادمت	يحق التوكيل
	التسجيل في الخدمة الإلكترونية	يحق التوكيل
	البنكية	
	فتح الحسابات	يحق التوكيل
	فتح الاعتمادات	يحق التوكيل
	الإيداع	يحق التوكيل
	السحب	يحق التوكيل
	اصدار الشيكات	يحق التوكيل
	تحديث الحسابات	يحق التوكيل
	استخراج كشوف الحسابات	يحق التوكيل
	طلب التسهيلات	يحق التوكيل
	طلب الضمانات	يحق التوكيل
	توقيع عقود القروض	يحق التوكيل
	توقيع الأوراق التجارية	يحق التوكيل
	توقيع سندات لأمر	يحق التوكيل
	التقدم بأي طلب أو خدمة من الطلبات أو الخدمات للدرجة تحت اختصاص هيئة الاتصالات وتقنية المعلومات	يحق التوكيل
	صلاحية التفويض لأي شخص - وفقاً للأنظمة ذات العلاقة-	



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يحق التوكيل	للتقدم بأي من الطلبات أو الخدمات المدرجة تحت اختصاص هيئة الاتصالات وتقنية المعلومات
يحق التوكيل	مراجعة وزارة الزراعة ومديرية الزراعة بخصوص
يحق التوكيل	مراجعة كتابة العدل أو المحكمة لقبول إفراغها
يحق التوكيل	التنازل عن القرار الزراعي
يحق التوكيل	نقل القرار الزراعي
يحق التوكيل	استلام الرواتب
يحق التوكيل	استلام الرواتب التقاعدية
يحق التوكيل	استلام مكافأة نهاية الخدمة والتعويض عن الإجازات
يحق التوكيل	تحويل الراتب
يحق التوكيل	استلام المكافأة
يحق التوكيل	استخراج تعريف بالراتب
يحق التوكيل	استلام مستحقاتي
يحق التوكيل	فتح الحسابات بضوابط شرعية
يحق التوكيل	قفل الحسابات وتسويتها
يحق التوكيل	السحب من الحسابات
يحق التوكيل	استخراج بطاقات صراف آلي
يحق التوكيل	استخراج البطاقات الائتمانية المتوافقة مع الأحكام الشرعية
يحق التوكيل	استلام الحوالات وصرفها
يحق التوكيل	صرف الشيكات
يحق التوكيل	إصدار الشيكات المصدقة
يحق التوكيل	استخراج دفاتر شيكات
يحق التوكيل	استخراج كشف حساب
يحق التوكيل	التحويل من الحسابات
يحق التوكيل	طلب القروض البنكية المتوافقة مع الأحكام والضوابط الشرعية
يحق التوكيل	فتح حساب بضوابط شرعية
يحق التوكيل	الإيداع في الحساب
يحق التوكيل	تجديد الاشتراك في صناديق الأمانات



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فتح صناديق الأمانات	يحق التوكيل
الاشتراك في صناديق الأمانات	يحق التوكيل
طلب الإعفاء من القروض	يحق التوكيل
الاعتراض على الشيكات	يحق التوكيل
تحديث البيانات	يحق التوكيل
تنشيط الحسابات	يحق التوكيل
استلام الشيكات	يحق التوكيل
استرداد وحدات صناديق الأمانات	يحق التوكيل
مراجعة	يحق التوكيل
إعادة جدولة الأقساط	يحق التوكيل
طلب نقاط البيع	يحق التوكيل
طلب اعتماد بنكي	يحق التوكيل
طلب ضمان بنكي	يحق التوكيل
الاشتراك في الشركات المساهمة	يحق التوكيل
استلام شهادات المساهمات	يحق التوكيل
شراء الأسهم المتوافقة مع الأحكام الشرعية	يحق التوكيل
بيع الأسهم المتوافقة مع الأحكام الشرعية	يحق التوكيل
استلام قيمة الأسهم	يحق التوكيل
استلام الأرباح	يحق التوكيل
استلام الفائض	يحق التوكيل
فتح المحافظ الاستثمارية بالضوابط الشرعية وتحرير وتعديل وإلغاء الأوامر	يحق التوكيل
الاشتراك	يحق التوكيل
شراء أسهم	يحق التوكيل
بيع أسهم	يحق التوكيل
استرداد وحدات الصناديق الاستثمارية	يحق التوكيل
نقل الأسهم من المحفظة	يحق التوكيل
الاشتراك في وحدات الصناديق الاستثمارية المتوافقة مع الأحكام الشرعية	يحق التوكيل
إدارة المحافظ الاستثمارية	يحق التوكيل



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			إستخراج إثبات مديونية	يحق التوكيل	
			تصفية المحافظ الاستثمارية	يحق التوكيل	
			شراء وبيع وافرغ للممتلكات	ادارة الاملاك	
	شراء	العقار			يحق التوكيل
	بيع				يحق التوكيل
	افرغ				يحق التوكيل
	شراء	الاراضي			يحق التوكيل
	بيع				يحق التوكيل
	افرغ				يحق التوكيل
	شراء	الاسهم			يحق التوكيل
	بيع				يحق التوكيل
	يحق التوكيل	حق الرهن			رهن الاملاك
	يحق التوكيل	فك الرهن			
	يحق التوكيل	القبض			
			فتح محل	يحق التوكيل	
			استخراج الكروت الصحية	يحق التوكيل	
			تحويل الأراضي الزراعية إلى سكنية	يحق التوكيل	
			مراجعة الإدارة العامة للتخطيط العمراني	يحق التوكيل	
			فتح المحلات	يحق التوكيل	
			استخراج رخص	يحق التوكيل	
			تجديد الرخص	يحق التوكيل	
			إلغاء الرخص	يحق التوكيل	
			نقل الرخص	يحق التوكيل	
			استخراج فسوحات البناء والترميم	يحق التوكيل	
			تخطيط الأراضي	يحق التوكيل	
			استخراج شهادات إتمام البناء	يحق التوكيل	
			استخراج رخص تسوير	يحق التوكيل	
			استخراج رخص هدم	يحق التوكيل	
			الموافقة على قرارات الشركاء		
	يحق التوكيل	تغيير الكيان القانوني			
	يحق التوكيل	زيادة أو تخفيض رأس المال			
	يحق التوكيل	قبول التنازل عن الحصص وشراء الحصص			



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يحق التوكيل	دخول وخروج الشركاء	تعديل عقد الشركات التي تدخل فيها الشركة كشريك	
يحق التوكيل	التوقيع على قرار الشركاء بالاندماج		
يحق التوكيل	التعديل على باقي بنود عقد التأسيس		
	يحق التوكيل		تصفية الشركة
	يحق التوكيل		تحول الشركة إلى مؤسسة
			توقيع عقد الإيجار
			التنازل عن العقد
			عمل مخطط للأرض المملوكة
			مراجعة أمانة
			تحويل الأرض الزراعية إلى سكنية
		الإشراف على البناء	
		توقيع العقود مع مؤسسات البناء والمقاولين	
		دخول المناقصات واستلام الاستمارات	
	يحق التوكيل	تعيين المحكمين	
	يحق التوكيل	تعيين المحامين	
	يحق التوكيل	التمثيل امام كتابات العدل	
يحق التوكيل	سماع الدعاوي والرد عليها	التمثيل امام المحاكم الشرعية	
يحق التوكيل	المصالحة		
يحق التوكيل	رفض وقبول التحكيم		
يحق التوكيل	رفض وقبول الصلح		
يحق التوكيل	الاقرار والادكار		
يحق التوكيل	التنازل		
يحق التوكيل	الرافعه		
يحق التوكيل	المدافعه		
يحق التوكيل	المطالبة		
يحق التوكيل	المخاصمة		
	يحق التوكيل	استخدام وتنفيذ كافة خدمات وزارة العدل الالكترونية	
	يحق التوكيل	تفويض/توكيل الغير على تنفيذ خدمات وزارة العدل الالكترونية	
		(التوقيع على اتفاقية عقد القرض)	

القضاء



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يحق التوكيل	وتعديلاته وملحقته وكافة الوثائق ذات العلاقة - التوقيع على اتفاقية المتابعة - التوقيع على اتفاقية للمشورة - التوقيع أمام كاتب العدل فيما يخص الرهن الصناعي الخاص برهن جميع ممتلكات الشركة - استلام القرض - التنازل عن القرض - طلب الإعفاء من القرض - تسديد القرض- التوقيع على اتفاقية الاعتماد المستندي)
يحق التوكيل	(التوقيع على الضمان الاعتبلي)
يحق التوكيل	(التوقيع على اتفاقية نقل الالتزامات وتعديل عقد القرض)
يحق التوكيل	(التوقيع على اتفاقية ترتيب الديون عن الشركة والشركاء)
يحق التوكيل	(اصدار وتعديل وإلغاء اعلان التنازل)
يحق التوكيل	البيع والإفراغ للمشتري
يحق التوكيل	الشراء وقبول الإفراغ ودفع الثمن
يحق التوكيل	استلام الصكوك
يحق التوكيل	التأجير
يحق التوكيل	استلام الأجرة
يحق التوكيل	توقيع عقود الأجرة
يحق التوكيل	تجديد عقود الأجرة
يحق التوكيل	إلغاء و فسخ عقود التأجير
يحق التوكيل	الرهن
يحق التوكيل	فك الرهن
يحق التوكيل	التجزئة والفرز
يحق التوكيل	تعديل الحدود والأطوال والمساحة وأرقام القطع والمخططات والصكوك وتوليدها وأسماء الأحياء
يحق التوكيل	بيع
يحق التوكيل	قبول الرهن
يحق التوكيل	تحديث الصكوك و إدخالها في النظام الشامل
يحق التوكيل	بيع التصيب من
يحق التوكيل	شراء



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يحق التوكيل	شركه النصيب من
يحق التوكيل	تأجير
يحق التوكيل	تعديل اسم المالك ورقم السجل للمدني الحفيظة
يحق التوكيل	الهيئة والإفراغ
يحق التوكيل	قبول الهيئة والإفراغ
يحق التوكيل	التنازل عن النقص في المساحة
يحق التوكيل	دمج الصكوك
يحق التوكيل	قبول التنازل والإفراغ
يحق التوكيل	إستخراج مجموعة صكوك بدل مفقود وبياناتها كالتالي :
يحق التوكيل	إستخراج مجموعة صكوك بدل تالف وبياناتها كالتالي :
يحق التوكيل	البيع والإفراغ للورثة
يحق التوكيل	التنازل عن النصيب من
يحق التوكيل	إثبات المبي
يحق التوكيل	استخراج صك بدل تالف
يحق التوكيل	وذلك للعقارات الواقعة
يحق التوكيل	تحويل الأرض الزراعية إلى سكنية أو صناعية
يحق التوكيل	الدخول في المساهمات العقارية
يحق التوكيل	شركه أسهم للمساهمات العقارية
يحق التوكيل	بيع أسهم للمساهمات العقارية
يحق التوكيل	التنازل عن الأرض للمؤجرة
يحق التوكيل	تحديث الصك وإدخاله في النظام الشامل
يحق التوكيل	استخراج صك بدل مفقود
يحق التوكيل	تحويل الأراضي الزراعية إلى سكنية
يحق التوكيل	بناء الأرض
يحق التوكيل	استتجار الأرض
يحق التوكيل	تغيير الكيان القانوني للشركة
يحق التوكيل	تحويل الشركة من شركة توصية بسيطرة إلى ذات مسؤولية محدودة
يحق التوكيل	قسمة الأسهم بين الورثة ونقلها



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إلى محافظهم

صلاحيات عضو مجلس مديرين

الرئيسية	تجديد	يحق التوكيل
الفرعية	تجديد	يحق التوكيل

ب - (يحدد طريقة العمل في مجلس المديرين والأغلبية اللازمة لقراراته)

على ان تكون طريقة عمل المجلس كالآتي

1. نصاب صحة انعقاد المجلس: يكون الاجتماع صحيح بحضور الأغلبية من أعضاء المجلس وفي حال عدم اكتمال النصاب يتم الدعوة إلى اجتماع ثاني، ويكون الاجتماع صحيح بحضور الأغلبية من أعضاء المجلس وفي حال عدم اكتمال النصاب لا يصح انعقد المجلس. ويجوز للعضو توكيل من يراه بحضور اجتماع مجلس المديرين والتصويت نيابة عنه بموجب توكيل خطي. 2. آلية استبدال أعضاء المجلس: في حالة استقالة أو عزل أو وفاة أي مدير من المدراء المعيّنين في مجلس المديرين أو امتناعه عن حضور الاجتماعات، يقوم مالك رأس المال بتعيين مدير آخر بدلاً عنه لعضوية المجلس، وإذا لم يتم بتعيين مديراً آخر فيستمر المجلس في ممارسة كافة صلاحياته بعضوية المدراء الآخرين الباقين. 3. اجتماعات المجلس: يجتمع مجلس المديرين بطلب من الرئيس في أي وقت أو بناء على طلب مديران من مجلس المديرين أو من مراقب حسابات الشركة وتوجه الدعوة للاجتماع إلى المديرين خطياً قبل موعد أي جلسة بثلاثين يوماً على الأقل، كما يكون لأي مدير أن ينيب عنه خطياً أي مدير آخر بحضور أية جلسة والتصويت نيابة عنه ولا يجوز أن يكون المدير موكلاً عن أكثر من مدير في نفس الوقت. إن التصرفات الجارية في أي اجتماع لمجلس المديرين، كيفما تمت الدعوة إليه والإخطار بصدده وأينما عقد، تعتبر تصرفات صحيحة كما لو كانت قد اتخذت في اجتماع عقد حسب الأصول بعد دعوة أو إخطار نظاميين وذلك إذا توافر النصاب اللازم وظل كذلك طوال الاجتماع. 4. قرارات المجلس: يكون لكل مدير صوت واحد بما فيه ذلك (رئيس مجلس المديرين) بشأن أي أمر من الأمور ويتم التصويت إما شخصياً أو بوكالة على أن يجوز للمدير الحاضر شخصياً فضلاً عن إدلائه بصوته الخاص أن يبدلي بصوت مدير غائب أو أناب عنه المدير الحاضر، وتتخذ قرارات المجلس بأغلبية المدراء الحاضرين أو للمثليين في الاجتماع. يجوز اتخاذ قرارات مجلس المديرين " بالتمرير" وفي هذه الحالة يرسل رئيس مجلس المديرين إلى كل مدير خطاباً بالقرارات المقترحة، ويبحث بيدي المديرين آراءهم متفرقين، ويتم الموافقة على القرارات بالإجماع. 5. المدير التنفيذي: يتولى إدارة الأعمال اليومية للشركة مدير تنفيذي يتم تعيينه وتحديد صلاحياته بموجب قرار مستقل يصدر من مالك رأس المال. 6. إنشاء لجان تنفيذية أو استشارية: يحق لمجلس المديرين إنشاء لجنة أو لجان تنفيذية أو استشارية بقرار مستقل ويحدد في هذا القرار مهامها وصلاحياتها ومكافآتها كما يحق للمجلس عزل أو استبدال أعضائها.

ويكون مكان انعقاد الجلسات في في المركز الرئيسي للشركة أو أي مكان يتم الاتفاق عليه بالإجماع من قبل مجلس المديرين،

ويكون النصاب الصحيح للاجتماع أغلبية المديرين

المادة السادسة : صلاحيات مالك رأس المال

1 - يكون للمالك رأس المال الصلاحيات والسلطات المنصوص عليها في نظام الشركات، وتصدر قراراته كتابة، وتدون في سجل خاص لدى الشركة

المادة السابعة : السنة المالية

تكون السنة المالية للشركة اثني عشر شهراً ميلادياً تبدأ من يوم 01 من شهر يناير وتنتهي بنهاية يوم 31 من شهر ديسمبر

المادة الثامنة : الأرباح والخسائر

1 - يجوز توزيع أرباح سنوية أو مرحلية من الأرباح القابلة للتوزيع على مالك رأس المال، وفقاً للضوابط النظامية المقررة

2 - توزع أرباح الشركة السنوية الصافية على النحو التالي:

أ - يحدد مالك رأس المال النسبة التي يجب توزيعها من الأرباح الصافية بعد خصم الاحتياطات (إن وجدت)

المادة التاسعة : انقضاء الشركة



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1 - تنقضي الشركة بأحد أسباب الانقضاء الواردة في المادة (الثالثة والأربعون بعد المائتين) من نظام الشركات وبنقضاتها تدخل في دور التصفية وفقاً لأحكام الباب الثاني عشر من نظام الشركات، وإذا انقضت الشركة وكانت أصولها لا تكفي لسداد ديونها أو كانت متعثرة وفقاً لنظام الإفلاس، وجب عليها التقدم إلى الجهة القضائية المختصة لافتتاح أي من إجراءات التصفية بموجب نظام الإفلاس

المادة العاشرة : أحكام ختامية

- 1 - تخضع الشركة لكافة الأنظمة السارية في المملكة العربية السعودية
- 2 - أي نص يخالف أحكام نظام الشركات في هذا النظام الأساس لا يعتد به ويطبق بحقه ما ورد من نصوص في نظام الشركات وكل ما لم يرد به نص في هذا العقد يطبق بشأنه نظام الشركات ولائحته التنفيذية
- 3 - يقر مالك رأس المال بصحة البيانات والأحكام المدرجة في هذا النظام ووافقها مع أحكام نظام الشركات الصادر بالمرسوم الملكي (م/132) بتاريخ 1/12/1443هـ ولوائحه التنفيذية، واستيفائها لجميع المتطلبات والتعليمات التي تصدرها وزارة التجارة وفقاً لأحكام النظام، ويتحمل مالك رأس المال المسؤولية وجميع التبعات النظامية والمالية التي قد تنشأ عن ذلك، كما ان مالك رأس المال على علم بحق الوزارة في اتخاذ الإجراءات النظامية اللازمة في حال وجود أي مخالفة أو تعارض في الأحكام الواردة في النظام الأساس.

تم اعتماد نظام الأساس من قبل مالك رأس المال وقد جرى التحقق من هوية مالك رأس المال عن طريق رسائل نصية على رقم الجوال المسجل في نظام الخدمات الإلكترونية بوزارة الداخلية (أبشر) وتم نشر نظام الأساس عبر صحيفة أعماله وبالإمكان التحقق من صحة النظام الأساس عبر الرابط التالي : <https://emagazine.aamaly.sa>

توقيع مالك رأس المال

م	اسم مالك رأس المال	آلية التوقيع
1	الشركة السعودية للاقتصاد والتنميه القايزة سدكو	يدوي

والله ولي التوفيق،،

نظام الأساس، لا يتطلب وجود الختم الرسمي لوزارة التجارة



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المركز الرئيسي الخبر

قرار مالك رأس المال بتعيين مدير في عقد مستقل

شركة معدات الجزيرة شركة شخص واحد ذات مسؤولية محدودة شخص واحد

لقد سبق للمالك رأس المال الآتية أسماؤهم:

الطرف	اسم الشرك	رقم الهوية	الهيئة	تاريخ الميلاد	الجنسية	مكان الإقامة	مدينة الإقامة
الطرف الأول	الشركة السعودية للاقتصاد والتنمية القابضة سذكو	7000028402			سعودي	السعودية	جدة

تأسيس شركة معدات الجزيرة شركة شخص واحد ذات مسؤولية محدودة شخص واحد بمدينة الخبر وحيث رغب الشركاء بتعيين مدير وفق ما نصت عليه (مادة الإدارة الخاصة بالشركة بتعيين مدير بعقد مستقل) فقد قرر الشركاء. تعيين كلا من مجلس مديرين مكون من (لا يقل عن 3) وهم:

الاسم	رقم الهوية	تاريخ الميلاد	الجنسية	المنصب
عبدالله مبارك عبدالله باعارمه	1000161743	02/07/1385	السعودية	رئيس مجلس مديرين
وليد محمد سالم بن محفوظ	1002192514	16/12/1386	السعودية	عضو مجلس مديرين
اسامه احمد سليمان باناجه	1002575437	02/10/1402	السعودية	عضو مجلس مديرين
سايمون بالتورب	548145481	01/07/1388	المملكة المتحدة	عضو مجلس مديرين
باسل حموي	LR2388508	26/01/1386	لبنان	عضو مجلس مديرين

ولهم في سبيل ذلك كافة الصلاحيات في عقد التأسيس.

توقيع الشركاء

م	اسم الشرك	آلية التوقيع
1	الشركة السعودية للاقتصاد والتنمية القابضة سذكو	يدوي

والله ولي التوفيق،،

Annex (4): The amendments related to Budget Saudi's Bylaws pertaining to the Acquisition Transaction

Article Title	Current Bylaw Text		Current Bylaw Text	
	Article Number	Text	Article Number	Text
Capital	(7)	The Company's capital is (711,666,680) seven hundred eleven million six hundred sixty-six thousand six hundred eighty Saudi Riyals, divided into (71,166,668) seventy-one million one hundred sixty-six thousand six hundred sixty-eight ordinary shares, the nominal value of the share is 10 (ten) Saudi Riyals. All the Company shares are ordinary and in-kind shares.	(7)	The Company's capital is (781,666,680) seven hundred eighty-one million six hundred sixty-six thousand six hundred eighty Saudi Riyals, divided into (78,166,668) seventy-eight million one hundred sixty-six thousand, six hundred and sixty-eight shares, the nominal value if the share is 10 (ten) Saudi Riyals. All the Company shares are ordinary and in-kind shares.

Annex (5): Al-Jazira Equipment Company's Articles of Association including all amendments up to the date of this Circular

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عقد تأسيس شركة
ذات مسؤولية محدودة

بموجب الله تعالى:

انه في يوم الموافق

تم ابرام وتوقيع هذا العقد بين كل من :-

١ - السيد أحمد بن سالم بن محفوظ السعودى الجنسية بموجب حفيظة نفوس رقم ٥٠٩٣٢ وتاريخ ١٣٩٥/٩/١٩ الصادرة في جدة ومهنته طالب ،

طرف أول .

٢ - الشركة السعودية للاقتصاد والتنمية (سدكو) والمسجلة في السجل التجارى لمدينة الرياض برقم ١١٤١٣ ويمثلها السيد صالح بن سالم بن محفوظ السعودى الجنسية بموجب حفيظة نفوس رقم ٣٧٥٥٩ وتاريخ ١٣٨٨/٢/٢٨ هـ الصادرة في جدة ومهنته رجل أعمال ،

طرف ثان .

وقد اتفق الطرفان وهما بكامل الأهلية الشرعية المعتبرة على تأسيس شركة ذات مسؤولية محدودة وفقا لأحكام نظام الشركات وأحكام هذا العقد .

المادة الأولى :

اسم الشركة : شركة معمدات الجزيرة المحدودة

شركة ذات مسؤولية محدودة .

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المادة الثانية : مدة الشركة .

عشر سنوات هجرية تبدأ من تاريخ تسجيلها في المجل التجاري وتتجدد تلقائياً ما لم يقرر الشركاء خلاف ذلك قبل انتهاء المدة بستة أشهر على الأقل .

المادة الثالثة : مركز الشركة .

مركز الشركة الرئيسي ومحلها القانوني مدينة الرياض ويجوز افتتاح فروع أو مكاتب لها في أية مدينة داخل المملكة العربية السعودية أو خارجها بقرار من الشركاء بناءً على اقتراح مدير عام الشركة .

المادة الرابعة : أغراض الشركة .

تحدد أغراض الشركة فيما يلي :-

- ١ - بيع وشراء وتجارة واستئجار وتأجير وتلك المعدات والأدوات والآلات الميكانيكية والكهربائية بمختلف أنواعها بما في ذلك المعدات الثقيلة والخفيفة وتوفير وبيع قطع الغيار اللازمة لها وإدارة وتشغيل ورش الصيانة اللازمة لتلك المعدات وتقديم الخدمات الفنية المطلوبة لها .
 - ٢ - القيام بأعمال النقل البحري للمبضائع وتمثيل الشركات الأجنبية والمحلية وفقاً للأنظمة السارية في هذا الشأن .
- ويجوز أن يكون للشركة مصلحة أو أن تشارك بأي وجه من الوجوه مع أية شركة أو مؤسسة أخرى تزاوُل نشاطاً مماثلاً أو أن تتداخَلَ فيها ، وذلك بقرار من جمعية الشركاء يصدر وفقاً لأحكام هذا العقد وبعد استيفاء كافة الاجراءات النظامية اللازمة .

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ترخيص رقم ٥٢

تلفون ٣٦٢٣١

ص.ب ٤٦١٥ تليكس ٢٠١٦٧٧

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المادة الخامسة : رأس مال الشركة .

حدد رأس مال الشركة ببلغ (٥٠٠.٠٠٠) ريال سعودي ، وخمسة آلاف ريال سعودي ، ومقسم الى (٥٠٠٠) حصة ، خمسة آلاف حصة ، نقدية مساوية القيمة ، وقيمة كل حصة مائة ريال .

وقد تم توزيع الحصص على الشركاء على النحو التالي :-

النسبة المئوية في رأس المال	القيمة الاجمالية	عدد الحصص	اسم الشريك
٪٦٠	٣٠٠.٠٠٠	٣٠٠٠	السيد أحمد بن سالم بن محفوظ
٪٤٠	٢٠٠.٠٠٠	٢٠٠٠	الشركة السعودية للاقتصاد والتنمية (سدكس - س)
٪١٠٠	٥٠٠.٠٠٠	٥٠٠٠	المجموع :

ويقر الشركاء بأنه قد تم ايداع قيمة الحصص لدى البنك الأهلي التجاري بموجب الشهادة الصادرة من البنك المذكور .

المادة السادسة : عدم قابلية الحصص للتجزئة .

كل حصة في رأس مال الشركة غير قابلة للتجزئة وانما آلت ملكية الحصة لأكثر من شخص لأى سبب من الأسباب فانه يجوز للشركة أن تقرر وقف استعمال الحقوق المتعلقة بها الى أن يختار الشركاء من بينهم من يعتبر مالكا منفردا لها في مواجهة الشركة . كما يجوز للشركة أن تحدد لهؤلاء الميعاد لاجراء هذا الاختيار والا كان من حقها بعد انقضاء الميعاد المذكور أن تبيع الحصة لحساب مالكيها وفي هذه الحالة تعرض الحصة على الشركاء أولا ثم على الغير بعد أخذ موافقة الجهات المختصة .

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ترخيص رقم ٤٥٢

تلفون ٣٦٢٣١

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المادة السابعة :

الحصص قابلة للانتقال بين الشركاء* وكذلك الى ورثتهم الشرعيين بلا قيد أو شرط . ويجوز للشريك أن يتنازل عن حصصه كلها أو بعضها للغير بشرط مراعاة الشروط التالية بالإضافة الى الأحكام المنصوص عليها في نظام الشركات :

أ - على الشريك الذي يرغب في بيع حصصه أو قسم منها أن يبلغ شريكه خطياً عن اسم الشخص الذي يرغب التنازل له وسعر الحصص والشروط التي ينوي وضعها . ويكون للشريك الآخر خلال ثلاثين يوماً من تاريخ التبليغ حق الأولوية في شراء الحصص بثمنها الحقيقي .

ب - اذا انقضت مدة الثلاثون يوماً المشار إليها دون أن يستعمل الشريك الآخر حقه في الاسترداد وكان لمالك الحصص الحق في التصرف بها .

ج - اذا كان التنازل للغير بغير عوض، وجب على الشريك طالب الاسترداد دفع قيمتها وفقاً لآخر جرد أجرته الشركة .

المادة الثامنة : الحقوق والالتزامات المتعلقة بالحصص .

كل حصص في رأس المال تخول مالكيها الحق في قدر مماثل للقدر الذي يتألفه مالك أية حصص في أرباح الشركة وفي الاشتراك والتصويت في جميع الجلسات العمومية للشركاء* .

المادة التاسعة : زيادة وتخفيض رأس المال .

يجوز بموافقة جميع الشركاء* زيادة رأس مال الشركة مرة أو أكثر سواءً باصدار حصص جديدة أو بتحويل المال الاحتياطي الى حصص . وفي حالة اصدار حصص نقدية

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ترخيص رقم ٤٥٢٥

تلفون ٣٦٢٣١

ص.ب ٤٦١٥ نيلكس ٢٠١٦٧٧

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جديدة يكون للشركاء أولوية تملك هذه الحصص بنسبة ما يملكه كل منهم من حصص أصلية. كما يجوز تخفيض رأس المال لأي سبب من الأسباب وبالكيفية التي يقررها الشركاء وفي جميع الأحوال يجب استيفاء كافة الاجراءات والأحكام التي تتطلبها الأنظمة المعمول بها.

المادة العاشرة: توزيع الأرباح.

توزم الأرباح بعد خصم المصروفات العمومية والنفقات وبعد استئزال الاستهلاك على النحو التالي :-

- ١ - يجنب مبلغ يعادل ١٠٪ من الأرباح لتكوين احتياطي الشركة. وللشركاء أن يقرروا وقف هذا التجنيد في أي وقت.
- ٢ - يوزم الباقي من الأرباح الصافية على أساس نسبة كل من الطرفين في رأس المال.

المادة الحادية عشرة: ادارة الشركة.

تم تعيين السيد صالح بن سالم بن محفوظ مديرا عاما للشركة وهو بهذه الصفة يقوم بتصريف الأعمال الادارية للشركة وتسيير أمورها اليومية.

ويكون للمدير العام أوسع الصلاحيات والسلطات لتمثيل الشركة في علاقاتها مع الغير ولدى كافة الجهات الحكومية والادارية والقضائية وله بهذه الصفة التماسل باسمها مع الغير واهرام كافة العقود والاتفاقيات والمعاملات الداخلة في أفراض الشركة وبما فيها المعاملات المالية والمصرفية وكما له أن يفوض غيره في كل أو بعض صلاحياته المذكورة.

المادة الثانية عشرة: السنة المالية للشركة.

تبدأ السنة المالية للشركة في الأول من شهر محرم من كل سنة هجرية وتنتهي

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ترخيص رقم ٤٥٢٥

تلفون ٣٦٢٣١

ص.ب ٤٦١٥ تليكس ٢٠١٦٧٧

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في نهاية شهر ذي الحجة من ذات العام وعلى أنه استثناء من ذلك فإن السنة المالية الأولى تبدأ من تاريخ تسجيل الشركة في السجل التجاري وتنتهي في نهاية شهر ذي الحجة من السنة التالية .

المادة الثالثة عشره : مراقب الحسابات .

يكون للشركة مراقب حسابات تختاره جمعية الشركاء سنويا من بين المحاسبين القانونيين المرخص لهم بالعمل في المملكة العربية السعودية ويتقاضى مراقب الحسابات أتعابا تحددها جمعية الشركاء في قرار التعمين .

المادة الرابعة عشره : واجبات مراقب الحسابات .

مراقب الحسابات مكلف بملاحظة تطبيق عقد الشركة ونظام الشركات وطيه مراجعته قوائم الجرد والحسابات الختامية السنوية وتقديم تقرير عن ذلك الى جمعية الشركاء بالاضافة الى ذلك على مراقب الحسابات أن يدقق ويفحص دفاتر الشركة ويثبت لجمعية الشركاء أن كشف الحسابات هو مطابق لقيود ودفاتر الشركة . وله في سبيل ذلك الاطلاع على جميع دفاتر وسجلات الشركة ووثائقها وطلسب الايضاحات التي يرى ضرورة الحصول عليها .

المادة الخامسة عشره :

تعد الشركة سجلا خاصا بالحصر يقيد فيه أسماء الشركاء وعدد الحصص التي يمتلكها كل منهم وكافة التصرفات التي ترد على هذه الحصص . ولا ينفذ انتقال ملكية هذه الحصص في مواجهة الشركاء أو الغير الا اذا تم قيد السبب الناقل للملكية في السجل المذكور .

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رخص رقم ٥٢

تلفون ٣٦٢٣١

ص.ب ٤٦١٥ تليكس ٢٠١٦٧٧

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المادة السادسة عشره : الجمعية العامة للشركاء* .

جمعية الشركاء* المكونة تكوينا صحيحا تمثل جميع الشركاء* ويجوز انعقادها في المقر الرئيسي للشركة أو في أي مكان آخر ولكل شريك حق حضور جمعية الشركاء* مهما كان عدد الحاضر التي يمتلكها سواء كان ذلك بالاصالة أو بالنيابة. ولكل شريك عدد من الأصوات بقدر ما يملكه أو يمثله من حصص دون تعدد.

المادة السابعة عشره : عقد الجمعية العامة للشركاء* .

توجه الدعوة لحضور جمعية الشركاء* بخطابات مسجلة وتبلغ لكل شريك على عنوانه قبل موعد انعقاد الجمعية بعشرة أيام على الأقل ويحدد في الدعوة بيان جدول الأعمال ومكان الاجتماع وزمانه .

المادة الثامنة عشره : قرارات جمعية الشركاء* العامة .

لا يجوز لجمعية الشركاء* أن تتداول في غير المسائل الواردة في جدول الأعمال المبين في الدعوة وذلك ما لم يحضر جميع الشركاء* ويقرروا خلاف ذلك والقرارات التي تصدرها الجمعية تكون ملزمة لجميع الشركاء* . وتصدر قرارات الشركاء* بأغلبية عدد منهم يملك ٧٥٪ من رأس المال باستثناء زيادة الأرباح المالية للشركاء* أو تغيير جنسية الشركة حيث يلزم لذلك اجماع الشركاء* .

المادة التاسعة عشره :

يتم ابلاغ الاخطارات والاشعارات المختلفة الموجهة الى كل شريك في أي شأن من شؤون الشركة بطريق البريد المسجل على عنوان الشريك المبين في سجل الشركة .

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رخصيص رقم « ٥٢ »

تلفون ٣٦٢٣١

ص.ب ٤٦١٥ تليكس ٢٠١٦٧٧

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- ٨ -

المادة العشرون :

في حالة انقضاء الشركة لأي سبب من الأسباب تصدر جمعية الشركاء قراراً بتصفية الشركة وتعيين المصفي أو المصفين كما تعدد سلطاتهم ومكافآتهم والمدة التي يجب أن تتم فيها التصفية.

المادة الحادية والعشرون :

كل ما لم يرد به نص صريح في هذا العقد يطبق بشأنه أحكام نظام الشركات .

المادة الثانية والعشرون :

حرر هذا العقد من ستة نسخ وقع عليها الشريكان وتسلم كل منهما نسخة وخصصت النسخ الباقية لأفراد تسجيل وشهر الشركة طبقاً للأنظمة المتبعة في هذا الشأن . وقد فوض الشركاء الأستاذ شفيق عبد الحكيم عثمان في اتخاذ الاجراءات اللازمة لتسجيل الشركة وشهرها والتوقيع على كافة الأوراق والمستندات اللازمة لذلك .

الطرف الأول

الطرف الثاني





بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

لقد تم صياغة هذا العقد بصورته المطبوعه في تاريخ ١٤٢٤هـ الموافق ١٦/١٢/٢٠٠٢م في
بناية رقم ٩١ شارع الملك فيصل مع شارع الحزان - الملكة العربية السعودية
٢٠١٦٧ ٤٦١٥

Licence No. "52"

Telephone 36231

P.O. Box 4615

Tel. 301677

عمارة الموسى (تقاطع شارع الملك فيصل مع شارع الحزان - خلف عمارة الغزيرة)

الرياض - الملكة العربية السعودية

ترخيص رقم ٥٠٢٥

تلفون ٣٦٢٣١

ص.ب ٤٦١٥ تليكس ٢٠١٦٧٧

Confidentiality Agreement

Mr. Isam Banaja ("Recipient") has been engaged by SEDCO Holding ("the Client") to serve as a non executive member of Auto World Board of Directors with all its rights and privileges ("the Function").

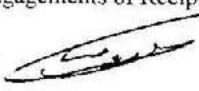
Recipient recognizes that confidential information concerning the Client will be furnished by the Client to Recipient in connection with the Function ("Confidential Information"). Recipient agrees that it will not disclose any Confidential Information to any person who is not a director, officer, employee or agent of the Client without the consent of the Client and will not use such information for any purpose other than the provision of consulting services to the Client. Confidential Information shall not include information that (i) is in the possession of Recipient prior to its receipt of such information from the Client, (ii) is or becomes publicly available other than as a result of a breach of this agreement by Recipient.

In the event that Recipient receives a request to disclose all or any part of any Confidential Information under an order issued by a legally authorized body, such disclosure by Recipient shall not constitute a violation of this agreement provided that Recipient (a) promptly notifies the Client of the existence, terms and circumstances surrounding such request, (b) consults with the Client on the advisability of taking available legal steps to resist or narrow such request, and (c) if disclosure of such Confidential Information is required or deemed advisable, exercises its best efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such portion of the Confidential Information to be disclosed which the Client designates. Recipient shall be entitled to reimbursement for its expenses, including the fees and expenses of its counsel, in connection with action taken pursuant to this paragraph.


All records, notes, documents and other tangible information supplied by the Client to Recipient in connection with the Function and all copies, reprints, reproductions or translations thereof made and retained by Recipient, will upon request be returned by Recipient to the Client or destroyed.

This agreement shall remain in effect after the termination of the Function and also apply to future engagements of Recipient with the Client.

"Client"

By :  Dr. Adnan Soufi
Title : CEO, SEDCO Holding
Date : 30/03/2016

"Recipient"

Name : Mr. Isam Banaja
Title : Board Member, Auto World
Date : 30/03/2016 



التاريخ: 2010 / 5 / 29

الموضوع: قرار تكوين مجلس المديرين

ان رئيس مجلس ادارة سدكو القابضة بناء على التفويض من مجلس الشركاء وقرار مجلس ادارة سدكو القابضة بتاريخ 24 فبراير 2010م عليه فقد تقرر:

- 1- تكوين مجلس المديرين لشركة معدات الجزيرة المحدودة لمدة ثلاثة اعوام اعتبارا من 2010/3/1م
- 2- يتكون مجلس المديرين من كل من:

رئيس لمجلس المديرين	(1) الأستاذ / يوسف يعقوب خياط
عضوا	(2) السيد / ممثل شركة سدكو القابضة
عضوا	(3) الأستاذ / عصام عبدالعزيز باناجة
عضوا	(4) الأستاذ / محمد عبدالله المحضار
عضوا	(5) الأستاذ / خالد احمد علي بن محفوظ

اعمال المجلس يحكمها النظام المرفق والمعتمد من مجلس ادارة شركة سدكو القابضة

والله الموفق،،،

صالح سالم بن محفوظ

رئيس مجلس الإدارة

صورة مع التحية الي:-

- رئيس مجلس مديرين شركة معدات الجزيرة المحدودة
- اعضاء مجلس مديرين شركة معدات الجزيرة المحدودة
- الرئيس التنفيذي لشركة سدكو القابضة
- الممثل القانوني العام

SEDCO
HOLDING

سدكو
القابضة

23/3/2011

١٤٣٢/٠٤/١٨

Announcement
Re. Auto-World Board

I am Please to make to following appointments :

Dr. Essam A. Banaja Chairman of the Board.

Mr. Salem Balleith Board Member.

Mr. Hosam H. Al-Shohtey Secretary of the Board.

All these appointment are effective immediatly

Kind Regards

Saleh S. Bin Mahfouz

Chairman of the Board
SEDCO Holding

بيان

بخصوص مجلس منيري شركة معدات الجزيرة
يسرني إعلان التعيينات التالية:-

تعيين الدكتور / عصام عبدالعزيز باناجة رئيس مجلس المديرين.

تعيين الأستاذ / سالم بالليث عضواً بمجلس المديرين.

تعيين الأستاذ / حسام الدين حلمي الشحتي أمين سر المجلس.

يتم العمل بهذه القرارات ابتداءً من تاريخه.

وتقبلوا فائق تحياتي،

صالح سالم بن محفوظ

رئيس مجلس الإدارة

سدكو القابضة

Confidentiality Agreement

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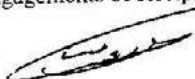
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"Client"

By : 
Dr. Adnan Soufi
Title : CEO, SEDCO Holding
Date : 30/03/2010

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Name : Mr. Isam Banaja
Title : Board Member, Auto World
Date : 30/03/2010 



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شركة معدات الجزيرة المحدودة

رأس المال ٥٠٠,٠٠٠ ريال سعودي
س.ت: ٥٧٣٤ - تلفون: ٤٠٧ - ٨٥٧
تلكس: AUTOWD ٦٠٢٦٩٨
ص.ب: ١٥٢٨ الخبر - المنطقة العربية السعودية

محضر اجتماع
جمعية الشركاء

مقر الاجتماع : الشركة السعودية للاقتصاد والتنمية المحدودة الكائن بعمارة البنك
الاهلي التجاري / فرع الخالديه - جده .
تاريخ وقت الاجتماع : يوم السبت بتاريخ ٢٤/صفر / ١٤٠٥ هـ الموافق ١٧/١١/١٩٨٤م الساعة
التاسعه صباحا .
الحضور : الشيخ / أحمد سالم بن محفوظ - عن نفسه .
الشيخ / صالح سالم بن محفوظ - عن الشركة السعودية للاقتصاد
والتنمية المحدوده .
أجندة الاجتماع : بحث امكانية تعديل المواد الاولى والثانيه والرابعه والخامسه
والثانيه عشر من عقد تأسيس الشركه .

ناقش الاجتماع امكانية تعديل المواد أعلاه بما يتناسب وظروف الشركه الحاليه
وبناء على توصيه من المدير العام ، وعليه اتخذ القرارات الآتية باجماع الشركاء :-

القرار الاول :-

وافق وقرر المجتمعون بالاجماع على تعديل نص الماده الاولى من عقد التأسيس لتصبح
كالآتي :-
الماده الاولى : اسم الشركه
يكون اسم الشركه هو شركة معدات الجزيرة المحدوده (عالم السيارات) .

القرار الثاني :-

قرر المجتمعون تعديل نص الماده الثالثه من عقد التأسيس ليكون كالآتي :-
الماده الثالثه : مركز الشركه
مركز الشركه الرئيسي ومحلها القانوني مدينة الخبر ويجوز افتتاح فروع أو مكاتب
لها في اية مدينه داخل المملكه العربيه السعوديه أو خارجها بقرار من الشركاء
بناءً على اقتراح مدير عام الشركه .

أ.ت.



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شركة مععدات الجزيرة المحدودة

رأس المال ٥٠٠.٠٠٠ ريال سعودي
ص.ب : ٥٧٣٤ - تلفون : ٨٥٧-٤٠٠٧
تلکس : AUTOWD ٦٠٢٦٩٨
ص.ب : ١٥٢٨ الخبر - المنطقة العربية السعودية

(٢)

القرار الثالث :-

- قرر المجتمعون تعديل نص المادة الرابعة من عقد التأسيس ليكون كالتالي :-
- المادة الرابعة : أغراض الشركة
تحدد أغراض الشركة فيما يلي :-
- ١- التجاره في السيارات وقطع غيارها ومستلزماتها وصيانتها والوكالات في نفس المجال .
 - ٢- التجاره في الآلات والمعدات الثقيله وقطع غيارها ومستلزماتها وصيانتها والوكالات في نفس المجال .
 - ٣- التجاره في المنتجات البترولية والوكالات التجاريه في نفس المجال .
 - ٤- تأجير السيارات والمعدات والآلات .
- ويجوز أن يكون للشركه مملحه أو أن تشترك بأي وجه من الوجوه مع أية شركه أو مؤسسه اخرى تراول نشاطا مماثلا أو أن تندمج فيها وذلك بقرار من جمعية الشركاء يصدر وفقا لاحكام هذا العقد وبعد استيفاء كافة الاجراءات النظاميه اللازمه .

القرار الرابع :-

- وافق الشركاء على زيادة رأس مال الشركة الى عشرين مليون ريالاً موزعه على (٢٠٠.٠٠٠) حصه وبناء عليه يتم تعديل المادة الخامسه لتصبح كالتالي :-
- المادة الخامسه : رأس مال الشركة
حدد رأسمال الشركة بمبلغ عشرين مليون ريالاً سعودياً مقسم الى مائتين الف حصه نقديه متساوية القيمة وقيمة كل حصه مائة ريال سعودي .
- وقد تم توزيع الحصص على الشركاء على النحو التالي :-
- عدد الحصص الاجماليه النسبه المئويه اسم الشرك
- بالريال السعودي في رأس المال

اسم الشرك	عدد الحصص الاجماليه النسبه المئويه	بالريال السعودي في رأس المال
الشركه السعوديه للاقتصاد والتنميه المحدوده	١٩٧.٠٠٠	١٩٧.٠٠٠.٠٠٠
الشيخ / أحمد سالم بن محفـوظ	٣.٠٠٠	٣٠٠.٠٠٠
	١٩٨.٠٠٠	١٩٨.٠٠٠.٠٠٠
	٢٠٠.٠٠٠	٢٠٠.٠٠٠.٠٠٠

ويقر الشركاء بأنه قد تم دفع (٥٠٠.٠٠٠) ريالاً من قيمة الحصص لدى البنك الاهلي بموجب الشهاده الصادره من البنك المذكور وتم دفع (١٩٨.٠٠٠.٠٠٠) ريالاً بموجب تحويل



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شركة معدات الجزيرة المحدودة

رأس المال ٥٠٠٠٠٠٠ ريال سعودي
ن.ت : ٥٧٣٤ - تلفون : ٤٠٠٧ - ٨٥٧
تلكس : ٦٠٢٦٩٨ AUTOWD SJ
ص.ب : ١٥٢٨ الخبر - المملكة العربية السعودية

(٣)

- جزء من مديونية الشركة السعودية للاقتصاد والتنمية المحدودة على الشركة

القرار الخامس

وافق وقرر المحتمعون على تغيير السنة المالية للشركة من التقويم الهجري للتقويم الميلادي وعليه يتم تعديل المادة الثانية عشر من عقد التأسيس لتكون كالآتي :-
المادة الثانية عشر : السنة المالية للشركة
تبدأ السنة المالية للشركة في الاول من شهر يناير من كل سنة ميلادية وتنتهي في اليوم الحادي والثلاثين من ديسمبر من ذات السنة .

- وبانتهاء ذلك انفض الاجتماع في الساعة الثانية والنصف بعد الظهر .

صالح سالم بن محفوظ
الشركة السعودية للاقتصاد والتنمية
المحدودة



أحمد سالم بن محفوظ
عن نفسه



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شركة معذات الجزيرة المحدودة

رأس المال ٥٠٠.٠٠٠ ريال سعودي
س.ب. ٥٧٣٤ - تلفون: ٤٠٠٧ - ٨٥٧
تلکس: AUTOWD ٦٠٢٦٩٨ ابي
ص.ب. ١٥٢٨ الضيفر - المملكة العربية السعودية

ملحق عقد

تأسيس شركة معذات الجزيرة المحدودة

ملحق العقد

فيما بين كل من :-

- ١- الشركة السعودية للاقتصاد والتنمية المحدودة .
- ٢- الشيخ / أحمد سالم بن محفوظ .

وهما الشريكان في شركة معذات الجزيرة المحدودة. والمقيد به بالسجل التجاري بمدينته الرياض برقم ٢٢٥٧٦ وتاريخ ١٣٩٩/٦/٢٠ هـ . ووفقا لقرار جمعية الشركاء فقد وافق الشريكان على تعديل عقد الشركة وفقا لما يلي :-

أولا : تعديل المادة الثالثة والخاصة بالمركز الرئيسي لتصبح كما يلي :-

المادة الثالثة : مركز الشركة

مركز الشركة الرئيسي ومحلها القانوني مدينة الخبر ويجوز افتتاح فروع أو مكاتب لها في أية مدينة داخل المملكة العربية السعودية أو خارجها بقرار من الشركاء بناء على اقتراح مدير عام الشركة .

ثانيا : تعديل المادة الرابعة الخاصة بأغراض الشركة لتكون كالآتي :-

المادة الرابعة : أغراض الشركة

تحدد أغراض الشركة فيما يلي :-

- ١- التجاره في السيارات وقطع غيارها ومستلزماتها وصيانتها .
- ٢- التجاره في الآلات والمعدات الثقيله وقطع غيارها ومستلزماتها وصيانتها .
- ٣- التجاره في المنتجات البترولية .
- ٤- تأجير السيارات والمعدات والآلات .
- ٥- الوكالات التجارية في نفس المجال .
- ٦- بعد الحصول على التراخيص اللازمة من جهات الاختصاص ووفقا للأنظمة المتبعة بالمملكة .

ثالثا : مادة رابعه مكرر

يجوز أن يكون للشركه مملحه أو أن تشترك بأي وجه من الوجوه مع أية شركه أو مؤسسه اخرى تزاول نشاطا مماثلا أو أن تندمج فيها وذلك بقرار من جمعية الشركاء يصدر وفقا لأحكام هذا العقد واستيفاء كافة الاجراءات النظاميه اللازمه .





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شركة معَدَات الجزيرة المحدودة

رأس المال ٥٠٠.٠٠٠ ريال سعودي
من ت: ٥٧٣٤ - تليفون: ٨٥٧-٤٠٠٧
تلکس: AUTOWD ٦٠٢٦٩٨ س.ج
ص.ب: ١٥٢٨ الخبر - المملكة العربية السعودية

(٢)

رابعاً: تعديل المادة الخامسة الخاصة برأسمال الشركة لتقرأ كالتالي :-

المادة الخامسة : رأسمال الشركة

حدد رأسمال الشركة بمبلغ عشرين مليون ريالاً سعودياً مقسماً الى مائتين الف حصه
نقدية متساوية القيمة وقيمة كل حصه مائة ريال سعودي .
وقد تم توزيع الحصص على الشركاء على النحو التالي :-

اسم الشريك	عدد الحصص	القيمة الاجمالية بالريال السعودي	النسبة المئوية في رأس المال
١- الشركة السعودية للاقتصاد والتنمية المحدوده	١٩٧,٠٠٠	١٩,٧٠٠,٠٠٠	٩٨% /
٢- الشيخ / أحمد سالم بن محفوظ	٣,٠٠٠	٣٠٠,٠٠٠	١% /
	٢٠٠,٠٠٠	٢٠,٠٠٠,٠٠٠	١٠٠% /

ويقر الشركاء بأنه قد تم دفع خمسمائة الف ريال من قيمة الحصص لدى البنك الاهلي
التجاري بموجب الشهاده الصادره من البنك المذكور عند تأسيس الشركة وتم تحويل
مبلغ تسعة عشر مليوناً وخمسمائة الف ريالاً من حساب جاري الشركة السعوديه
للاقتصاد والتنمية المحدوده الدائن بموجب شهادة مراقب الحسابات المرفقة .

خامساً: تعديل المادة الثانيه عشر الخاصه بالسنة الماليه للشركه لتصبح كالتالي :-

المادة الثانيه عشر : السنة الماليه للشركه

تبدأ السنة الماليه للشركه في الاول من شهر يناير من كل سنة ميلاديه وتنتهي في
اليوم الحادي والثلاثين من ديسمبر من ذات السنة .

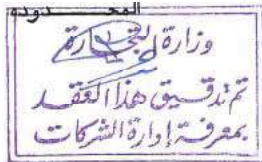
سادساً: تبقي باقي بنود العقد الاصلي دون تعديل .

والله الموفق ، ، ، ،

أحمد سالم بن محفوظ
عن نفسه

صالح سالم بن محفوظ
عن الشركه السعوديه للاقتصاد والتنمية

المحضر "سكوك"



حرر هذا الملحق من ثلاث نسخ

التعديل الأول

Al-Jazira Equipment Company Ltd.

Capital : 20,000,000 Saudi Riyals
P. O. Box 1528, Al-Khobar-31952, Saudi Arabia
Phone : 857-4007, 857-2371, 857-2395
Fax : 857-2407, Telex : 802698 AUTOWD SJ
C. R. 5734

عالم السيارات



شركة معدات الجزيرة المحدودة

رأس المال ٢٠.٠٠٠.٠٠٠ ريال سعودي
ص.ب ١٥٢٨ الخبر ٣١٩٥٢ المملكة العربية السعودية
للفون ٨٥٧-٢٣٩٥-٨٥٧-٢٣٧١-٨٥٧-٢٣٩٥
فاكس ٨٥٧-٢٤٠٧ - تلكس ٨٠٢٦٩٨ أوتودسج
ص.ت ٥٧٣٤

قرار الشركاء بتعديل عقد تأسيس شركة معدات الجزيرة
ذات المسئولية المحدودة
بتاريخ ١٥ / ١١ / ١٤١٣ هـ الموافق ٦ / ٥ / ١٩٩٢ م

لقد سبق للاطراف الاتيه اتسواهم :

- ١ - السيد / احمد بن سالم بن محفوظ (طرف اول)
- ٢ - الشركة السعودية للاقتصاد والتنمية (سكو) (طرف ثانى)

تأسيس شركة معدات الجزيرة المحدودة المقيدة بالسجل التجارى
بمدينته الخبر رقم ٢٠٥١٠٠٥٧٣٤ وتاريخ ١٢ / ٣ / ١٤٠٠ هـ والمنفبت عقد
تأسيسها لدى كتابية العدل بالرياض بالعدد ٢٠٢٢ وتاريخ ١٦ / ٤ /
١٣٩٩ هـ وبلغته رقم ٢٧٥٢ وتاريخ ٢٤ / ٧ / ١٤٠٥ هـ .
وحيث ان الطرف الثانى " الشركة السعودية للاقتصاد والتنمية (سكو)"
رغبت فى بيع كامل حصصها البالغه ١٩٧٠٠٠ (مائه وسبعه وتسعون الف
حصه) الى السيد / صالح بن سالم بن محفوظ بمبلغ اجمالى وقدره /
١٩٢٠٠٠٠ (تسعه عشر مليوناً ومائتين الف ريال) الذى وافق على
هذا الشراء وملت اليه ملكيه جميع حصص الطرف الثانى فى شركة معدات
الجزيره بما لها من حقوق وماعليها من التزامات وقد وافق الطرف
الاول على هذا البيع واستوفى جميع الاطراف حقوقهم قبل بعضهم البعض
بما فى ذلك تقييمه الشراء ويعتبر توفيعهم على هذا القرار بمثابة
مخالصه تامه وشامله ونهائيه فيما بينهم .
لذا فقد قرر الشركاء بالاجماع تعديل عقد تأسيس شركة معدات الجزيرة
وفقا لما يلى :

اولاً : يعتبر التمهيد السابق جزء لا يتجزأ من هذا القرار

ثانياً : تعديل مقدمه العقد الاساسى ليصبح الشركاء الحاليون المالكين للشركة
هم :

١ - السيد / صالح بن سالم بن محفوظ سعودى الجنسية بموجب حفيظه النفوس
رقم ٢٧٥٥٩ وتاريخ ٢٨ / ٢ / ١٣٨٨ هـ وصادره من جده من مواليد جده
بتاريخ ١٣٦٩ ومهنته رجل اعمال ومقيم فى مدينه جده
(طرف اول)

٢ - السيد / احمد بن سالم بن محفوظ سعودى الجنسية بموجب حفيظه النفوس
رقم ٥٠٩٣٢ وتاريخ ١٩ / ٩ / ١٣٩٥ هـ صادره من جده من مواليد جده
بتاريخ ١٣٧٦ هـ ومهنته موظف اهلى ومقيم فى مدينه جده
(طرف ثانى)

ثالثاً : تعدل المادة الخامسه من عقد تأسيس شركة معدات الجزيرة الخاصه
برأس المال لتصبح على النحو التالى :

رأس المال :

حدد رأس مال الشركة بمبلغ ٢٠.٠٠٠.٠٠٠ (عشرون مليون ريال سعودى)
مقسم الى ٢٠٠.٠٠٠ (مائتى الف) حصه بتقدير متساوية القيمة قيمه كل
حصه ١٠٠ (مائه) ريال سعودى تم توزيعها على الشركاء كالتالى :

وزارة التجارة والاعمال
تم شركات
م تعديل شروط عقد تأسيس الشركة
م ()

Al-Jazira Equipment Company Ltd.

Capital : 20,000,000 Saudi Riyals
P. O. Box 1526, Al-Khuber-51952, Saudi Arabia
Phone : 857-4007, 857-2371, 857-2395
Fax : 857-2407, Telex : 802698 AUTOWD SJ
C. R. 5784

عالم السيارات



شركة معدات الجزيرة المحدودة

رأس المال ٢٠.٠٠٠.٠٠٠ ريال سعودي
ص.ب ١٥٢٦ الخبر ٥١٩٥٢ المملكة العربية السعودية
للفون ٨٥٧-٢٣٩٥-٨٥٧-٢٣٧١-٨٥٧-٤٠٠٧
فاكس ٨٥٧-٢٤٠٧ - تليكس ٨٠٢٦٩٨ أوتو وس ج
ص.ت ٥٧٨٤

(٢)

اسم الشريك	عدد الحصص	قيمة الحصص بالريال	الاجمالي بالريال	النسبة
١ - السيد / صالح بن سالم بن محفوظ	١٩٧,٠٠٠	١٠٠	١٩٧,٠٠٠,٠٠٠	٩٨.٥ %
٢ - السيد / احمد بن سالم بن محفوظ	٣,٠٠٠	١٠٠	٣٠٠,٠٠٠	١.٥ %
	٢٠٠,٠٠٠	١٠٠	٢٠٠,٠٠٠,٠٠٠	١٠٠ %

ويقر الشريكان بانه تم توزيع الحصص فيما بينهم وانه سبق وان تم الوفاء برأس مال الشركة عند التأسيس

رابعاً :- يقر الشريك الجديد / صالح بن سالم بن محفوظ بانه قد اطلع على مسبقاً وقد تأسس شركه معدات الجزيرة ويلتزم بجميع النصوص الواردة فيه

خامساً :- تبقى باقى مواد العقد الاساسي التي لم يشملها هذا القرار كما هس عليه بدون تعديل او تغيير .

سادساً :- حرر هذا القرار من (٥) نسخ استلم كل طرف نسخه منه للعمل بموجبها والنسخ الاخرى لتقديمها الى الجهات المختصة لاستكمال الاجراءات النظاميه وقد فوض الشركاء مكتب الدكتور / احمد عبد الله العودلى المحامس والسيد / حبيب عبد الله المؤمن والسيد / عزيز عبد الله المؤمن مجتمعين ومنفردين في اتعام هذه الاجراءات عليه تم التوقيع .

الطرف الاول :-

الطرف المنسحب
الاسم / الشركة السعوديه للاقتصاص
والتميمه (سادكو)

الاسم / صالح بن سالم بن محفوظ
التوقيع /

منها / السيد / عزيز عبد الله المؤمن
بالوكالة الشرعيه رقم ٣٥ كتابه عدل جده / ٢

منه : السيد / عزيز عبد الله المؤمن
بالوكالة الشرعيه رقم ٣٩ وتاريخ
١١ / ١١ / ١٤١٣ هـ كتابه عدل جده / ٢

التوقيع /

الطرف الثاني :-

الاسم / احمد بن سالم بن محفوظ



التوقيع /

<p>Al Jazira Equipment Company Ltd. Capital: S.R. 20,000,000 C. R. 2051005734 P. O. Box 1528, Al Khobar 31952, Saudi Arabia Telephone: 857-4007 - Fax: 857-2407</p> <p>LEASING PROFESSIONALS</p>	<p>عالم السيارات</p>  <p>AUTO WORLD</p>	<p>شركة معدات الجزيرة المحدودة رأس المال ٢٠.٠٠٠.٠٠٠ ريال سعودي س.ت: ٢٠٥١٠٠٥٧٣٤ ص.ب ١٥٢٨ الخبر ٣١٩٥٢ - المملكة العربية السعودية تلفون: ٨٥٧-٤٠٠٧ - فاكس: ٨٥٧-٢٤٠٧</p> <p>أخصائيو تأجير</p>
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لتقريب الثاني

قرار الشركاء بتعديل عقد تأسيس شركة
معدات الجزيرة المحدودة (ذات مسئولية محدودة)
بدخول شركاء

بتاريخ ١٤١٧/١/٢٩ هـ الموافق ١٥/٦/١٩٩٦ م
وزارة التجارة - فرع المنطقة الشرقية
قسم الشركات
تم تدقيق القرار ووقع الشركاء والتمت لدينا
برقم (٧٧٧) وتاريخ ١٤١٧/٦/٢٩

طرف اول

طرف ثانى

لقد سبق للاطراف الاتيه اسماءهم :-

١ - السيد / صالح بن سالم بن محفوظ

٢ - السيد / احمد سالم بن محفوظ

تأسيس شركة معدات الجزيرة المحدودة المفيدة بالسجل التجارى بمدينه
الخبر رقم ٢٠٥١٠٠٥٧٣٤ وتاريخ ١٤٠٠/٣/١٢ والمثبت عقد تأسيسها لدى
كاتب عدل الرياض بالعدد رقم ٢٠٢٢ وتاريخ ١٣٩٩/٤/١٦ وملحقه المثبت
لدى كاتب عدل الرياض بالعدد رقم ٢٧٥٣ وتاريخ ١٤٠٥/٧/٢٤ وقرار
الشركاء المثبت لدى فرع وزاره التجاره بالمنطقه الشرقيه برقم ١٠٣
وتاريخ ٢٩ / ١٢ / ١٤١٣ هـ .

وحيث ان الطرف الاول السيد / صالح بن سالم بن محفوظ رغب فى التنازل
عن (١٧٥٤٦٠) مائه خمسه وسبعون الف واربعمائه وستون حصه من اجمالى
حصه فى الشركه البالغه (١٩٧٠٠٠) مائه سبعه وتسعون الف حصه منهم
١٨٧٥٤٠ ثمانينيه عشر الف وخمسمائه واربعون حصه الى الطرف الثانى
احمد سالم بن محفوظ ليصبح مجموع حصصه فى الشركه ٢١٧٥٤٠ حصه
(واحد وعشرون الف وخمسمائه واربعون) حصه وكذلك تنازل عن ١٥٦٩٢٠
(مائه سنه وخمسون الف وتسعمائه وعشرون) حصه الى كل من :-

١ - محمد سالم احمد بن محفوظ (٢١٧٥٤٠) واحد وعشرون الف وخمسمائه

واربعون حصه

٢ - عبد الاله سالم احمد بن محفوظ (٢١٧٥٤٠) واحد وعشرون الف وخمسمائه

واربعون حصه

٣ - عائشه محمد عبد الواحد كعكى (٢٧٧٢٠) سبعه وعشرون الف وسبعمائه

وعشرون حصه

<p>Al Jazira Equipment Company Ltd. Capital: S.R. 20,000,000 C. R. 2051005734 P. O. Box 1528, Al Khobar 31952, Saudi Arabia Telephone: 857-4007 – Fax: 857-2407 LEASING PROFESSIONALS</p>	<p>عالم السيارات  AUTO WORLD</p>	<p>شركة معدات الجزيرة المحدودة رأس المال ٢٠.٠٠٠.٠٠٠ ريال سعودي س.ت: ٢٠٥١٠٠٥٧٣٤ ص.ب ١٥٢٨ الخبر ٣١٩٥٢ - المملكة العربية السعودية تلفون: ٨٥٧-٤٠٠٧ - فاكس: ٨٥٧-٢٤٠٧ أخصائيو تأجير</p>
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- ٤ - فاطمة سالم أحمد بن محفوظ (١٠٠٧٦٠) عشرة الاف وسبعمائه وستون حصه
- ٥ - فتوزيه سالم أحمد بن محفوظ (١٠٠٧٨٠) عشرة الاف وسبعمائه وثمانون حصه
- ٦ - ابتسام سالم أحمد بن محفوظ (١٠٠٧٦٠) عشرة الاف وسبعمائه وستون حصه
- ٧ - ليلى سالم أحمد بن محفوظ (١٠٠٧٦٠) عشرة الاف وسبعمائه وستون حصه
- ٨ - هيفاء سالم أحمد بن محفوظ (١٠٠٧٦٠) عشرة الاف وسبعمائه وستون حصه
- ٩ - راويه سالم أحمد بن محفوظ (١٠٠٧٦٠) عشرة الاف وسبعمائه وستون حصه
- ١٠ - سوسن سالم أحمد بن محفوظ (١٠٠٧٦٠) عشرة الاف وسبعمائه وستون حصه
- ١١ - فناء سالم أحمد بن محفوظ (١٠٠٧٨٠) عشرة الاف وسبعمائه وثمانون حصه

كشركاء جدد في الشركة وقد وافق الاطراف المتنازل المتنازل لهم على هذا التنازل والت اليهم ملكيه جميع الحصص المتنازل عنها بمالها من حقوق وماعليها من التزامات وقد استوفى جميع الاطراف حقوقهم قبل بعضهم البعض ويعتبر توفيقهم على هذا القرار بمشابه مخالفه تامه ونهائيه فيما بينهم .
لذا فقد قرر الشركاء تعديل عقد تاسيس الشركه بالاجماع وفقا لمايلي:

اولا : يعتبر التمهيد السابق جزء لايتجزأ من هذا القرار
ثانيا : تعديل مقدمه العقد الاساسي ليصبح الشركاء الحاليون المالكين للشركه هم :-

- ١ - السيد / محمد سالم أحمد بن محفوظ السعودي الجنسيه بموجب حفيظه النفوس رقم ٣١١٨٦ وتاريخ ٢ / ٨ / ١٣٨٤هـ صادره من جده : من مواليد عام ١٣٦٣هـ مهنته رجل اعمال ؛ مقيم في مدينه جدة - حي الخالديه -
- الامير عبد الله بن عبد العزيز ؛ ص ب ٤٣٨٤ جده (٢١٤٩١) .

" طرف اول "



<p>Al Jazira Equipment Company Ltd. Capital: S.R. 20,000,000 C. R. 2051005734 P. O. Box 1528, Al Khobar 31952, Saudi Arabia Telephone: 857-4007 - Fax: 857-2407</p> <p>LEASING PROFESSIONALS</p>	<p>عالم السيارات</p>  <p>AUTO WORLD</p>	<p>شركة معدات الجزيرة المحدودة رأس المال ٢٠.٠٠٠.٠٠٠ ريال سعودي س.ت: ٢٠٥١٠٠٥٧٣٤ ص.ب ١٥٢٨ الخبر ٣١٩٥٢ - المملكة العربية السعودية تلفون: ٨٥٧-٤٠٠٧ - فاكس: ٨٥٧-٢٤٠٧</p> <p>أخصائيو تأجير</p>
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٢ - السيد / صالح سالم أحمد بن محفوظ : السعودي الجنسية بموجب حفيظه النفوس رقم ٣٧٥٥٩ وتاريخ ٢٨/٢/١٣٨٨هـ صادره من جده ؛ من مواليد عام ١٣٦٩هـ مهنته رجل اعمال ؛ مقيم فى مدينه جدة - حى الخالديه - شارع الامير عبد الله بن عبد العزيز ؛ ص ب ٤٣٨٤ جده ٢١٤٩١ .
" طرف ثانى "

٣ - السيد / عبد الله سالم أحمد بن محفوظ : السعودي الجنسية بموجب حفيظه النفوس رقم ٣٩٤٠١ وتاريخ ٢٨ / ٨ / ١٣٨٩هـ صادره من جده ؛ من مواليد عام ١٣٧١هـ ؛ مهنته رجل اعمال ؛ مقيم فى مدينه جدة ؛ حى الخالديه - شارع الامير عبد الله بن عبد العزيز ؛ ص ب ٤٣٨٤ جده ٢١٤٩١
" طرف ثالث "

٤ - السيد / احمد سالم احمد بن محفوظ السعودي الجنسية بموجب حفيظه النفوس رقم ٥٠٩٣٢ وتاريخ ١٩ / ٩ / ١٣٩٥هـ صادره من جده ؛ من مواليد عام ١٣٧٦هـ مهنته موظف اهلى ؛ مقيم فى مدينه جدة - حى الخالديه - شارع الامير عبد الله بن عبد العزيز ؛ ص ب ٤٣٨٤ جده ٢١٤٩١ .
" طرف رابع "

٥ - السيدة / عائشه محمد عبد الواحد كعكى ؛ السعوديه الجنسية بموجب حفيظه النفوس رقم ٤٧٢٠١ وتاريخ ٤ / ٥ / ١٣٩٤هـ صادره من جده ؛ من مواليد عام ١٣٤٣هـ ؛ مهنتها ربة منزل ؛ مقيمة فى مدينه جدة - حى الخالديه - شارع الامير عبد الله بن عبد العزيز ؛ ص ب ٤٣٨٤ جده ٢١٤٩١
" طرف خامس "

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٢١٤٩١
وزارة التجارة
قسم الشركات
(عقود وقرارات الشركات)
فروع المنطقة الشرقية

<p>Al Jazira Equipment Company Ltd. Capital: S.R. 20,000,000 C. R. 2051005734 P. O. Box 1528, Al Khobar 31952, Saudi Arabia Telephone: 857-4007 – Fax: 857-2407 LEASING PROFESSIONALS</p>	<p>عالم السيارات  AUTO WORLD</p>	<p>شركة معدات الجزيرة المحدودة رأس المال ٢٠.٠٠٠.٠٠٠ ريال سعودي س.ت : ٢٠٥١٠٠٥٧٣٤ ص.ب ١٥٢٨ الخبر ٣١٩٥٢ - المملكة العربية السعودية تلفون : ٨٥٧٠٤٠٠٧ - فاكس : ٨٥٧٠٢٤٠٧ أخصائيو تأجير</p>
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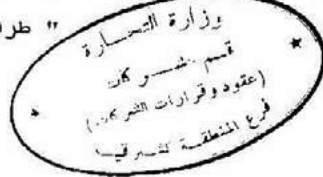
٦ - السيدة / فاطمة سالم أحمد بن محفوظ ؛ السعودية الجنسية والمضمومة الى حفيظة نفوس زوجها ذات الرقم ١١٣١٠ وتاريخ ١٦ / ١٢ / ١٣٧٨ هـ صادره من الرياض ؛ من مواليد عام ١٣٥٢ هـ ؛ مهنتها ربة منزل ؛ مقيمة في مدينة جدة - حي الخالدية - شارع الأمير عبد الله بن عبد العزيز ؛ ص ب ٤٣٨٤ جدة ٢١٤٩١ " طرف سادس "

٧ - السيدة / فوزية سالم أحمد بن محفوظ ؛ السعودية الجنسية والمضمومة الى حفيظة نفوس زوجها ذات الرقم ٤٧٧١ وتاريخ ١٧ / ٦ / ١٣٧٨ هـ صادره من جدة ؛ من مواليد عام ١٣٥٢ هـ ؛ مهنتها ربة منزل ؛ مقيمة في مدينة جدة - حي الخالدية - شارع الأمير عبد الله بن عبد العزيز ؛ ص ب ٤٣٨٤ جدة ٢١٤٩١ " طرف سابع "

٨ - السيدة / ابتسام سالم أحمد بن محفوظ ؛ السعودية الجنسية والمضمومة الى حفيظة نفوس زوجها ذات الرقم ٧٠٢٨٠ وتاريخ ١١ / ٦ / ١٣٨٩ هـ صادره من جدة ؛ من مواليد عام ١٣٧٢ هـ ؛ مهنتها ربة منزل ؛ مقيمة في مدينة جدة - حي الخالدية - شارع الأمير عبد الله بن عبد العزيز ؛ ص ب ٤٣٨٤ جدة ٢١٤٩١ " طرف ثامن "

٩ - السيدة / ليلى سالم أحمد بن محفوظ ؛ السعودية الجنسية والمضمومة الى حفيظة نفوس زوجها ذات الرقم ١٠٣٥٨٢ وتاريخ ٢١ / ١٢ / ١٣٩٥ هـ صادره من مكة ؛ من مواليد عام ١٣٧٢ هـ ؛ مهنتها ربة منزل ؛ مقيمة في مدينة جدة - حي الخالدية - شارع الأمير عبد الله بن عبد العزيز ؛ ص ب ٤٣٨٤ جدة ٢١٤٩١ " طرف تاسع "

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١٠- السيدة / هيفاء سالم أحمد بن محفوظ : السعودية الجنسية والمضمومة الى حفيظة نفوس زوجها ذات الرقم ٧٩٦ وتاريخ ٢٩ / ١ / ١٣٨٨هـ صادره من جدة : من مواليد عام ١٣٧٦هـ : مهنتها ربة منزل : مقيمة في مدينة جدة - حي الخالدية - شارع الأمير عبد الله بن عبد العزيز : ص ب ٤٣٨٤ جدة ٢١٤٩١ " طرف عاشر "

١١- السيدة / راوية سالم أحمد بن محفوظ : السعودية الجنسية والمضمومة الى حفيظة النفوس رقم ٦٠٢٩٧ وتاريخ ٢٤ / ١٢ / ١٣٩٥هـ صادره من جدة : من مواليد عام ١٣٧٤هـ : مهنتها طالبة : مقيمة في مدينة جدة - حي الخالدية - شارع الأمير عبد الله بن عبد العزيز : ص ب ٤٣٨٤ جدة ٢١٤٩١ " طرف حادي عشر "

١٢- السيد / سوسن سالم أحمد بن محفوظ : السعودية الجنسية بموجب حفيظة النفوس رقم ٦٠٨٤٢ وتاريخ ٢٨/٣/١٣٩٦هـ صادره من جدة : من مواليد عام ١٣٧٧هـ : مهنتها طالبة : مقيمة في مدينة جدة - حي الخالدية - شارع الأمير عبد الله بن عبد العزيز : ص ب ٤٣٨٤ جدة ٢١٤٩١ " طرف ثاني عشر "

١٣- السيدة / نغناء سالم أحمد بن محفوظ : السعودية الجنسية والمضمومة الى حفيظة نفوس زوجها ذات الرقم ٣٨٧٤ وتاريخ ١٣/٥/١٤٠٠هـ صادره من جدة : من مواليد عام ١٣٨٤هـ : مهنتها ربة منزل : مقيمة في مدينة جدة - حي الخالدية - شارع الأمير عبد الله بن عبد العزيز : ص ب ٤٣٨٤ جدة ٢١٤٩١ " طرف ثالث عشر "



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بالتالي: تعديل المادة السادسة الخاصة برأس مال الشركة لتصبح على النحو الآتي :

رأس المال

حدد رأس مال الشركة بـ (٢٠.٠٠٠.٠٠٠) عشرون مليون ريال سعودي مقسم الى عشرون مليون حصه متساويه القيمة قيمه كل حصه ١ ريال تم توزيعها على الشركاء كمايلي :-

الإسم	عدد	قيمة	مجموع قيمة	النسبه
	الحصص	الحصه	الحصص	المثويه
١- السيد/محمد سالم أحمد بن محفوظ	٢١٥٣٨٤٦	١	٢١٥٣٨٤٦	١٠.٧٦٩٢٣%
٢- السيد/ صالح سالم أحمد بن محفوظ	٢١٥٣٨٤٦	١	٢١٥٣٨٤٦	١٠.٧٦٩٢٣%
٣- السيد/عبدالله سالم أحمد بن محفوظ	٢١٥٣٨٤٦	١	٢١٥٣٨٤٦	١٠.٧٦٩٢٣%
٤- السيد /أحمد سالم أحمد بن محفوظ	٢١٥٣٨٤٨	١	٢١٥٣٨٤٨	١٠.٧٦٩٢٤%
٥- السيدة/عائشه محمد عبدالواحد الكعكي	٢٧٦٩٢٢٦	١	٢٧٦٩٢٢٦	١٣.٨٤٦١٣%
٦- السيدة/فناطمه سالم أحمد بن محفوظ	١٠٧٦٩٢٣	١	١٠٧٦٩٢٣	٥.٣٨٤٦١٧%
٧- السيدة/فتونيه سالم أحمد بن محفوظ	١٠٧٦٩٢٥	١	١٠٧٦٩٢٥	٥.٣٨٤٦٢٥%
٨- السيدة/أبتسام سالم أحمد بن محفوظ	١٠٧٦٩٢٣	١	١٠٧٦٩٢٣	٥.٣٨٤٦١٧%
٩- السيدة/ليلي سالم أحمد بن محفوظ	١٠٧٦٩٢٣	١	١٠٧٦٩٢٣	٥.٣٨٤٦١٧%
١٠- السيدة/هيفاء سالم أحمد بن محفوظ	١٠٧٦٩٢٣	١	١٠٧٦٩٢٣	٥.٣٨٤٦١٧%
١١- السيدة/راويه سالم أحمد بن محفوظ	١٠٧٦٩٢٣	١	١٠٧٦٩٢٣	٥.٣٨٤٦١٧%
١٢- السيدة/سوسن سالم أحمد بن محفوظ	١٠٧٦٩٢٣	١	١٠٧٦٩٢٣	٥.٣٨٤٦١٧%
١٣- السيدة/بغناء سالم أحمد بن محفوظ	١٠٧٦٩٢٥	١	١٠٧٦٩٢٥	٥.٣٨٤٦٢٥%

١٠٠٨ ٢٠.٠٠٠.٠٠٠ ١ ٢٠٠٠٠٠٠

وزارة التجارة
قسم الشركات
إعداد وقرارات الشركات
فرع المنطقة الشرقية

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ويقر الشركاء انه تم توزيع الحصص فيما بينهم وانه سبق ان تم الوفاء برأسمال الشركة عند التأسيس .

ابعا : تعديل المادة السابعة الخاصة بانتقال الحصص بين الشركاء فتكون على النحو الآتى : -

المادة السابعة : انتقال الحصص بين الشركاء

الحصة قابلة للانتقال بين الشركاء ؛ ولا يجوز لآى شريك التنازل عن حصته أو أكثر من حصته بعبوض أو بغير عبوض لآى شخص كان من غير الشركاء وسواء كان التنازل لمن يرث الشريك حال وفاته أو للغير أو كان المتنازل إليه شخصا طبيعيا أو اعتباريا ؛ وذلك إلا بموافقة الشركاء الذين يمثلون الأغلبية بثلاثة أرباع رأس مال الشركة ؛ ويجب على الشريك الراغب بالتنازل إخطار بقية الشركاء بذلك عن طريق مدير الشركة ؛ فإذا لم توافق الأغلبية المذكورة على التنازل المذكور ؛ فإنه يجب على باقى الشركاء شراء الحصص المتنازل عنها وتوزيعها فيما بينهم بنسبه حصص كل منهم فى رأسمال الشركة ؛ وذلك وفقا للسعر الفعلى الذى تساويه الحصص المتنازل عنها وقت التنازل وفى حالة عدم رغبة أحد الشركاء بشراء نصيبه من الحصص المتنازل عنها ؛ فإن هذا النصيب يوزع على بقية الشركاء بنفس النسبة المذكورة أعلاه .

وفى حالة وفاة أحد الشركاء فإنه لايجب لورثته الدخول شركاء فى

وزارة الاقتصاد بدلا عن مورثهم ؛ ما لم يوافق باقى الشركاء على ذلك بصوات



وزارة الاقتصاد
قسم الشركات
(عمود وقرارات الشركات)
فرع المنطقة الشرقية

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شركاء يمتلكون اقلية ثلاثية ارباع رأس مال الشركة ؛ فاذا لم توافق الاعلانية المذكورة على دخول الورشة المذكورين فان الشركة تقوم بتصفية حصص الشريك المتوفى في اموال الشركة حتى تاريخ وفاته وتسديد قيمتها الى ورشته وذلك وفقا للسعر الفعلي الذي تساوية الحصص وقت التنازل .

ضاميا : تعديل المادة الحادية عشر المتعلقة باداره الشركة لتكون على النحو

التالى :-

اداره الشركة

يعين الشركاء بقرار مستقل يصدر عنهم بالاغلبية البسيطة (ممن يمتلكون اكثر من ٥٠% من رأس المال) مجلس مديرين للشركة مؤلف من اربعة مديرين من الشركاء او الغير وقد عين الشركاء اول مجلس مديرين مؤلف من الشركاء الاربعة الاول والى الثانى والثالث والرابع وهم :-

١- السيد/محمد سالم احمد بن محفوظ ٢- السيد/صالح سالم احمد بن محفوظ

٣- السيد/عبدالله سالم احمد بن محفوظ ٤- السيد/احمد سالم احمد بن محفوظ

ويكون لمجلس المديرين جميع الصلاحيات اللازمة لاداره الشركة ووضع

السياسة العامة لها والخطط المالية اللازمة لتحقيق اغراضها ؛

وتصريف شئونها وذلك فيما لايتعارض مع الصلاحيات التى تختص بها

الجمعية العمومية للشركاء بموجب نظام الشركات وعلى سبيل المثال

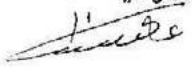
وليس الحصر فان مجلس المديرين يتمتع بصلاحيات بيع وشراء ممتلكات

الشركة من الاراضى والعقارات اللازمة لتحقيق اغراضها وغيرها من

الممتلكات المنقولة وغير المنقولة واسقاط حقوق الشركة ورهن

ممتلكاتها وفك الرهون واتخاذ القرار بالتعاقد على اعمال الشركة

اء الصفقات اللازمة لذلك والدخول فى المناقصات والمزايدات



وزارة التخطيط
قسم شركات واج
اشغود وقرارات الشركات
فرع المنطقة الشرقية

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ودراسة العطاءات الخاصة بمشاريع الشركة والموافقة عليها وترسيبتها وتجديد القروض اللازمة للشركة في سبيل ممارسة أعمالها والاستعراض والمصالحة على حقوق الشركة وتسويتها والفسخ والإبراء والمخالصة واتخاذ القرار باشتراك الشركة مع الغير بتأسيس شركات جديدة ؛ وللمجلس الحق بتعيين مدير أو أكثر من مدراء المجلس أو من الغير وتفويضهم بالصلاحيات اللازمة بموجب قرار مستقل يصدر عنه بهذا الخصوص بين حين وآخر تحدد فيه الصلاحيات التي يرعب المجلس بتفويضها إلى المذكورين ؛ وفقا لاحتياجات الشركة ؛ كما يحق لمجلس المديرين تفويض بعض أو كل صلاحياته بما فيها صلاحيات التوقيع عن الشركة وتمثيلها تجاه الغير بما في ذلك الجهات والدوائر الحكومية والخاصة وكتاب العدل والمحاكم والمدافعة والمرافعة عن الشركة ؛ وذلك إلى مدير أو أكثر من مدراء المجلس أو الغير بمنحه وكالة شرعية يجرى تنظيمها لدى كاتب العدل بالخصوص المذكور .

٦ - يعقد مجلس المديرين جلساته كلما دعت الحاجة لذلك في مقر الشركة ؛ ويجوز لأي مدير في مجلس المديرين أن يفوض مديرا آخر لحضور اجتماعات المجلس والتصويت والتوقيع نيابة عنه على قرارات المجلس وذلك بموجب اخطار خطي يرسله إلى مجلس المديرين قبل موعد الاجتماع ؛ كما له بموجب اخطار مماثل إلغاء ذلك التفويض ؛ وتسجل جميع التفويضات وإلغاءاتها ؛ والقرارات التي يتخذها المجلس في سجل خاص يفتح لهذا الغرض .

ب - يتخذ مجلس المديرين قراراته بالأغلبية ويلتزم المديرون بالقرارات الصادرة عنهم .

ج - يجوز لمجلس المديرين أن يتخذ قراراته دون الحاجة لعقد اجتماع وذلك عن طريق إرسال القرار المطلوب التصويت عليه إلى كل واحد من



تسم مديري الشركة للتصويت عليه كتابة .

وزارة العدل
وذلك عن طريق
قسم مديري الشركة
(عقود ومديري الشركة)
فرع المنطقة الشرقية

<p>Al Jazira Equipment Company Ltd. Capital: S.R. 20,000,000 C. R. 2051005734 P. O. Box 1528, Al Khobar 31952, Saudi Arabia Telephone: 857-4007 – Fax: 857-2407 LEASING PROFESSIONALS</p>	<p>عالم السيارات  AUTO WORLD</p>	<p>شركة معدات الجزيرة المحدودة رأس المال ٢٠.٠٠٠.٠٠٠ ريال سعودي س.ت : ٢٠٥١٠٠٥٧٣٤ ص.ب. ١٥٢٨ الخبر ٣١٩٥٢ - المملكة العربية السعودية تلفون : ٨٥٧-٤٠٠٧ - فاكس : ٨٥٧-٢٤٠٧ أخصائيو تأجير</p>
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(١٠)

٢ - المدير التنفيذي

يعين مجلس المديرين بموجب قرار مستقل يصدر عنه بهذا الخصوص مدير تنفيذي واحد للشركة يتولى المدير التنفيذي ممارسة أعمال الإدارة اليومية للشركة وتنفيذ قرارات مجلس المديرين وغير ذلك من الأعمال والصلاحيات وفقا لمتطلبات أعمال الشركة .

٣ - عزل المديرين :

يجوز للشركاء عزل المديرين المعيّنين بعقد الشركة دون اخلال بحقوق المديرين في التعويض اذا وقع العزل بغير مبرر مقبول او في وقت غير لائق .

سادسا : تعديل المادة الثامنة عشر المتعلقة بقرارات الشركاء لتكون على النحو الاتي :-

المادة الثامنة عشر : قرارات الشركاء

١ - تصدر قرارات الشركاء بالإجماع فيما يتعلق بتغيير جنسية الشركة او زيادة الاعباء المالية للشركاء وفيما عدا ذلك يجوز تعديل عقد الشركة بموافقة اغلبية الشركاء الذين يمثلون ثلاثة ارباع رأس المال على الأقل ؛ وتصدر جميع قرارات الشركاء الاخرى في جميع المسائل التي لا تتعلق بتعديل عقد الشركة باغلبية تمثيل نسبة (٥١%) واحد وخمسين في المائة من رأس المال على الأقل ؛ وللشريك ان يوكل عنه من يراه من الشركاء لحضور اجتماعات الشركاء وفي التصويت نيابة عنه وذلك بموجب توكيل مكتوب ؛ وتعد الشركة سجلا خاصا تدون فيه محاضر وقرارات جمعية الشركاء ويوقع الشركاء الحاضرون على المحاضر والقرارات المتخذة

وزارة التجارة
قسم الشركات
(مقود وقرارات الشركاء)
فرع المنطقة الشرقية

<p>Al Jazira Equipment Company Ltd. Capital: S.R. 20,000,000 C. R. 2051005734 P. O. Box 1528, Al Khobar 31952, Saudi Arabia Telephone: 857-4007 – Fax: 857-2407 LEASING PROFESSIONALS</p>	<p>عالم السيارات  AUTO WORLD</p>	<p>شركة معدات الجزيرة المحدودة رأس المال ٢٠.٠٠٠.٠٠٠ ريال سعودي س.ت: ٢٠٥١٠٠٥٧٣٤ ص.ب. ١٥٢٨ الخبر ٣١٩٥٢ - المملكة العربية السعودية تلفون: ٨٥٧-٤٠٠٧ - فاكس: ٨٥٧-٢٤٠٧ أخصائيو تأجير</p>
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(١١)

٢ - يجوز ان يبدي الشركاء ارائهم متطرفين بدون اجتماع ؛ وفي هذه الحالة يرسل مدير الشركة الى كل شريك خطابا مسجلا بالقرارات المقترحة ليصوت الشريك عليها كتابة .

سابعاً : يقر الشركاء الجدد بانهم اطلعوا على عقد تأسيس الشركة وملاحظه ويلتزمون بجميع النصوص الواردة فيهم .

ثامناً : تبقى باقى مواد العقد الاساسى وملاحظته التى لم يشملها هذا القرار كماهى عليه دون تعديل او تغيير .

تاسعاً : صدر هذا القرار من (١٥) نسخة بيد كل طرف نسخه للعمل بموجبها النسخ الاخرى لتتقديمها الى الجهات المختصة لاستكمال الاجراءات النظاميه ؛ وقد فوض الشركاء مكتب الدكتور احمد عبد الله العودلى المحامى بالخبر والسيد / عزيز عبد الله المؤمن فى اتمام اجراءات تعديل عقد التأسيس والسجل التجارى للشركة وعليه تم التوقيع

الطرف الثانى

الطرف الاول

الاسم / صالح ستام احمد بن محفوظ

الاسم / محمد سالم احمد بن محفوظ

الطرف الرابع

الطرف الثالث

الاسم / احمد سالم احمد بن محفوظ

السيد / عبد الله سالم احمد بن محفوظ



Al Jazira Equipment Company Ltd.

Capital: S.R. 20,000,000
C. R. 2051005734

P. O. Box 1528, Al Khobar 31952, Saudi Arabia
Telephone: 857-4007 – Fax: 857-2407

LEASING PROFESSIONALS

عالم السيارات



AUTO WORLD

شركة معدات الجزيرة المحدودة

رأس المال ٢٠.٠٠٠.٠٠٠ ريال سعودي
س.ت: ٢٠٥١٠٠٥٧٣٤

ص.ب ١٥٢٨ الخبر ٣١٩٥٢ - المملكة العربية السعودية
تلفون: ٨٥٧-٤٠٠٧ - فاكس: ٨٥٧-٢٤٠٧

أخصائيو تأجير

(١٢)

الطرف السادس

الاسم / ضابطه سالم احمد بن محفوظ

الطرف الثامن

الاسم / ابيتسام سالم احمد بن محفوظ

الطرف العاشر

الاسم / هيفاء سالم احمد بن محفوظ

الطرف الثاني عشر

الاسم / سوكن سالم احمد بن محفوظ

الطرف الثالث عشر

الاسم / هيفاء سالم احمد بن محفوظ

الطرف الخامس

السيدة / عطش محمد عبد الواحد العلى

الطرف السابع

الاسم / فوزيه سالم احمد بن محفوظ

الطرف التاسع

الاسم / ليلى سالم احمد بن محفوظ

الطرف الحادي عشر

الاسم / راويه سالم احمد بن محفوظ

تم التوقيع عن الاطراف جميعها من الاول الى الثالث عشر السيد / عبد
الخير بن عبد الله بن محفوظ بموجب الوكاله الصادره من كاتب عدل
جده الثانيه برقم ١٣ وتاريخ ٥ / ٤ / ١٤١٧ هـ .

وزارة التجارة - فرع المنطقة الشرقية
قسم الشركات
تم تدقيق القرار ووقع الشركه والبت لدينا
برقم (٦٢٢) وتاريخه ٤ / ١ / ١٤١٧ هـ

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Tel.: 966 - 3 - 857 - 4007 Fax: 966 - 3 - 857 - 2407
Web Site : www.autoworld.com.sa
E-mail: admin@autoworld.com.sa



شركة معدات الجزيرة المحدودة
ج.ب. ١٥٢٨ الخبر ٣١٩٥٢ المملكة العربية السعودية
هاتف: ٩٦٦ - ٣ - ٨٥٧ - ٢٤٠٧ فاكس: ٩٦٦ - ٣ - ٨٥٧ - ٢٤٠٧
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البريد الإلكتروني: admin@autoworld.com.sa

التسجيل الثالث

قرار المسسركاء بتعديل بعض بنود عقد تأسيس

شركة 'معدات الجزيرة'

شركة ذات مسؤولية محدودة

وذلك 'بخروج الشركاء الحاليين ودخول شركاء جدد'

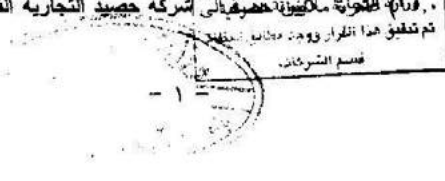
بتاريخ ١٤٢١/٦/٢٠هـ الموافق ٢٠٠٠/٩/١٨م

نقد سبق لأطراف التالية أسماؤهم:

'طرف أول'	١- السيد/ محمد سالم أحمد بن محفوظ
'طرف ثاني'	٢- السيد/ صالح سالم أحمد بن محفوظ
'طرف ثالث'	٣- السيد/ عبد الإله سالم أحمد بن محفوظ
'طرف رابع'	٤- السيد/ أحمد سالم أحمد بن محفوظ
'طرف خامس'	٥- السيدة/ عائشة محمد عبد الواحد كعكي
'طرف سادس'	٦- السيدة/ فاطمة سالم أحمد بن محفوظ
'طرف سابع'	٧- السيدة/ فوزية سالم أحمد بن محفوظ
'طرف ثامن'	٨- السيدة/ إيتسام سالم أحمد بن محفوظ
'طرف تاسع'	٩- السيدة/ ليلى سالم أحمد بن محفوظ.
'طرف عاشر'	١٠- السيدة/ هيفاء سالم أحمد بن محفوظ.
'طرف حادي عشر'	١١- السيدة/ رابية سالم أحمد بن محفوظ.
'طرف ثاني عشر'	١٢- السيدة/ سوسن سالم أحمد بن محفوظ.
'طرف ثالث عشر'	١٣- السيدة/ نساء سالم أحمد بن محفوظ

تأسيس 'شركة معدات الجزيرة المحدودة' (الشركة)، المقيدة بالسجل التجاري بمدينة الخبر تحت رقم (٢٠٥١٠٥٧٣٤) وتاريخ ١٤٠٠/٣/١٢هـ، والمثبت عقد تأسيسها لدى كاتب عدل الرياض بالعدد رقم ٢٠٢٢ وتاريخ ١٣٩٩/٤/١٦هـ، وملحقه المثبت لدى كاتب عدل الرياض ٢٧٥٣ وتاريخ ١٤٠٥/٧/٢٤هـ، وقرار الشركاء المثبت لدى فرع وزارة التجارة بالمنطقة الشرقية برقم ١٠٣ وتاريخ ١٤١٣/١٢/٢٩هـ، وقرار الشركاء المثبت لدى فرع وزارة التجارة بالمنطقة الشرقية تحت رقم ٦٢٢ وتاريخ ١٤١٧/٤/١٤هـ.

وحيث أن جميع الأطراف من الأول الى الثالث عشر رغبوا في التنازل (بالبيع) عن جميع حصصهم في رأس مال الشركة البالغة ٢٠.٠٠٠.٠٠٠ (عشرون مليون حصة) وقيمتها (٢٠.٠٠٠.٠٠٠) مليون ريال سعودي ، بواقع (١٠.٠٠٠.٠٠٠) عشرة ملايين حصة الى شركة الكفنين التجارية القابضة المحدودة، كشريك جديد في الشركة. و(١٠.٠٠٠.٠٠٠) عشرة ملايين حصة الى شركة حصيد التجارية القابضة المحدودة، كشريك جديد في الشركة.



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شركة معدات الجزيرة المحدودة

ص.ب. ١٥٢٨، البرج ٢١٩٥٢ الملحقه العربية السعودية
طابق ٤٠٠٧ - ٨٥٧ - ٣ - ٩٦٦ فاكس : ٩٦٦ - ٢ - ٨٥٧ - ٢٤٠٧
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وبما أن جميع الشركاء في شركة الكفلين القابضة وشركة حصيد القابضة (الشركتين) قد وافقوا على هذا التنازل (الشراء) والتي إليهما ملكية الحصص المتنازل لها عنها والبالغة ٢٠,٠٠٠,٠٠٠ مليون حصة نقدية، بما لها من حقوق وما عليها من التزامات. وقد قامت بدفع كامل قيمة تلك الحصص المتنازل عنها الى الأطراف الثلاثة عشر وأقروا باستلامهم لها.
وقد اسعوا جميع الأطراف حقوقهم قبل بعضهم البعض ويعتبر توقيعهم على هذا القرار بمثابة مخالصة تامة ونهائية فيما بينهم.

لذلك فقد قرر الشركاء تعديل عقد تأسيس الشركة وملاحقه وفقاً لما يلي:
أولاً: يعتبر التمهيد المذكور أعلاه جزءاً لا يتجزأ من هذا القرار.

ثانياً: تعديل مقدمة العقد الأساسي الخاصة بأسماء الشركاء ليصبح الشركاء الحاليون المالكون للشركة هم :

(١) شركة الكفلين التجارية القابضة المحدودة، شركة سعودية مقيدة بالسجل التجاري لمدينة جدة برقم (٤٠٣٠١٣١٢١٨) وتاريخ ٥/٢٩/١٤٢١هـ. اثبت عقد تأسيسها لدى كاتب عدل جدة بعدد ١٤ لعام ١٤٢١هـ، صحيفة ١٦/١٥ من جلد ٢/ح/ع. عنوانها ص.ب. ٤٣٨٤ جدة ٢١٤٩١، ويحتلها في التوقيع على هذا القرار السيد / عدلى على حماد. "صرف اول"

(٢) شركة حصيد التجارية القابضة المحدودة، شركة سعودية مقيدة بالسجل التجاري لمدينة جدة برقم (٤٠٣٠١٣١١٦٣) وتاريخ ٥/٢٢/١٤٢١هـ. اثبت عقد تأسيسها لدى كاتب عدل جدة بعدد ١١ لعام ١٤٢١هـ صحيفة ١٢/١١ من جلد ٢/ح/ع. عنوانها ص.ب. ٤٣٨٤ جدة ٢١٤٩١، ويحتلها في التوقيع على هذا القرار السيد / عدلى على حماد. "صرف ثان"

ثالثاً: تعديل المادة ٥٥ من عقد التأسيس، الخاصة برأس المال الشركة لتصبح على النحو التالي:


المادة ٥٥ رأس مال الشركة :

حدد رأس مال الشركة بمبلغ ٢٠,٠٠٠,٠٠٠ ريال (عشرون مليون ريال سعودي) مقسم الى (٢٠,٠٠٠,٠٠٠) عشرون مليون حصة متساوية القيمة ، قيمة كل حصة (واحد ريال سعودي) تم توزيعها على الشريكين كالتالي :

اسم الشريك	عدد الحصص	قيمة الحصة بالريال السعودي	مجموع قيمة الحصص بالريال	النسبة المئوية
شركة الكفلين التجارية القابضة المحدودة	١٠,٠٠٠,٠٠٠	١	١٠,٠٠٠,٠٠٠	% ٥٠
شركة حصيد التجارية القابضة المحدودة	١٠,٠٠٠,٠٠٠	١	١٠,٠٠٠,٠٠٠	% ٥٠
المجموع	٢٠,٠٠٠,٠٠٠	١	٢٠,٠٠٠,٠٠٠	% ١٠٠

وزارة التجارة - منطقة الشرقية
تم تطويع هذا القرار وفقاً للمتطلبات
قسم الشركات.



<p>عالم السيارات</p>  <p>AUTO WORLD</p>	<p>شركة معدات الجزيرة المحدودة</p> <p>ص.ب. ١٥٢٨٠ الخبر ٣١١٥٢ المملكة العربية السعودية هاتف: ٤٠٠٧ - ٨٥٧ - ٣ - ٩٦٦ فاكس: ٩٦٦ - ٣ - ٨٥٧ - ٢٤٠٧ www.autoworld.com.sa البريد الإلكتروني: admin@autoworld.com.sa</p>	<p>Al-Jazira Equipment Company Ltd.</p> <p>P.O. Box: 1528 AL-Khobar 31952 Saudi Arabia Tel.: 966 - 3 - 857 - 4007 Fax: 966 - 3 - 857 - 2407 Web Site : www.autoworld.com.sa E-mail: admin@autoworld.com.sa</p>
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وقد أقر الشركاء بمسئوليتهما عن صحة توزيع الحصص فيما بينهما كما هو مبين أعلاه، وبأنه قد سبق الوفاء بكامل رأس مال الشركة عند التأسيس.

رابعاً: تبقى باقي مواد عقد التأسيس التي لم يشملها التعديل في هذا القرار دون تغيير .

خامساً: يقر الشركاء الجدد بأنهم اطلعوا على عقد تأسيس الشركة وملاحق تعديله السابقة ويلتزموا بجميع البنود الواردة فيهما.

سادساً: حرر هذا القرار من عدد (٨) نسخ استلم كل طرف نسخة للعمل بها، وباقي النسخ لتتبعها إلى الجهات المختصة لاستكمال الإجراءات النظامية ، وقد فوض الشركاء السيد/ **فهد ابراهيم الداغ والسيد/ فايز روضان الشمري** في إتمام هذه الإجراءات أمام وزارة التجارة و كاتب عدل والجهات الرسمية الأخرى وتسديد الرسوم، واستلام شهادة السجل التجاري والتوقيع بذلك أمام تلك الجهات.

وزارة التجارة المنطقة الشرقية
 تم تدقيق هذا القرار ووجدت مطابق للنظام
 باسم الشركاء

الشركاء الجدد

(شركة حصيد التجارية القابضة المحدودة)

الشركاء الجدد

(شركة الكفنين التجارية القابضة المحدودة)

الطرف الأول

الطرف الثاني

عبدالمجيد بن محمد / مدير على محمد

عبدالمجيد بن محمد / مدير على محمد



- الشركاء المنسحبين**
- | | | |
|--------------------------------------|--|--|
| ١- السيد/ محمد سالم أحمد بن محفوظ | ٢- السيد/ صالح سالم أحمد بن محفوظ | ٣- السيد/ عبد الإله سالم أحمد بن محفوظ |
| ٤- السيد/ احمد سالم احمد بن محفوظ | ٥- السيدة / عائشة محمد عبد الواحد كعكي | ٦- السيدة/ فاطمة سالم احمد بن محفوظ |
| ٧- السيدة/ فوزية سالم احمد بن محفوظ | ٨- السيدة/ ابتسام سالم احمد بن محفوظ | ٩- السيدة/ ليلى سالم احمد بن محفوظ |
| ١٠- السيدة/ هيفاء سالم احمد بن محفوظ | ١١- السيدة/ رايحة سالم احمد بن محفوظ | ١٢- السيدة/ سوسن سالم احمد بن محفوظ |
- ١٣- السيدة/ ثنا سالم احمد بن محفوظ

وقع عنهم جميعاً بالأصالة والوكالة
 السيد/ عبد الإله سالم احمد بن محفوظ
 مدير على محمد

٢٧ التوقيع مطابق

تأكد من صحة
 الختم والتوقيع
 بتاريخ ٢٢ جمادى الأولى ١٤٢١
 كاتب عدل المنطقة الشرقية
 مطابق من تلقى مسؤولية عن جودته والوثيقة



شركة معدات الجزيرة المحدودة
Al-Jazira Equipment Co. LTD.

عالم السيارات
AUTO WORLD



التأجير التشغيلي • Operating Leasing • تمويل الأجل • Short term financing • قسيط الأجل • Short term financing • تمويل الأجل • Operating Leasing • التأجير التشغيلي

قرار الشركاء بتعديل عقد تأسيس شركة معدات الجزيرة المحدودة
(شركة ذات مسؤولية محدودة)

بتاريخ ٢٠/١١/١٤٢٩هـ الموافق ١٨/١١/٢٠٠٨م

حيث أن الأطراف الآتية أسمائهم:

١. شركة الكفلين التجارية القابضة المحدودة
٢. شركة حصيد التجارية القابضة المحدودة
- طرف أول
طرف ثان

تأسيس شركة معدات الجزيرة المحدودة (شركة ذات مسؤولية محدودة) المقيدة بالسجل التجاري بمدينة الخبر رقم (٢٠٥١٠٠٥٧٣٤) وتاريخ ١٢/٣/١٤٠٠هـ، والمثبت عقد تأسيسها لدى كاتب العدل الرياض برقم ٢٠٢٢ وتاريخ ١٦/٤/١٣٩٩هـ، والمعدل بموجب قرار الشركاء الأخير المثبت لدى كاتب العدل المكلف بالفرفة التجارية الصناعية بالمنطقة الشرقية بالصحيفة (٣٢) عدد (٣٥) من المجلد (٣) في ١/١١/١٤٢٢هـ.

وحيث رغب الشركاء بتعديل المادة الخامسة والخاصة برأس المال وذلك بزيادة رأس المال ليصبح بعد الزيادة (٤٠٠٠٠٠٠٠٠) أربعون مليون ريال، وكذلك المادة الحادية عشر والخاصة بإدارة الشركة.

عليه قرر جميع الشركاء واللذين يملكون كامل رأس مال الشركة تعديل عقد تأسيس الشركة وملاحقه وفقاً لما يلي:
أولاً: يعتبر التمهيد السابق جزءاً لا يتجزأ من هذا القرار.

ثانياً: تعديل المادة الخامسة من عقد تأسيس الشركة والخاصة برأس مال الشركة لتصبح على النحو التالي:

رأس المال:

حدد رأس مال الشركة بمبلغ ٤٠٠٠٠٠٠٠٠ (أربعون مليون ريال سعودي) مقسم إلى (٤٠٠٠٠٠٠٠٠) أربعون مليون حصة متساوية القيمة، قيمة كل حصة (واحد ريال سعودي) تم توزيعها على الشريكين كالتالي:

اسم الشريك	عدد الحصص	قيمة الحصة بالريال السعودي	مجموع قيمة الحصص بالريال السعودي	النسبة المئوية
شركة الكفلين التجارية القابضة المحدودة	٢٠,٠٠٠,٠٠٠	١	٢٠,٠٠٠,٠٠٠	٥٠%
شركة حصيد التجارية القابضة المحدودة	٢٠,٠٠٠,٠٠٠	١	٢٠,٠٠٠,٠٠٠	٥٠%
المجموع	٤٠,٠٠٠,٠٠٠	--	٤٠,٠٠٠,٠٠٠	١٠٠%

وأقر الشركاء بمسئوليتهم عن صحة توزيع الحصص فيما بينهما كما هو مبين أعلاه، وبأنه قد سبق الوفاء بكامل رأس المال عند التأسيس، أما الزيادة والبالغة (٢٠,٠٠٠,٠٠٠) عشرون مليون ريال فتسأل إبداعات تقنية مقدمة من الشركاء بموجب الشهادة الصادرة من المحاسب القانوني بهذا الخصوص.



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ثالثاً: تعديل المادة الحادية عشر والخاصة بإدارة الشركة لتصبح كالتالي:

إدارة الشركة:

(أ) مجلس المديرين:

١/ يعين الشركاء مجلس مديرين يقوم على إدارة الشركة وشؤونها يتكون من (ثلاث) أعضاء يكون من بينهم رئيس المجلس وهد:

١. صالح بن سالم بن أحمد بن محفوظ (رئيس مجلس المديرين)
٢. عبدالإله بن سالم بن أحمد بن محفوظ (عضو مجلس مديرين)
٣. أحمد بن سالم بن أحمد بن محفوظ (عضو مجلس مديرين)

٢/ تكون مدة المجلس (٣) ثلاث سنوات ، تجدد تلقائياً لمدة أو مدد أخرى ممتثلة ولا يتم تعديل المدة إلا بموافقة أغلبية الشركاء الذين يملكون أكثر من (٥١%) من رأس مال الشركة ، ويقوم كل شريك بإرسال خطاب إلى الشركاء الآخرين يتضمن أسم المدير المرشح من قبله لعضوية المجلس خلال (٦٠) يوماً قبل انتهاء مدة المجلس الأصلية أو المحددة أو بناء على طلب صادر بالأغلبية المنصوص عليها أعلاه ، وفي حالة عدم إرسال أحد الشركاء لأسم المدير المرشح من قبله ، يعتبر تشكيل المجلس من الأعضاء اللذين تم ترشيحهم من الشركاء الآخرين صحيحاً إذا ماتم بناء على قرار صادر بالأغلبية المنصوص عليها أعلاه ، ويجوز للمجلس عقد جلساته المنتظمة بحضور هؤلاء الأعضاء، وتعتبر القرارات الصادرة عنهم أيًا كان نوعها، نافذة في مواجهة سائر الشركاء.

٣/ في حالة استقالة أو عزل أو وفاة أي مدير من المتراء المعينين في مجلس المديرين أو امتناعه عن حضور الاجتماعات - يصدر قرار بالأغلبية المنصوص عليها في البند ٢/ بتعيين مديراً آخر بدلاً عنه لعضوية المجلس، وإذا لم يتم الشركاء بتعيين المدير الخلف فيستمر المجلس في ممارسة كافة صلاحياته بعضوية باقي المتراء، إلى أن يتم انعقاد أول اجتماع لجمعية الشركاء لتعيين مدير آخر.

(ب) سلطات وصلاحيات مجلس المديرين:

مع عدم الإخلال بالسلطات الممنوحة لجمعية الشركاء ، يتمتع رئيس مجلس المديرين وأعضاء مجلس المديرين سواء كانوا مجتمعين أو منفردين بكامل الصلاحيات اللازمة لتسيير أعمال الشركة بما يحقق أغراضها ، ورسم سياسات الشركة المالية والإدارية والوظيفية ومتابعة تنفيذها، وتمثيل الشركة في علاقاتها تجاه الغير بما في ذلك مراجعة جميع الوزارات وفروعها والدوائر الحكومية وكتابات العدل والمحاكم الشرعية وديوان المظالم والهيئات القضائية بمختلف أنواعها ودرجاتها واللجان التجارية والهيئات العمالية ولهم في ذلك حق المرافعة والمدافعة وحضور الجلسات وإقامة الدعاوى وسماع الشهود والطعن فيهم واستجوابهم وطلب حلف اليمين وتوريد الشهود والبيئات ومطالبة المدين وطلب الحجز على أمواله وفكها واستلام كافة الحقوق نقداً أو بموجب شيكات ولهم الحق في استئناف الأحكام والتنظيم وطلب تعيين الخبراء والطعن في تقاريرهم وتقديم لوائح الإدعاء والطعن بالتزوير



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والتقاع والرضا بالأحكام والاعتراض عليها وتنفيذ الأحكام ولهم في ذلك حق الإقرار والإنكار والإبراء والصلح والتنازل وطلب التحكيم لدى أي جهة كانت وطلب منع المعارضة ورفع اليد وإخلاء السبيل كما لهم حق مراجعة وزارة التجارة والصناعة وفروعها وإدارتها ومكاتب السجل التجاري واستخراج السجلات التجارية والشطب والتعديل والإلغاء والإضافة والتجديد وتسجيل العلامات التجارية والوكالات التجارية كما لهم حق التوقيع على جميع قرارات الشركاء الخاصة بتعديل عقد تأسيس الشركة أو تصفيتها وشطبها أو الانسحاب في شركات أخرى. والتوقيع على عقود تأسيس الشركات الجديدة التي تساهم الشركة فيها، سواء داخل أو خارج المملكة، وقرارات الشركاء الخاصة بتعديل عقودها بما في ذلك افتتاح الفروع الجديدة ودخول وخروج شركاء وزيادة وتخفيض رأس المال والانسحاب في شركات أخرى وتعيين وعزل المديرين فيها وإجراء كافة العمليات والمعاملات الداخلة ضمن أغراض الشركة، أو تصفيتها وشطبها، وشراء وبيع وزيادة ونقل الحصص والأسهم كما لهم حق حضور اجتماعات مجالس الإدارة والمديرين والإدارات والجمعيات العامة للشركات الأخرى التي تساهم فيها الشركة والتصويت على قراراتها واعتماد محاضر الاجتماعات بها واعتماد الميزانيات وانتخاب منراء الشركات وأعضاء مجالس إدارتها ولهم حق شراء وبيع الأراضي والعقارات باسم الشركة والإفراغ وقبوله والتوقيع بذلك أمام كاتب عدل ودفع الثمن وقبضه وإعطاء المخالفات والقسمه وطلب الفرز واستلام المستندات وصكوك الملكية واستخراج بدل فاقد لها أو تهيمشها وتصحيحها، وإبرام العقود والاتفاقيات بجميع أنواعها والتوقيع عليها وفسخها والتصالح عليها، بما في ذلك عقود الإيجار والصيانة والرهن وفك الرهن المضاربة وغيرها، وتقديم جميع المعاملات وطلبات رخص البناء للجهات الحكومية والرسمية واستلامها، وتعيين الموظفين والخبراء والمحكمين وتقدير مكافئهم وفصلهم وعزلهم ومحاسبتهم أمام الجهات الرسمية، وفتح الحسابات في البنوك المحلية والأجنبية والإيداع والسحب والاقتراض منها وفقاً لنضوابط الشرعية أو من هيئات أخرى حكومية أو غير حكومية وطلب التسهيلات الائتمانية المختلفة، وإصدار خطابات الضمان المالية والبنكية وفتح الاعتمادات المستندية والسحب منها وإفائها، والقيام بجميع العمليات البنكية داخل وخارج المملكة، وقض التصاويل والشيكات والكمبيالات واستلام وتسليم أي منقوعات لأي شخص أو جهة، والتوقيع على الكفالات والضمانات المصرفية وطلب إصدارها أو إيفائها، والتعامل بجميع أنواع الأوراق المالية والأوراق التجارية وتطهيرها كما لهم حق مراجعة شركة الاتصالات السعودية وشركة اتحاد الاتصالات والشرطة والحقوق المدنية وقاضي التنفيذ ووزارة العمل ومكاتبها وفروعها والاستقدام والحوازات وحوازات المطار والسفارات والقنصليات الأجنبية في المملكة والأمانات والبلديات والغرف التجارية ومصالحة الزكاة والدخل وتعيين المحامين والممثلين القانونيين والوكلاء عن الشركة ومنحهم الصلاحيات اللازمة للمرافعة والمدافعة والمطالبة بحقوق الشركة، وبحق لهم توكيل وتفويض المدير التنفيذي أو الغير في كل أو بعض صلاحياتهم المذكورة أعلاه وإنهاء التوكيلات والتفويضات، وإعطاء الركيل حق توكيل الغير وغير ذلك من الصلاحيات التي تحتاجها أعمال الشركة لممارسة نشاطها، ويعتبر التوكيل أو التفويض الذي يصدر من المجلس أو من أحد أعضائه في هذا الخصوص متصفاً بالصلاحيات الممنوحة لتمثيل الشركة أمام الغير والتصرف نيابة عنها، صحيحاً وناظراً وملزماً للشركة أمام الغير.



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(ج) اجتماعات مجلس المديرين:

- ١) يحق لمجلس المديرين بطلب من الرئيس الاجتماع "٢" مرتين في السنة ، وخلال ذلك يتم انعقاد المجلس في أي وقت خلال السنة بناء على طلب "عضوان" على الأقل من أعضائه أو بناء على طلب رئيس المجلس أو مراقب حسابات الشركة ، وتوجه الدعوة للاجتماع إلى المديرين خطياً (بالتفكس أو البريد الإلكتروني أو بالبريد المسجل بخط الوصل أو باليد) وذلك قبل موعد الجلسة بخمسة عشر يوماً على الأقل، أو بموافقة الأعضاء على مدة أقل للدعوة في حالة الاجتماعات الطارئة.
- ٢) يعقد المجلس جلساته في مدينة جدة ما لم يتفق على غيرها في مكان آخر.
- ٣) يكون لكل مدير صوت واحد بشأن أي أمر من الأمور. ويتم التصويت داخل المجلس إما شخصياً أو بالتوكيل . ويمكن للمدير أن ينوب عنه خطياً مديراً آخر لحضور أي جلسة وتجديد القرارات التي يحق له التصويت عليها نيابة عنه، على أنه لا يجوز أن يكون المدير الواحد موكلاً عن أكثر من مدير في نفس الوقت ، ويكون للمدير الحاضر في هذه الحالة أن ينوب بصوته عن نفسه فضلاً عن إدلائه بصوت المدير الغائب الذي أُنابه في التصويت عنه . ويشترط في التوكيل أن يكون خطياً ، ويمكن إرسال صورة منه بالتفكس على الشركة ، ويجوز إلغاء التوكيل بنفس الأصول المذكورة ، كما أن التوكيل يصبح ملغياً تلقائياً في حالة استقالة أو وفاة أو عزل المدير الذي أصدر ذلك التوكيل .

(د) النصاب اللازم لصحة الاجتماعات :

- ١) لا يكون اجتماع المجلس صحيحاً إلا إذا حضره "الثلث" من المدراء على الأقل بأشخاصهم أو عن طريق وكلائهم ، ويتم توجيه الدعوة لحضور جلسات مجلس المديرين بالكيفية المبينة في الفقرة (د) أعلاه.
- ٢) يجوز اتخاذ القرارات في مجلس المديرين بالتصويت وفي هذه الحالة يرسل رئيس مجلس المديرين إلى كل مدير خطياً بالقرارات المقترحة، بحيث يبدي المديرين أرائهم متفرقين، ويتم الموافقة على القرارات وفقاً للأغلبية المنصوص عليها في الفقرة (و) أعلاه.

(هـ) كيفية صدور قرارات المجلس :

- ١/ يكون لكل مدير صوت واحد بما في ذلك رئيس مجلس المديرين بشأن أي أمر من الأمور. ويتم التصويت إما شخصياً أو بالتوكيل، وتتخذ قرارات المجلس في جميع المسائل المتعلقة بأمر الشركة بأغلبية (الثلث) من المدراء.
- ٢/ تعتبر القرارات الصادرة في أي اجتماع لمجلس المديرين – كيفما تمت الدعوة إليه وإنما عقد ذلك الاجتماع – صحيحة وناقذة كما لو كانت قد اتخذت في اجتماع تم عقده والدعوة إليه حسب الأصول المرعية المذكورة أعلاه، وذلك إذا توافر النصاب اللازم لعقد الاجتماع، وقام المديرين بالتوقيع على محضر الاجتماع.
- ٣/ تثبت مداوات وقرارات المجلس في محاضر جلسات وتدون في سجل خاص يوقع عليه الرئيس وسكرتير المجلس.



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(و) المدير التنفيذي :

يتولى إدارة الأعمال اليومية للشركة مدير تنفيذي يجوز أن يكون من أعضاء المجلس أو من الغير ، يصدر بتعيينه قرار مستقل من مجلس المديرين بالأغلبية المنصوص عليها في البند (و) أعلاه ، ويتم في القرار المذكور تحديد صلاحياته وسلطاته ومكافأته ومدة تعيينه.

(ي) مكافآت أعضاء مجلس المديرين:

لا يتقاضى أعضاء مجلس المديرين رواتب محددة نظير قيامهم بعملهم، وإنما يستحقون مكافآت مقطوعة عن عملهم بالشركة وحضور الاجتماعات يحددها الشركاء بقرار مستقل.

(ز) عزل المديرين :

يجوز للشركاء عزل المديرين المعيّنين من قبلهم في عقد الشركة أو بموجب عقد مستقل ، بنفس الكيفية التي تم بها تعيينهم سابقاً، دون الإخلال بحقوقهم في التعويض إذا وقع العزل بدون مبرر مقبول أو في وقت غير لائق. رابعاً: تبقى باقي مواد عقد التأسيس التي لم يشملها هذا التعديل كما هي دون تغيير أو تعديل. خامساً: حذر هذا القرار من (سبع) نسخ للعمل بموجبها وتقديمها إلى الجهات المختصة لاستكمال الإجراءات النظامية وقد فوض الشركاء كل من / إبراهيم محمد فاضل عرب وصالح محمود بغدادي ومحمد المحميد وعلي العباس مجتمعين أو منفردين لإنهاء هذه الإجراءات أمام وزارة التجارة والصناعة وكتب العدل والجهات الرسمية الأخرى.

توقعات الشركاء

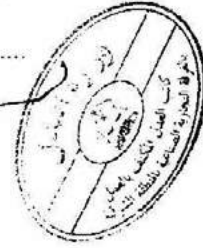
الشريك الثاني

شركة حصيد التجارية القابضة المحدودة

الشريك الأول

شركة الكفلين التجارية القابضة المحدودة

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**قرار الشركاء بتعديل عقد تأسيس شركة معدات الجزيرة المحدودة
(شركة ذات مسؤولية محدودة)**

بتاريخ ٢٣/٦/١٤٣١هـ الموافق ٦/٦/٢٠١٠م

حيث أن الأطراف الآتية أجمعين:

١. شركة الكفلين التجارية القابضة المحدودة طرف أول
٢. شركة حصيد التجارية القابضة المحدودة طرف ثان

يشكلون شركة معدات الجزيرة المحدودة (شركة ذات مسؤولية محدودة) المقيدة بالسجل التجاري بمدينة الخبر رقم (٢٠٥١٠٠٥٧٣٤) وتاريخ ١٤٠٠/٣/١٢هـ، وتمت عقد تأسيسها لدى كاتب العدل أرياض برقم ٢٠٢٢ وتاريخ ١٣٩٩/٤/١٦هـ، وتم تعديل بموجب قرار الشركاء الأخير الميثت لدى كاتب عدل المكلف بالفرقة التجارية الصفاية بالمنطقة الشرقية بالصحيفة (٦١) عند (٥٦) من المجلد (٣٠) في ١٤٣٠/٣/٢٥هـ.

وحيث رغب الطرف الأول السادة / شركة الكفلين التجارية القابضة المحدودة في بيع جميع حصصها في رأس المال والتفعة (٢٠٠٠٠٠٠٠٠) عشرين مليون حصة بقيمة إجمالية (٢٠٠٠٠٠٠٠٠) عشرين مليون ريال إلى السادة / الشركة السعودية للإقتصاد والتنمية القابضة (سكوك) شركة مساهمة مغلقة كعزف حديد بالشركة .

وحيث رغب الطرف الثاني السادة / شركة حصيد التجارية القابضة المحدودة في بيع جميع حصصها في رأس المال والتفعة (٢٠٠٠٠٠٠٠٠) عشرين مليون حصة بقيمة إجمالية (٢٠٠٠٠٠٠٠٠) عشرين مليون ريال إلى كلا من السادة / الشركة السعودية للإقتصاد والتنمية القابضة (سكوك) بواقع (١٩.٦٠٠٠٠٠٠) تسعة عشر مليون وستمائة ألف حصة بواقع (٤٠٠٠٠٠) أربع مائة ألف حصة إلى شركة سدد التجارية المحدودة وقد وافق المتكامل بينهما على هذا التنازل.

عليه فقد أئتت إليهما ملكية جميع الحصص المتنازل عنها بما لها من حقوق وما عليها من التزامات وقد استوفى جميع الأطراف حقوقهم قبل بعضهم البعض ويعتبر توقيعهم على هذا القرار بمثابة مخالصة تامة فيما بينهم ، وحيث رغب الشركاء بتعديل مقدمة العقد والخاتمة بأسماء الشركاء و تعديل المادة (الساسنة) المتعلقة برأس مال الشركة، وكذلك تعديل المادة (الحدادية عشر) والخاصة بإدارة الشركة. لذلك فقد قرر جميع الشركاء تعديل عقد تأسيس الشركة وفقاً لما يلي:

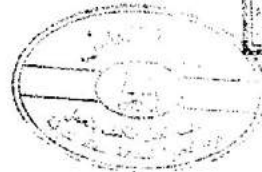
أولاً: يعتبر التسميد المذكور أملاً جزءاً لا يتجزأ من هذا القرار.

ثانياً: تعديل مقدمة العقد الأساسي للشركة ليصبح الشركاء الحاليون المكونون للشركة هم :

١. الشركة السعودية للإقتصاد والتنمية القابضة "سكوك" (مساهمة مغلقة) سعودية الجنسية ، مقيدة بالسجل التجاري بمدينة جدة تحت الرقم (٤٠٣٠٠١٠٨٨٥) وتاريخ ١٣٩٧/٠١/٠١هـ الميثت قرار الشركاء بتحويل الكيان القانوني للشركة إلى شركة مساهمة لدى كاتب العدل المكلف بالفرقة التجارية الصفاية بمحافظة جدة برقم (١٩٧) وتاريخ ١٤٣٠/٣/٢١هـ وعنوانها جدة وعنوانها حي المرجان ص.ب ٤٣٨٤ جدة ٢١٤٩١.

(طرف اول)

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٢. شركة سند التجارية المحدودة ذات مسئولية محدودة -سعودية الجنسية، مقيدة بالسجل التجاري لمنطقة حدة تحت الترخيص (٤٠٣٠١٣١٠٩٤) وتاريخ ١٥/٥/١٤٢١هـ. الميث عقد تأسيسها لدى كاتب العدل بمحافظة جدة برقم (٣٠) وتاريخ ١٢/٢/١٤٢١هـ وعنوانها جدة حي المرجان ص.ب ٤٣٨٤ جدة ٢١٤٩١.
(طرف ثاني)

ثالثاً: تعديل المادة الخامسة من عقد تأسيس الشركة، والخاصة برأس المال الشركة لتصبح على النحو التالي:

رأس المال:

حد رأسمال الشركة بمبلغ ٤٠٠٠٠٠٠٠٠ (أربعون مليون ريال سعودي) مقسم إلى (٤٠٠٠٠٠٠٠٠) أربعون مليون حصة متساوية القيمة، قيمة كل حصة (واحد ريال سعودي) تم توزيعها على الشريكين كالتالي:

اسم الشريك	عدد الحصص	قيمة الحصة بالريال السعودي	مجموع قيمة الحصص بالريال السعودي	النسبة المئوية
شركة السعودية للإقتصاد والتنمية القابضة "سندكو"	٣٩,٦٠٠,٠٠٠	١	٣٩,٦٠٠,٠٠٠	٩٩%
شركة سند التجارية المحدودة	٤٠٠,٠٠٠	١	٤٠٠,٠٠٠	١%
المجموع	٤٠,٠٠٠,٠٠٠	-	٤٠,٠٠٠,٠٠٠	١٠٠%

ويقر الشركاء انه قد تم توزيع الحصص فيما بينهم وتم الوفاء بقيمتها كاملة عند التأسيس.

رابعاً: تعديل المادة الحادية عشر من عقد تأسيس الشركة والخاصة ب (إدارة الشركة) لتصبح صياغتها على النحو التالي:

إدارة الشركة

(أ) **مجلس المديرين:**

١^أ يدير شركة مجلس مديرين مكون من خمسة متراء أو أكثر يتم تعيينهم بموجب قرار مستقل يصدر من الشرك الأول في هذا الخصوص ويكون من بينهم (رئيس مجلس المديرين).

٢^ب تكون مدة المجلس (٣) ثلاث سنوات ، تجدد تلقائياً لمدة أو مدد أخرى مماثلة ويتم تعديل المدة بموافقة الشرك الأول.

٣^ج في حالة استقالة أو عزل أو وفاة أي مدير من المتراء المعينين في مجلس المديرين أو امتناعه عن حضور الاجتماعات ، يصدر قرار من الشريكة الأول بتعيين مديراً بديلاً عنه لعضوية المجلس.

(ب) **سلطات وصلاحيات مجلس المديرين :**

مع عدم الإخلال بالسلطات الممنوحة لجمعية الشركاء ، لمجلس المديرين بالأغلبية كامل الصلاحيات اللازمة لتسيير أعمال الشركة بما يحقق أغراضها ، ورسم سياسات الشركة المالية والإدارية والوظيفية ومتابعة تنفيذها ، وتمثيل الشركة في علاقاتها تجاه الغير بما في ذلك المحاكم بجميع درجاتها وأنواعها والهيئات القضائية والحكومية وتديان المطالبات والتحكيم الإدارية وهيئة حسم المنازعات التجارية ولجان العمل والعمال والأوراق التجارية، كما لهم الحق في تقدير التغيرات والاستعدادات والدعوي والمرافعة والمدافعة عن الشركة بصفتها مدعية أو مدعى عليها، واستلام الأحكام والاعتراض عليها وتمثيلها واستئنافها، وحضور الجلسات وطلب التحكيم وسماع الشهود وجرحهم وتعديلهم وأداء اليمين وطنياً وردها .

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Yanbu



وتعيين الخبراء والمحكمين . وقبول الصلح أو رفضه والإجراء والإقرار والإنكار والقبض والإسلام ، والتسليم وهنئ رفع اليد والتمتية بأي حق لشركة لدى أي جهة كانت ، والتوقيع على عقود تأسيس الشركات الجديدة التي تساهم الشركة فيها سواء داخل أو خارج المملكة وقرارات الشركاء الخاصة بتعديل عقودها أو تصفيتها وضمها أو الاندماج في شركات أخرى ، بما في ذلك افتتاح الفروع الجديدة ودخول وخروج شركاء وزيادة وتخفيض رأس المال والاندماج في شركات أخرى وتعيين وعزل المديرين فيها وإجراء كافة العمليات والمعاملات الداخلة ضمن أغراض الشركة ، أو تصفيتها وضمها ، وشراء وبيع الحصص والأسهم ، والتوقيع على عقود شراء وبيع الأراضي والعقارات وشراء وبيع والإرغ وقبول الأراضي والعقارات اللازمة لتحقيق عرض الشركة والتوقيع بذلك أمام كاتب عدل ودفع الثمن وقبضه وإعطاء المخالفات والقسمات وملئ الفرض واستلام المستندات وصكوك الملكية وتقديم طلب استخراج بدل فاقد لها أو تهيمشها وتصحيحها ، وحضور اجتماعات مجالس الإدارة والمديرين والإدارات والجمعيات العامة للشركات الأخرى التي تساهم فيها الشركة والتصويت على قراراتها واعتماد محاضر الاجتماعات بها واعتماد الميزانيات والتخايب منراء الشركات وأعضاء مجالس إدارتها ، والتعاقد مع المقاولين والمهندسين والاستشاريين وإبرام العقود والاتفاقيات بجميع أنواعها والتوقيع عليها وفسخها ، بما في ذلك عقود الإيجار والصيانة والرهن وفك الرهن والمضاربة وغيرها ، وتقديم جميع المعاملات وطلبات رخص البناء للجهات الحكومية الرسمية واستلامها ، وتعيين الموظفين والخبراء والمحكمين وتقديم مكافئهم وفصلهم وعزلهم ومحاسبتهم أمام الجهات الرسمية ، وفتح الحسابات في البنوك المحلية والأجنبية والإيداع والسحب والاقتراض وفقاً للضوابط الشرعية منها أو من جهات أخرى حكومية أو غير حكومية وطلب التسهيلات الائتمانية المختلفة ، وإصدار خطابات الضمان المالية والبنكية وفتح الاعتمادات المستندية والسحب منها وإقالتها ، والقيام بجميع العمليات النقدية داخل وخارج المملكة ، وقبض التحاويل والشيكات والكمبيالات واستلام وتسليم أي مدفوعات لأي شخص أو جهة ، والتوقيع على الكفالات والضمانات المصرفية وطلب إصدارها أو الغائها ، والتعامل بجميع أنواع الأوراق المالية ونظيرها ، وتعيين الوكلاء والمحامين عن الشركة ومنحهم الصلاحيات اللازمة للمرافعة والدفاع والمطالبة بحقوق الشركة ، ويحق لهم توكيل و تفويض أحد أعضاء مجلس المديرين أو المدير التنفيذي أو الغير في كل أو بعض صلاحياته المذكورة أعلاه ، وإعطاء التوكيل حق توكيل الغير وغير ذلك من الصلاحيات التي تحتاجها أعمال الشركة لممارسة نشاطها ، ويعتبر التوكيل أو التفويض الذي يصدر عن المجلس في هذا الخصوص منضماً للصلاحيات الممنوحة لتمثيل الشركة أمام الغير والتصرف نيابة عنها ، صحيحاً ونافذاً ومؤزماً للشركة أمام الغير .

(ج) اجتماعات مجلس المديرين:

- ١) يجتمع مجلس المديرين بطلب من الرئيس "٣" مرتين في السنة على الأقل ، وخلال ذلك يتم انعقاد المجلس في أي وقت خلال السنة بدءاً على طلب ثلاثة على الأقل من أعضائه أو بناء على طلب رئيس المجلس أو مراقب حسابات الشركة، وتوجه الدعوة للاجتماع إلى المديرين خطياً (بالتلغراف أو البريد الإلكتروني أو بالبريد المسجل بعد الوصول أو بتأيد) وذلك قبل موعد الجلسة بخمسة عشر يوماً على الأقل، أو بموافقة الأعضاء على مدة أقل للدعوة في حالة الاجتماعات الطارئة.
- ٢) يعقد المجلس جلساته في مدينة جدة ما لم يتفق على عقدها في مكان آخر.
- ٣) يكون لكل مدير صوت واحد بشأن أي أمر من الأمور. ويتم التصويت داخل المجلس إما شخصياً أو بتوكيل، ويمكن تمثيل أن ينيب عنه خطياً مديراً آخر لحضور أي جلسة وتحديد القرارات التي يحق له التصويت عليها نيابة عنه . على أنه لا يجوز أن يكون المدير الواحد موكلًا عن أكثر من مدير في نفس الوقت . ويكون للمدير "الحاضر" في هذه الحالة أن يدلّي بصوته عن نفسه فضلاً عن إدلائه بصوت المدير الغائب الذي أبايه في التصويت عنه، وبشروط في التوكيل أن يكون خطياً . ويمكن إرسال

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صورة منه بالتفانس على الشركة ، ويجوز إلغاء التوكيل بنفس الأصول المذكورة، كما أن التوكيل يصبح منغياً تلقائياً في حالة استقالة أو وفاة أو عزل المدير الذي أصدر ذلك التوكيل .
(د) النصاب اللازم لصحة الاجتماعات :

(أ) لا يكون اجتماع المجلس صحيحاً إلا بحضور خمسة من المدراء على الأقل بأشخاصهم أو بالوكالة . ويتم توجيه الدعوة لحضور جلسات مجلس المديرين بالكيفية المبينة في الفقرة (ج) أعلاه.
(ب) يجوز اتخاذ القرارات في مجلس المديرين بالتمرير وفي هذه الحالة يرسل رئيس مجلس المديرين إلى كل مدير خطاباً بالقرارات المقترحة، بحيث يبدى المديرين آرائهم متفرقين، ويتم الموافقة على القرارات بالإجماع.

(هـ) كيفية صدور قرارات المجلس :

هـ/أ) يكون لكل مدير صوت واحد بما في ذلك رئيس مجلس المديرين بشأن أي أمر من الأمور. ويتم التصويت إما شخصياً أو بالوكالة، وتتخذ القرارات المجلس في جميع المسائل المتعلقة بأمر الشركة بأغلبية الحاضرين من المدراء وفي حال تعادل الأصوات يكون للرئيس صوت مرجح.
هـ/ب) تعتبر القرارات الصادرة في أي اجتماع لمجلس المديرين - كيفما تمت الدعوة إليه وأينما عقد ذلك الاجتماع - صحيحة ونافذة كما لو كانت قد اتخذت في اجتماع تم عقده والدعوة إليه حسب الأصول المرعية المذكورة أعلاه ، وذلك إذا توافر النصاب اللازم لعقد الاجتماع، وقام المديرين بالتوقيع على محضر الاجتماع.
هـ/ج) تثبت مداولات وقرارات المجلس في محاضر جلسات وتكون في سحر خاص يوقع عليه الرئيس وسكرتير المجلس.

(و) المدير التنفيذي :

يتولى إدارة الأعمال اليومية للشركة مدير تنفيذي يجوز أن يكون من أعضاء مجلس المديرين ويستثنى من ذلك رئيس المجلس كما يجوز أن يكون المدير التنفيذي من الغير ، ويصدر بتعيينه قرار مستقل من الشرك الأهل . ويتم في القرار المذكور تحديد صلاحياته وسمطاته ومكافأته ومدة تعيينه.

(ز) مكافآت أعضاء مجلس المديرين:

لا يتقاضى أعضاء مجلس المديرين رواتب محددة نظير قيامهم بعملهم ، ومن الممكن أن يستحق كل أو بعض أعضاء مجلس المديرين مكافآت مقطوعة عن عملهم بالشركة وحضور الاجتماعات وفق الآلية التي يحددها الشركاء ويكون ذلك بقرار مستقل يصدر منهم في هذا الخصوص .

(ح) عزل المديرين :

يجوز لشركاء عزل المديرين المعينين من قبلهم في عقد الشركة أو بموجب عقد مستقل ، بنفس الكيفية التي تم بها تعيينهم سابقاً، دون الإخلال بحقوقهم في التعويض إذا وقع العزل بدون مبرر مقبول أو في وقت غير لائق.

شركة معدات الجزيرة المحدودة
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س.ت 2051005734



خامساً: تبقى باقي مواد عقد التأسيس وملاحقه التي لم يشملها هذا التعديل كما هي دون تغيير أو تعديل.

سادساً: يقر الشركاء الجدد بأنهم قد اطلعوا على عقد تأسيس الشركة وملاحقه ويلتزمون بكافة ما ورد بها من تعرض

سابعاً: حرر هذا القرار من (سبع) نسخ للعمل بموجبها ولتقديمها إلى الجهات المختصة لاستكمال الإجراءات النظامية وقد فوض الشركاء كل من / ابراهيم محمد فاضل عرب وصالح محمود بغدادي ومحمد مزعل المحميد وعلي عبد الله العيسان مجتمعين أو منفردين لإنهاء هذه الإجراءات أمام وزارة التجارة والصناعة وكتب العدل والجهات الرسمية الأخرى.



توقيعات الشركاء

الشركاء المتقارنين

شركة حصص التجارية القابضة المحدودة
عنها / محمد عبد المنان باصير

شركة الكفيل التجارية القابضة المحدودة
عنها / فضل عبد المنان باصير

الشركاء الجدد

الطرف الثاني

شركة سدد التجارية المحدودة

عنها / علي علي حماد

الطرف الأول

الشركة السعودية للإقتصاد والتنمية القابضة - سدكو

عنها / علي علي حماد



٢٠ ٤٧ ٩٢ ٩٢
٢٠ ١ ٠

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شركة معدات الجزيرة المحدودة

عقد تأسيس معدل لشركة معدات الجزيرة (ذات مسؤولية محدودة)

بموجب الله وتوفيقه تم في تاريخ ٢٧/١٠/١٤٣٧هـ.م الموافق ٠٨/١٦/٢٠١٦م الاتفاق بين كلا من :

- (١) الشركة السعودية للاقتصاد والتنمية القابضة "سككو" (مساهمة مغلقة) ، مقيدة بالسجل التجاري لمدينة جدة تحت الرقم (٤٠٣٠٠١٠٨٨٥) وتاريخ ١٣٩٧/١١/٠١هـ.م المثبت بقرار الشركاء بتعديل الشركة إلى مساهمة لدى كاتب العدل المكلف بالغرفة التجارية الصناعية بمحافظة جدة برقم (١٩٧) وتاريخ ١٤٣٠/٠٣/٢١هـ.م وعنوانها جدة حي المرجان ص ب ٤٣٨٤ جدة ٢١٤٩١ . (طرف أول)
- (٢) شركة ميند التجارية المحدودة مقيدة بالسجل التجاري لمدينة جدة تحت الرقم (٤٠٣٠١٣١٩٤) وتاريخ ١٤٢١/٥/١٥هـ.م المثبت عند تأسيسها لدى كاتب العدل المكلف بالغرفة التجارية الصناعية بمحافظة جدة برقم (٦٧) وتاريخ ١٤٢٣/٠٩/٠٧هـ.م وعنوانها جدة حي المرجان ص ب ٤٣٨٤ جدة ٢١٤٩١ . (طرف ثاني)

تعهد

تأسس شركة معدات الجزيرة المحدودة المقيدة بالسجل التجاري بمدينة الخبر تحت الرقم (٢٠٥١٠٠٥٧٣٤) وتاريخ ١٤٠٠/٣/١٢هـ.م والمثبت عند تأسيسها لدى كاتب العدل الرياض بحد رقم (٢٠٢٢) مجلد (٢) صحيفة (٩١) وتاريخ ١٣٩٩/٠٤/١٦هـ.م ، والسجل بموجب قرار الشركاء الأخير المثبت لدى كاتب العدل المكلف لدى الغرفة التجارية والصناعية بالمنطقة الشرقية بالعدد ٩٣ صحيفة ٩٣ من المجلد ٤٧ لعام ١٤٣٢هـ.م في ١٥/٠٣/١٤٣٢هـ.م. وقد رغب الشركاء في زيادة رأس مال الشركة من مبلغ (٤٠٠٠٠٠٠٠٠) أربعين مليون ريال إلى مبلغ (١٢٠٠٠٠٠٠٠٠) مائة وعشرون مليون ريال كما رغب الشركاء في تعديل القيمة الاسمية للحصة من مبلغ (١) ريال واحد إلى مبلغ (١٠٠٠) ألف ريال على أن توزع الزيادة فيما بينهم وفقاً لما تم الاتفاق عليه وفقاً لما يأتي بيانه لاحقاً وكما رغب الشركاء في ضم جميع قرارات الشركاء في عمل عقد تأسيس معدل وقد استوفى جميع الاطراف حقوقهم قبل بعضهم البعض ويعتبر توقيعهم على هذا العقد بمثابة مخالصة تامة فيما بينهم.

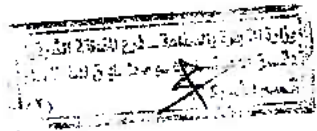
عليه فقد قرر الشركاء بالإجماع اعداد عقد تأسيس معدل وفقاً لأحكام نظام الشركات السعودي الصادر بالمرسوم الملكي رقم (٣/م) وتاريخ (١٤٣٧/٠١/٢٨هـ) وتعديلاته بحيث يعتبر هذا العقد هو الذي يحكم العلاقة بين الشركاء بصورة نهائية ويحل محل عقد التأسيس المشار إليه أعلاه ويجمع ملاحق تعديلاته الواردة عليه، لذا فقد قرر الشركاء بالإجماع إصدار عقد تأسيس شركة ذات مسؤولية محدودة وملاحقه وفقاً لما يلي :-

المادة الأولى:

يعتبر التمهيد السابق جزء لا يتجزأ من هذا العقد .

المادة الثانية : أسم الشركة:

شركة معدات الجزيرة المحدودة (شركة ذات مسؤولية محدودة) .



Al Jazira Equipment Co. Ltd.



شركة معدات الجزيرة المحدودة

المادة الثالثة: أغراض الشركة :

إن الأغراض التي كونت الشركة لأجلها هي:

- ١- الزراعة والصيد
- ٢- المناجم والتعدين وفروعها
- ٣- الصناعات التحويلية وفروعها حسب التراخيص الصناعية
- ٤- الكهرباء والغاز والماء وفروعها
- ٥- التشييد والبناء
- ٦- التجارة
- ٧- النقل والتخزين والتبريد
- ٨ - خدمات المال والاعمال والخدمات الأخرى
- ٩- خدمات إجتماعية وجماعية وشخصية
- ١٠- تقنية المعلومات
- ١١- الأمن والسلامة.

وتمارس الشركة انشطتها وفق الأنظمة المنبذة وبعد الحصول على التراخيص من الجهات المختصة ان وجدت.

المادة الرابعة: المشاركة والاندماج :

يجوز للشركة إنشاء شركات بمفردها (ذات مسؤولية محدودة أو مساهمة مقفلة بشرط ألا يقل رأس المال عن (٥) مليون ريال ويجوز لها أن تمتلك الأسهم أو الحصص في شركات أخرى قائمة أو تندمج معها ولها حق الإشتراك مع الغير في تأسيس الشركات المساهمة أو ذات المسؤولية المحدودة لمزاولة نشاط مماثل أو متمم لها وذلك بعد استيفاء ما تتطلبه الأنظمة والتعليمات المنبذة في هذا الشأن ، كما يجوز للشركة أن تتصرف في هذه الأسهم أو الحصص على ألا يشمل ذلك الوساطة في تداولها.

المادة الخامسة: المركز الرئيسي للشركة :

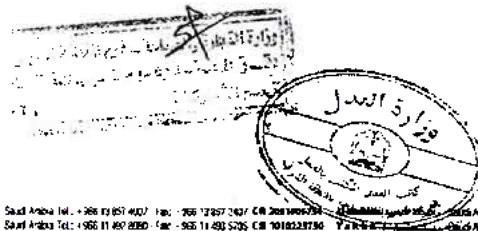
يكون المركز الرئيسي للشركة في مدينة الخبر وللشركة الحق في إنفتاح فروع لها داخل وخارج المملكة متى اقتضت مصلحة الشركة وذلك بعد موافقة مجلس مديري الشركة.

المادة السادسة: مدة الشركة :

مدة الشركة (٥٠) خمسون عاماً ميلادياً تبدأ من تاريخ قدها بالسجل التجاري ويجوز مد أجل الشركة قبل إنتقائه مدة أخرى بقرار تصدره الجمعية العامة من أي عدد من الشركاء المالكين كنصف الحصص الممثلة لرأس المال أو من أغلبية الشركاء . وإذا لم يصدر القرار بعد أجل الشركة واستمرت الشركة في إداء أعمالها امتد العقد لمدة مماثلة بالشروط نفسها الواردة في عقد التأسيس . وللشريك الذي لا يرغب في الاستمرار في الشركة أن ينسحب منها وتقوم حصصه وفقاً للأحكام الواردة في المادة (الحادية والستين بعد المائة) من نظام الشركات ولا ينفذ التمديد إلا بعد بيع حصة الشريك للشركاء أو الغير بحسب الأحوال قداء قيمتها له ما لم يتفق الشريك المنسحب مع باقي الشركاء على غير ذلك .

المادة السابعة: رأس المال :

حدد رأس مال الشركة بمبلغ (١٢٠.٠٠٠.٠٠٠ ريال) مائة وعشرون مليون ريال سعودي فقط لا غير مقسم إلى (١٢٠.٠٠٠) مائة وعشرون الف حصة متساوية القيمة، قيمة كل حصة نقدية (١.٠٠٠ ريال سعودي) ألف ريال سعودي تم توزيعها على الشركاء كالتالي:



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شركة معدات الجزيرة المحدودة

اسم الشريك	عدد الحصص	قيمة الحصة	الاجمالي	النسبة
المادة/الشركة السعودية للاقتصاد والتنمية القابضة "سككو"	١١٨,٨٠٠	١,٠٠٠	١١٨,٨٠٠,٠٠٠	%٩٩
المادة/ شركة مند التجارية المحدودة	١٢٠٠	١,٠٠٠	١,٢٠٠,٠٠٠	%١
الإجمالي	١٢٠,٠٠٠	-	١٢٠,٠٠٠,٠٠٠	%١٠٠

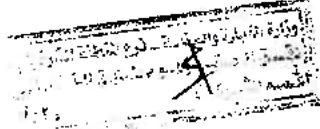
ويقر الشركاء بصحة توزيع الحصص فيما بينهم وتم الوفاء بقيمتها كاملة عند التأسيس أما الزيادة الحاصلة في رأس المال وتقدرها (٨٠,٠٠٠,٠٠٠) ثمانون مليون ريال، فتمثل القرض طويل الأجل الممنوح من احد الشركاء بقيمة (٣٦,٥٤٠,٥٤١) ستة وثلاثون مليون وخمسمائة وأربعون ألف وخمسمائة وواحد وأربعون ريال سعودي) وقرض قصير الأجل ممنوح من أحد الشركاء بمبلغ وقدره (٤٠,٣٠١,٦٦٧) أربعون ملايين وثلاثمائة وواحد ألف وستمائة وسبعة وستون ريال سعودي) والباقي بمبلغ (٣,١٥٧,٧٩٢) ثلاثة ملايين ومائة وسبعة وخمسون ألف وسبعمائة وإثنان وتسعون ريال سعودي) من أرباح الشركة العبقاة، وذلك وفقاً لشهادة المحاسب القانوني.

المادة الثامنة : زيادة أو تخفيض رأس المال :

١. يجوز بموافقة جميع الشركاء زيادة رأس مالها عن طريق رفع القيمة الاسمية لحصص الشركاء بدفع قيمة الزيادة في رأس المال بنسبة مشاركة كل منهم .
٢. للجمعية العامة للشركاء أن تقرر تخفيض رأس مال الشركة إذا زاد على حاجتها أو منيت بضائر لم تبيع نصف رأس المال وذلك وفقاً لأحكام الواردة بالمادة (السابعة والسبعون بعد المائة) من نظام الشركات .

المادة التاسعة: الحصص

- ١- الحصص قابلة للانتقال بين الشركاء وكذلك إلى ورثتهم الشرعيين، ولا يجوز لأي شريك التنازل عن حصة أو أكثر من حصصه لأي طرف ثالث سواء من الشركاء أو من الغير، بعبوض أو بغير عبوض إلا بموافقة خطية من باقي الشركاء، ومع ذلك يجوز لباقي الشركاء إسترداد الحصة أو الحصص التي يرغب أحد الشركاء في التنازل عنها طبقاً لأحكام المادة (١٦٥) من نظام الشركات.
- ٢- إذا تعذر على الشركاء تحديد السعر العادل لتلك الحصص في السوق خلال فترة معقولة من الزمن لا تزيد عن (٩٠) تسعين يوماً من تاريخ إعلانهم عن رغبتهم في شراء الحصص، فإنه يتم تحديد السعر العادل لتلك الحصص في السوق من قبل مراقب حسابات الشركة وإذا لم يقبل الشريك البائع بذلك التقدير فيقوم الشركاء بتعيين مكتب محاسب قانوني معتمد يتولى تقدير قيمة تلك الحصص وفق المبادئ المحاسبية المتعارف عليها بشكل ثابت ومستمر خلال مهلة لا تتجاوز ثلاثة أشهر ، ويعتبر ذلك التقدير نهائياً وملزماً لجميع الشركاء.
- ٣- إذا لم يقم الشركاء الآخرون مجتمعين أو منفردين غير الشركاء البائعين في نهاية فترة الثلاثين (٣٠) يوماً المنكورة بالأعراب عن رغبتهم في الشراء فإنه يحق للشريك أن ينقل أياً من أو جميع تلك الحصص إلى الغير بنفس الأحكام والشروط الواردة في الأخطار.



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شركة معدات الجزيرة المحدودة

المادة العاشرة : سجل الحصص :

تعد الشركة سجلاً خاصاً بالحصص يقيد به أسماء الشركاء وعدد الحصص التي يمتلكها كل منهم وكافة التصرفات التي ترد على هذه الحصص ولا ينفذ انتقال ملكية هذه الحصص في مواجهة الشركة أو الغير إلا إذا تم قيد السبب الناقل للملكية في السجل المذكور ويجب أن تشتمل بيانات السجل على كافة البيانات التالية:

- (١) اسم الشريك ومهنته وجنسيته وعتوانه ورقم وتاريخ حفيظة النفوس أو جواز السفر.
 - عدد الحصص وقيمتها التي يمتلكها في رأسمال الشركة.
 - (٢) عدد الحصص وقيمتها التي يتم التصرف فيها مع بيان نوع التصرف - بيع أو شراء أو ميراث أو هبة إلى غير ذلك من تصرفات.
 - (٣) اسم المتصرف والمتصرف إليه وتوقيعهما.
 - (٤) تاريخ التصرف في الحصص.
 - (٥) مجموع ما يملكه الشريك من حصص بعد إجراء التصرف وقيمتها.
- ويتم ترقيم صفحات السجل المذكور ترقياً متسلسلاً، ولا يجوز نزح أي صفحة من صفحاته أو إجراء أي كشط أو تغيير في البيانات المتونة به.

المادة الحادية عشر : ادارة الشركة :

- (١) / يدير الشركة مجلس مديرين مكون من سبعة مدراء يتم تعيينهم بموجب قرار مستقل يصدر من الشريك الأول في هذا الخصوص ويكون من بينهم (رئيس مجلس المديرين)
- (٢) / تكون مدة المجلس (٣) ثلاث سنوات ، تجدد تلقائياً لمدة أو مدد أخرى معاملة ويتم تعديل المدة بموافقة الشريك الأول.
- (٣) / في حالة استقالة أو عزل أو وفاة أي مدير من المدراء المعينين في مجلس المديرين أو امتناعه عن حضور الاجتماعات ، يصدر قرار من الشريك الأول بتعيين مديراً بدلاً عنه لعضوية المجلس.

(ب) سلطات وصلاحيات مجلس المديرين :

مع عدم الإخلال بالسلطات الممنوحة لجمعية الشركاء ، لمجلس المديرين بالأغلبية كامل الصلاحيات اللازمة لتسيير أعمال الشركة بما يحقق أغراضها ، ورسم سياسات الشركة المالية والإدارية والوظيفية ومتابعة تنفيذها، وتمثيل الشركة في علاقتها تجاه الغير بما في ذلك مراجعة جميع الوزيريات وترويعها والموازن الحكومية وكتابات العدل والمحاكم التشريعية وديوان المطالم والهيئات القضائية بمختلف أنواعها ودرجاتها واللجان التجارية والهيئات المعنوية ولهم في ذلك حق المرافعة والمدافعة وحضور الجلسات وإقامة الدعاوى وسماع الشهود والظعن فيهم واستجوابهم وطلب حلف اليمين وتوريد الشهود والبيانات ومطالبة المدين وطلب الحجز على أمواله وفكها وإستلام كافة الحقوق نقداً أو بموجب شيكات ولهم الحق في إستئناف الأحكام والتنظلم وطلب تعيين الخبراء والظعن في تقاريرهم وتقديم لوائح الإدعاء والظعن بالتزوير والفتاعة والرضا بالأحكام والإعتراض عليها وتنفيذ الأحكام ولهم في ذلك حق الإقرار والإنكار والإبراء والصنع والتنازل وطلب التحكيم لدى أي جهة كانت وطلب منع المعارضة ورفع اليد وإخلاء السبيل كما لهم حق مراجعة وزارة التجارة والصناعة وترويعها وإدارتها ومكاتب السجل التجاري وإستخراج السجلات التجارية والتعديل والإضافة والتجديد وتسجيل العلامات التجارية والوكالات التجارية كما لهم حق التوقيع على جميع قرارات الشركاء الخاصة بتعديل عقد تأسيس

التوقيع
الاسم
المسمى
العضو
المؤيد

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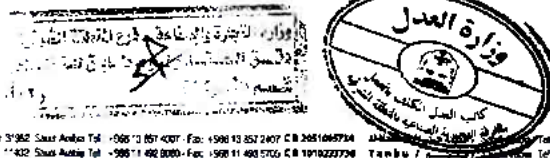
شركة معدات الجزيرة المحدودة

الشركة أو الانتماج في شركات أخرى، والتوقيع على عقود تأسيس الشركات الجديدة التي تساهم الشركة فيها، سواء داخل أو خارج المملكة، وقرارات الشركاء الخاصة بتعديل عقودها بما في ذلك افتتاح الفروع الجديدة ودخول وخروج شركاء وزيادة وتخفيض رأس المال والانتماج في شركات أخرى وتعيين وعزل المديرين فيها وإجراء كافة العمليات والمعاملات الداخلة ضمن أغراض الشركة، أو تصفيتها وشطبها، وشراء وبيع وزيادة ونقل الحصص والأسهم كما لهم حق حضور اجتماعات مجالس الإدارة والمديرين والإدارات والجمعيات العامة للشركات الأخرى التي تساهم فيها الشركة والتصويت على قراراتها واعتماد محاضر الاجتماعات بها واعتماد الميزانيات وانتخاب مدراء الشركات وأعضاء مجالس إدارتها ولهم حق شراء وبيع الأراضي والعقارات باسم الشركة والإهراف وقبوله والتوقيع بذلك أمام كاتب عدل ونفع الشئ وقبضه وإعطاء المخالصات والقسمة وطلب الفرز واستلام المستندات وصكوك الملكية واستخراج بدل فاقد لها أو تمهيتها وتصحيحها، وإبرام العقود والاتفاقيات بجميع أنواعها والتوقيع عليها وفسخها والتصالح عليها، بما في ذلك عقود الإيجار والصيانة والرهن وفك الرهن والمضاربة وغيرها، وتقديم جميع المعاملات وطلبات رخص البناء للجهات الحكومية والرسمية واستلامها، وتعيين الموظفين والخبراء والمحكمين وتقرير مكافآتهم وفصلهم وعزلهم ومحاسبتهم أمام الجهات الرسمية، وفتح الحسابات في البنوك المحلية والأجنبية والإيداع والسحب والاقتراض منها أو من هيئات أخرى حكومية أو غير حكومية وطلب التسهيلات الائتمانية المختلفة، وإصدار خطابات الضمان المالية والبنكية وفتح الاعتمادات المستندية والسحب منها وإقبالها، والقيام بجميع العمليات البنكية داخل وخارج المملكة، وقبض التحاويل والشيكات والكمبيالات واستلام وتسليم أي مدفوعات لأي شخص أو جهة، والتوقيع على الكفالات والضمانات المصرفية وطلب إصدارها أو إلغائها، والتعامل بجميع أنواع الأوراق المالية والأوراق التجارية وتطهيرها كما لهم حق مراجعة شركة الاتصالات السعودية وشركة اتحاد الاتصالات والشرطة والحقوق المدنية وقاضي التنفيذ ووزارة العمل ومكاتبها وفروعها والإستقدام والجوزات وجوزات المطار والسفارات والقنصليات الأجنبية في المملكة والأمانات والبليونات والعرف التجارية ومصالحة الزكاة والنظف وتعيين المحامين والممثلين القانونيين والوكلاء عن الشركة ومتحهم الصلاحيات اللازمة للمرافعة والمدافعة والمطالبة بحقوق الشركة، ويحق لهم توكيل وتفويض المدير التنفيذي أو الغير في كل أو بعض صلاحياتهم المنكورة أعلاه وإلغاء التوكيلات والتفويضات، وإعطاء الوكيل حق توكيل الغير وغير ذلك من الصلاحيات التي تحتاجها أعمال الشركة لممارسة نشاطها، ويعتبر التوكيل أو التفويض الذي يصدر من المجلس أو من أحد أعضائه في هذا الخصوص متضمناً للصلاحيات الممنوحة لتمثيل الشركة أمام الغير والتصرف نيابة عنها، صحيحاً ونافاً وملزماً للشركة أمام الغير.

ويحق للمجلس تفويض كل أو بعض صلاحياته إلى لجان فرعية ينشأها المجلس بقرار منه بحق لمجلس المديرين بموجب قرار مستقل يصدر عنه بهذا الخصوص تحديد الصلاحيات الممنوحة لكل مدير من مدراء المجلس منفرداً في تمثيل الشركة أمام الغير أو التصرف نيابة عنها وتصدر قرارات مجلس المديرين وتحديد اسم وصلاحيات المدير الذي يتولى تمثيل الشركة في تحديد شخص المدير المذكور وصلاحياته ومدة توليه لمهامه.

(ج) اجتماعات مجلس المديرين:

١) يجتمع مجلس المديرين بطلب من الرئيس "٣" مرتين في السنة على الأقل، وخلاف ذلك يتم انعقاد المجلس في أي وقت خلال السنة بناء على طلب ثلاثة على الأقل من أعضائه أو بناء على طلب رئيس المجلس أو مراقب حسابات الشركة، وتوجه الدعوة للاجتماع إلى المديرين خطياً (بالفاكس أو البريد الإلكتروني أو بالبريد المسجل بعلم الوصول أو



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شركة معدات الجزيرة المحدودة

بالإيد) وذلك قبل موعد الجلسة بخمسة عشر يوماً على الأقل، أو بموافقة الأعضاء على مدة أقل للدعوة في حالة الاجتماعات الطارئة.

٢) يعقد المجلس جلساته في مدينة جدة ما لم يتفق على عقدها في مكان آخر.
٣) يكون لكل مدير صوت واحد بشأن أي أمر من الأمور، ويتم التصويت داخل المجلس إما شخصياً أو بالوكالة، ويمكن للمدير أن ينوب عنه خطياً مديراً آخر لحضور أي جلسة وتحديد القرارات التي يحق له التصويت عليها نيابة عنه، على أنه لا يجوز أن يكون المدير الواحد موكلاً عن أكثر من مدير في نفس الوقت، ويكون للمدير "الحاضر" في هذه الحالة أن يدلي بصوته عن نفسه فضلاً عن إدلائه بصوت المدير "الغائب" الذي أنابه في التصويت عنه، ويشترط في التوكيل أن يكون خطياً، ويمكن إرسال صورة منه بالفاكس على الشركة، ويجوز إلغاء التوكيل بنفس الأصول المذكورة، كما أن التوكيل يصبح ملغياً تلقائياً في حالة استقالة أو وفاة أو عزل المدير الذي أصدر ذلك التوكيل.

د) النصاب اللازم لصحة الاجتماعات :

١) لا يكون اجتماع المجلس صحيحاً إلا بحضور أغلبية المدراء بأشخاصهم أو عن طريق وكلائهم، ويتم توجيه الدعوة لحضور جلسات مجلس المديرين بالكيفية المبينة في الفقرة (ج) أعلاه.

٢) يجوز اتخاذ القرارات في مجلس المديرين "بالتصويت" وفي هذه الحالة يرسل رئيس مجلس المديرين إلى كل مدير خطاباً بالقرارات المقترحة، بحيث يبدي المديرين آراءهم متفرقين، ويتم الموافقة على القرارات بالإجماع.

هـ) كيفية صدور قرارات المجلس :

١/أ) يكون لكل مدير صوت واحد بما في ذلك رئيس مجلس المديرين بشأن أي أمر من الأمور، ويتم التصويت إما شخصياً أو بالوكالة، وتتخذ قرارات المجلس في جميع المسائل المتعلقة بأمر الشركة بأغلبية الحاضرين من المدراء وفي حال تعادل الأصوات يكون للرئيس صوت مرجح.

٢/أ) تعتبر القرارات الصادرة في أي اجتماع لمجلس المديرين - كيفما تمت الدعوة إليه وأينما عقد ذلك الاجتماع صحيحة ونافذة كما لو كانت قد اتخذت في اجتماع تم عقده والدعوة إليه حسب الأصول المرعية المذكورة أعلاه، وذلك إذا توافر النصاب اللازم لعقد الاجتماع، وقام المديرين بالتوقيع على محضر الاجتماع.

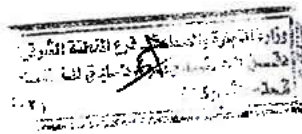
٣/أ) تثبت مداولات وقرارات المجلس في محاضر جلسات وتكون في سجل خاص يوقع عليه الرئيس ومكاتبه.

و) المدير التنفيذي :

ينوبى إدارة الأعمال اليومية للشركة "مدير تنفيذي" يجوز أن يكون من أعضاء مجلس المديرين ويستقنى من ذلك رئيس المجلس كما يجوز أن يكون المدير التنفيذي من الغير، ويصدر بتعيينه قرار مستقل من الشرك الأول، ويتم في القرار المذكور تحديد صلاحياته وسلطاته ومكافأته ومدة تعيينه.

ي) مكافآت أعضاء مجلس المديرين:

لا يتقاضى أعضاء مجلس المديرين رواتب محددة نظير قيامهم بعملهم، ومن الممكن أن يستحق كل أو بعض أعضاء مجلس المديرين مكافآت مقطوعة عن عملهم بالشركة وحضور الاجتماعات وفق الآلية التي يحددها الشركاء ويكون ذلك بقرار مستقل يصدر منهم في هذا الخصوص.



(ز) عزل المديرين :

يجوز للشركاء عزل مجلس المديرين المعينين من قبلهم في عقد الشركة أو بموجب عقد مستقل ، بنفس الكيفية التي تم بها تعيينهم سابقاً، دون الإخلال بحقوقهم في التعويض إذا وقع العزل بدون مبرر مقبول أو في وقت غير لائق.

المادة الثالثة عشرة : مراجعي الحسابات :

يجب أن يكون للشركة مراجع حسابات أو أكثر تعينه الجمعية العامة للشركاء و يختاره الشركاء سنوياً بقرار يصدر منهم في جمعية الشركاء ويجب أن يكون من المحاسبين المرخص لهم بالعمل في المملكة وفقاً لأحكام نظام المحاسبين وعلى مراقب الحسابات ملاحظة تطبيق عقد الشركة ونظام الشركاء، وعليه مراجعة قوائم الجرد والحسابات الختامية السنوية وفحص الميزانية وتقديم تقرير سنوي عن ذلك إلى جمعية الشركاء، وله في سبيل ذلك الإطلاع على جميع دفاتر الشركة ووثائقها والعقود التي تبرمها مع الغير وله أن يطلب الإيضاحات والبيانات التي يرى ضرورة الحصول عليها ويحدد الشركاء بقولهم من أتعابه السنوية.

المادة الثالثة عشرة : الجمعية العامة للشركاء :

يكون للشركة جمعية عامة تتكون من جميع الشركاء وتمتد الجمعية العامة بدعوة للإجتماع بناء على طلب (رئيس مجلس المديرين أو احد الشركاء) على أن تعقد مرة على الأقل في السنة خلال الشهور الأربعة التالية لنهاية السنة المالية للشركة وتجوز دعوة الجمعية العامة في كل وقت بناء على طلب المديرين أو مجلس الرقابة او مراجع الحسابات أو عدد من الشركاء يمثل نصف رأس المال على الأقل ويحضر محضر بخلاصة مناقشات الجمعية العامة وتكون المحاضر وقرارات الجمعية العامة أو قرارات الشركاء في سجل خاص تعده الشركة لهذا الغرض .

ويجب أن يشتمل جدول اعمال الجمعية العامة للشركاء في اجتماعها السنوي بصفة خاصة على البنود التالية .

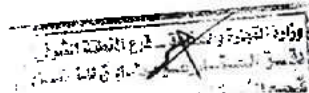
- ١ . سماع تقرير المديرين عن نشاط الشركة ومركزها المالي خلال السنة المالية وتقرير مراجع الحسابات وتقرير مجلس الرقابة إن وجد .
- ٢ . مناقشة القوائم المالية والتصديق عليها .
- ٣ . تحديد نسبة الربح التي توزع على الشركاء .
- ٤ . تعيين المديرين أو أعضاء مجلس الرقابة إن وجدوا وتحديد مكافأتهم .
- ٥ . تعيين مراجع الحسابات وتحديد أتعابه .

المادة الرابعة عشرة : قرارات الشركاء :

(١) تسدر قرارات الشركاء بالإجماع فيما يتعلق بتغيير جنسية الشركة أو زيادة الأعباء المالية للشركاء، وفيما عدا ذلك ويجوز تعديل عقد الشركة بموافقة أغلبية الشركاء الذين يمثلون ثلاثة أرباع رأس المال على الأقل وتصدر القرارات التي لا تتعلق بتعديل عقد الشركة بأغلبية الشركاء الذين يمثلون (٥١%) من رأس المال على الأقل،

(٢) وللشريك أن يوكل عنه أحد الشركاء الآخرين (وليس من الغير) لحضور إجتماع الشركاء وفي التصويت نيابة عنه وذلك بموجب توكيل مكتوب، ويكون لكل شريك عدد من الأصوات يساوي عدد الحصص التي يملكها، وتعد الشركة سجلاً خاصاً تدون فيه محاضر وقرارات الشركاء ويوقع الشركاء الحاضرون على المحاضر والقرارات المتخذة.

(٣) يجوز أن يبدي الشركاء آرائهم متفرقين بدون إجتماع وفي هذه الحالة يرسل رئيس مجلس المديرين إلى كل شريك خطاباً مسجلاً بالقرارات المقترحة حتى يصوت الشركاء عليها كتابة، ما عدا الإجتماع السنوي للجمعية العامة للشركاء، وتكون القرارات الصادرة بالتصوير صحيحة وناقذة إذا صدرت بالأغلبية المنصوص عليها بالفقرة (١) من هذه المادة.



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شركة معدات الجزيرة المحدودة

المادة الخامسة عشرة : السنة المالية :

- أ. تبدأ السنة المالية للشركة في الأول من شهر يناير من كل سنة ميلادية وتنتهي في اليوم الحادي والثلاثين من ديسمبر من ذات السنة ، وتكون كل سنة مالية بعد تلك اثني عشر شهراً ميلادياً.
- ب. يعد مدير الشركة أو مديري الشركة خلال أربعة أشهر من إنتهاء السنة المالية للشركة ميزانية عمومية وحساب الأرباح والخسائر وتقريراً عن نشاط الشركة ومركزها المالي واقتراحاته بشأن توزيع الأرباح وعليه أن يرسل إلى كل شريك وإلى الإدارة العامة للشركات بوزارة التجارة بنسخة من تلك الوثائق مع صورة من تقرير مراجع الحسابات وذلك خلال شهر من تاريخ إعدادها.

المادة السادسة عشرة : الأرباح والخسائر :

توزع أرباح الشركة السنوية الصافية على النحو التالي :

١. تجنب نسبة قدرها (١٠%) من ارباحها الصافية لتكوين احتياطي تضامى - ويجوز للجمعية العامة للشركاء أن تقرر وقف هذا التجنيب متى بلغ الاحتياطي المذكور (٣٠%) من رأس مال الشركة .
٢. الباقى يوزع على الشركاء بنسبة حصص كل منهم في رأس المال ما لم يقرر الشركاء تكوين احتياطيات أخرى، أو توزيع رصيد الأرباح كلياً أو جزئياً للسنة المالية التالية.
٣. في حالة تحقيق خسائر يتحملها الشركاء بنسبة ما يملكه كل منهم ن حصص في رأس المال أو يتم توزيعها للسنة المالية التالية ولا يتم توزيع أرباح إلا بعد استهلاك تلك الخسارة. وإذا بلغت خسائر الشركة نصف رأسمالها وجب على مجلس المديرين تسجيل هذه الواقعة و دعوة الشركاء للإجتماع خلال مدة لا تزيد على تسعين يوماً من تاريخ علمهم ببلوغ الخسارة لهذا المقدار للنظر في إستمرار الشركة مع إلتزام الشركاء بدفع ديونها أو في حلها - ويجب شهر قرار الشركاء سواء بإستمرار الشركة أو حلها بالطرق المنصوص عليها في المادة (الثامنة والخمسين بعد المائة) من نظام الشركات وتعد الشركة متفضية بقوة النظام إذا أهمل مجلس المديرين دعوة الشركاء إصدار قرار بإستمرار الشركة أو حلها .

المادة السابعة عشرة: انقضاء الشركة وتصفيتها :

- تتضمن الشركة بأحد أسباب الانقضاء الواردة في المادة السادسة عشرة من نظام الشركات ومواد هذا العقد وبانقضاءها تدخل في دور التصفية وفقاً لأحكام الباب العشر من نظام الشركات مع مراعاة أنه في حالة التصفية الإختيارية يلزم إتخاذ الآتي :
- (١) إعداد مركز مالي للشركة في تاريخ صدور قرار الشركاء بحل وتصفية الشركة معتمد من محاسب قانوني مرخص له بالعمل في المملكة العربية السعودية يثبت قدرة الشركة على الوفاء بالتزاماتها وديونها تجاه الغير .
 - (٢) سداد كافة حقوق الدائنين أو إيراد صلح معهم، فإن تعذر ذلك فلا يتم تصفية الشركة إلا بعد صدور قرار من الجهة القضائية المختصة بشهر إفلاس الشركة بناءً على طلب الدائنين أو الشركة وفقاً للنظام .

المادة الثامنة عشرة : الإخطارات :

توجه جميع الإخطارات فيما بين الشركاء أو بينهم وبين الشركة بخطابات مسجلة على عناوينهم الميينة في سجل الحصص لدى الشركة والمنوه عنه بالمادة (العاشرة) من هذا العقد.



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شركة معدات الجزيرة المحدودة

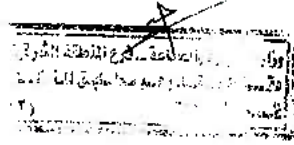
المادة التاسعة عشرة : أحكام عامة :

- (١) تخضع الشركة لكافة الأنظمة السارية المفعول بالملكة.
- (٢) كل ما لم يرد به نص في هذا العقد يطبق بشأنه نظام الشركات.

المادة العشرون : نسخ العقد :

حرر هذا العقد من (١٠) عشر نسخ يحتفظ كل طرف بنسخة منه للعمل بموجبها والنسخة الأخرى لتفديدها للجهات المختصة
أعيد الشركة بسجل الشركات والسجل التجاري، هذا وقد فرض الشركاء الأستاذ/ علي عبدالله عباس والأستاذ/ علي حسن علي
المعلم مجتمعين أو منفردين ، في مراجعة وزارة التجارة والصناعة ومكتب السجل التجاري لإتمام إجراءات قيد الشركة في كل من
السجل التجاري وسجل الشركات والتوقيع فيما يختص بهذا الشأن.

س



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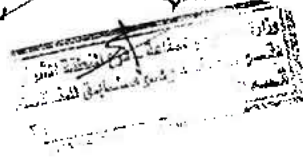
شركة معدات الجزيرة المحدودة

توقيعات الشركاء

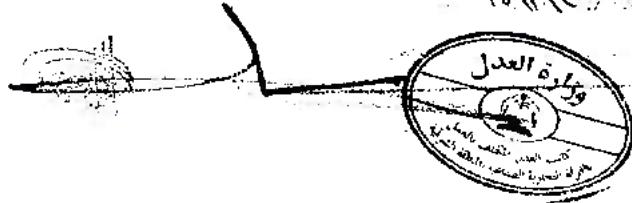
التوقيع: الطرف الأول: الشركة السعودية للاقتصاد والتنمية القابضة (مذكو) مساهمة مغلقة


التوقيع: الطرف الثاني: شركة صدد التجارية المحدودة

بالتوكيد
على الحدود



شركة صدد التجارية المحدودة
رقم الترخيص: ٢٧١٥٤٤٤٧٦





تصريح الدفاع المدني


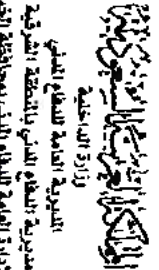
وزارة الداخلية
مديرية الدفاع المدني بالمنطقة الشرقية
الإدارة العامة للدفاع المدني بمنطقة الخبر
إدارة السلامة

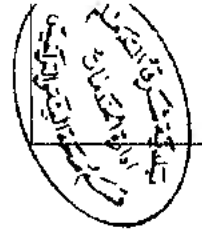
رقم التصريح: ١٤٣٧/٥١٣١٤١١٠٢
نوع التصريح: فتح
الفترة:
تاريخ الإصدار: ١٤٣٧/٥/٢٣ هـ تاريخ الإصدار: ١٤٣٧/٥/٢٣ هـ المدة: سنة واحدة
اسم صاحب التصريح: شركة مصفاة الخبر للبتروكيماويات
السمعة التجارية: رقم: ٢٠٥١٠٠٩٣٤٤ : التاريخ: ١٤٣١/٤/٢٤ : المهر:
الاسم التجاري: شركة مصفاة الخبر للبتروكيماويات
نوع النشاط:
المسجل:
التقاطع:
عدد الأتوار: ٢٤٨٩
عقد الأمانة:
مفتش السلامة:
توكي من المصفي:
الاسم:
الترقية:
مدير إدارة السلامة:
الاسم:
الترقية:
التوقيع:

رقم	نوع	ملاحظات
١	مبنى
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٩	مبنى
١٠	مبنى

مدير الإدارة العامة للدفاع المدني بمنطقة الخبر
الاسم:
الترقية:
التوقيع:

مفتش السلامة
الاسم:
الترقية:
التوقيع:

 <p>تصريح الادفاع المدني</p>		 <p>وزارة الدفاع مديرية الدفاع العامة بالمنطقة الشرقية الادارة العامة للدفاع المدني بمحافظة الخبر ادارة السلامة</p>	
رقم التصريح: ١٤٣٧٠٤٣١٤٤١٠١	نوع التصريح: جديد	الفترة: ٤	تاريخ الاصدار: ١٤٣٧/٠٤/٢٣
اسم صاحب التصريح: شركة صحت الجزيرة للتطوير	تاريخ الانتهاء: ١٤٣٧/٠٤/٢٣	سنة واسم	حسب الطلب
قسم العميل: رقم: ٢٠٤١٠٠٠٣٤	التاريخ: ١٤٣٧/٠٤/٢٣	هـ المنسوخ: ١	رقم: ٢٠٤١٠٠٠٣٤
الاسم التجاري: شركة صحت الجزيرة للتطوير	صالح بن الفهد	عدد الأوراق: ١٠٨٨	مساحة: ١٠٨٨
نوع النشاط: تجاري	لواحه	لوح صوم	التقاطع:
مفتش السلامة: د. محمد بن النسي	مدير الادارة السلامة: م. محمد بن علي الطهري	الاسم: م. محمد بن علي الطهري	الترقية: م. محمد بن علي الطهري
الاسم: م. محمد بن علي الطهري	الترقية: م. محمد بن علي الطهري	الاسم: م. محمد بن علي الطهري	الترقية: م. محمد بن علي الطهري



رخصة منشأة
(تجديد)

المملكة العربية السعودية
المنطقة الشرقية
الإدارة العامة لصحة البيئة
بمدينة الرياض شرق المنبر

رقم الرخصة : ١٢٢٢ / ٠٠٠١٢٤١
رقم الإصدار : ١٢٢٢٠٠٠١٢٣
تاريخ الإصدار : ١٢٢٢٠٠٠١٢٣
تاريخ انتهاء الصلاحية : ١٢٢٢٠٠٠١٢٣
رقم التسجيل : ٤١٢٢٢٠٠٠١٢٣
تاريخ التسجيل : ١٢٢٢٠٠٠١٢٣
رقم الترخيص : ٤١٢٢٢٠٠٠١٢٣
تاريخ الترخيص : ١٢٢٢٠٠٠١٢٣

اسم المنشأة :
مركز خدمات الفيزياء المحفزة

صاحب الرخصة :
شركة خدمات الفيزياء المحفزة

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الممثل
محمد الكوحي
رئيس وحدة دعم الأعمال
B1-MB1-B2
MB2

رقم الترخيص : ٤١٢٢٢٠٠٠١٢٣
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رقم الترخيص : ٤١٢٢٢٠٠٠١٢٣

رئيس بلدية شرق الرياض
د. عبد الله بن أحمد الأحمدي

رئيس إدارة صحة البيئة
الرياض بن عبد العزيز العتيق

رئيس قسم الرخص الصحية
محمد بن صالح الكويش

رقم الترخيص : ٥٠٦٠٢٠٠٠١٠٠٠
تاريخ انتهاء الترخيص : ١٤٣٨/١٢/١٤

وزارة النقل
وزارة الأشغال

تراخيص

لممارسة نشاط تأجير السيارات

على نظام النقل العام على الطرق بالمملكة العربية السعودية المسار بالترسيم الملكي رقم م/٢٥ لعام ١٣٩٧ هـ وبناء
شروط منح تراخيص لممارسة نشاط تأجير السيارات الصلح بقرار محلي الوزيد رقم (١١) وتاريخ ١٤٢٩/٧/١٢ هـ
على الطلب المقدم من شركة/ معات الجزيرة السعودية/علم السيارات) الحاصلة على السجل التجاري رقم
الراة الشملية شارع الملك فيصل(المواقف نفس الموقع) ٢٠٥١٠٠٥٧ وتاريخ ٢٠٣١/٠٣/١٤ هـ برفص للموضف اعلاه بممارسة النشط المنكور بمنطقة الشرقية مدينة الدمام

مدير علم إدارة الطرق والنقل بمنطقة الشرقية
المهندس أحمد بن مهدي اليامي

وزارة النقل
وزارة الأشغال

التاريخ ١٤٢٦/١١/١٤

وزارة النقل
وزارة الأشغال

وزارة النقل
وزارة الأشغال

التاريخ ١٤٣٨/٠١/١٠
الموافق ٢٠١٦/١٠/١١
رمز الشهادة ٢١١١٨٦٧٥



الهيئة العامة للغرفة التجارية والصناعية السعودية

شهادة

إسم المنشأة : شركة معدات الجزيرة المحدودة / أنشطة
ص ب : ١٥٢٨ الخبر ٣١١٥٢
السعودية
رقم الإشتراك : ٢٠٠٠٠٧١٣١
رقم السجل التجاري : ٢٠٥١٠٠٥٧٣٤

مصدره : الخبر

رقما	كتابة	عدد المشتركين السعوديين
١٣٧	مائة و مئبة و ثلاثون مشتركا	
٣٧٤	ثلاثمائة و أربعة و سبعون مشتركا	عدد المشتركين غير السعوديين
٥١١	خمسمائة و احد عشره مشتركا	المجموع

تشهد المؤسسة العامة للتأمينات الإجتماعية بأن المنشأة المذكورة أعلاه قد أوفت بالتزاماتها تجاه المؤسسة وفق البيانات المقدمة منها حتى تاريخ إصدار هذه الشهادة ، والتي تم منحها لتقديمها لأية جهة تطلبها ، وهي صالحة لجميع الأغراض التي نص عليها نظام التأمينات الإجتماعية في المادة (٦/١٩) منه.

هذه الشهادة سارية المفعول حتى ١٤٣٨/٠١/١٠ هـ.

يلزم التحقق من صحة وصلاحيه الشهادة عبر زيارة الرابط
أدناه في المواقع الإلكترونية للمؤسسة العامة للتأمينات الإجتماعية
عن طريق استخدام الرمز المعرف التالي :



www.gosi.gov.sa/vc

(الشهادة معتمدة من صاحب الصلاحيه ولا تحتاج إلى توقيع أو ختم)

ننهادة



تعد هذه الشهادة من الوثائق الإلكترونية الحكومية الرسمية ، ويحظر طباعها أو تعديل أي بيانات عليها سواء باليد أو حثث ، أو التغير في بياناتها أو غير ذلك من أنواع التتديل ، وتعد الشهادة إلكترونية لا شأبها بشي من تلك ، كما تعرض سندها للفلوحة التلقائية أمام جهات المفضسة بالإضافة في سامرسة نظام التأمينات الإجتماعية من عيوبها ، ولإيجوز تناول شهادة إلا في الأغراض التي أصدرت لأجلها وإذا لاحتام نظام التأمينات الإجتماعية ، والمؤسسة العامة للتأمينات الإجتماعية نحو مسؤوله عن أي آثار أخرى متأتية قبل الصر من الشهادة ونحو مسؤولة عن أي عملية تزوير أو تعديل تتم على هيكلت البرودة فيها .



الذمسمسات الإلخسوية
الجمهورية السعودية



شموس
Shomoos

شبكة المعلومات الوطنية السياحية
خدمة العميل المميز



02552

استمارة طلب تفعيل في نظام شوموس

بيانات المنشأة :

اسم المنشأة	شركة معدات العجيزة المتعددة		
اسم المالك	رقم الهوية	رقم الجوال	نوع النشاط
المدينة/ المحافظة	اسم الحي	الشارع	تأجير سيارات
وصف العنوان	رقم الهاتف	رقم الفاكس	اسم الشارع
البريد الإلكتروني	ص. ب	الرمز البريدي	رقم الفاكس
المنطقة الإدارية	(GPS)		الرمز البريدي
اسم المستخدم	رقم الهوية		N: E:
البريد الإلكتروني	نوع الهوية	رقم الجوال	رقم الجوال

بيانات الاشتراك :

رسوم التسجيل في شوموس	٧٠٠ رس	* تاريخ الاشتراك	٢٠١٤ / ٠٤ / ٢١
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* تخضع للشروط خلف الاستمارة

إقرار وتوكيل :

أقر أنا الموقع أدناه بأن جميع المعلومات المقدمة أعلاه صحيحة وقد تم الإطلاع على جميع البنود الواردة خلف نموذج طلب التفعيل وكما أعلم بأن رسوم التسجيل والتدريب في خدمة شوموس هي ٧٠٠ ريال ولا توجد رسوم تجديد سنوية للخدمة، كما أوكل شركة تفتين للحصول على خطاب التفعيل من إدارة البحث والتحري الجنائي في المدينة التي أتبع لها.	
الاسم	محمود مزعل المعتمد
التوقيع	
التاريخ	

مندوب مزود الخدمة

الاسم:

نسخة لكل من :

التوقيع:

○ الأساسي للعميل ○ شركة تفتين ○ شركة العلم

ص.ب. ٥٤٠٨٧ جدة ٢١٥١٤ المملكة العربية السعودية - هاتف: ٦٥٢ ٣٣٣٤ تحويلة ٣٣٣ فاكس ٦٥٣ ١١٩١
P.O. Box. 54087 Jeddah 21514 Saudi Arabia, Tel.: 653 3334 Ex.: 333 Fax: 653 1191
Email: shomoos@taqneen.com Web Portal: www.taqneen.com

المركز الرئيسي: الخبر
رأس المال: 180000000

رقم العقد: 64439
رقم نسخة العقد: 3
تاريخ تقديم العقد: 06/02/1443

لقد سبق للأطراف الآتية أسماؤهم:

س.ت. 4030010885						
اسم الشريك (طرف أول)	المركز الرئيسي	تاريخ السجل	الصحيفة	العدد / المجلد	تاريخ الإثبات	
الشركة السعودية للاقتصاد والتنمية القابضة سدكو	جسدة	01/01/1397	0	0 / 80	03/11/1396	طرف أول
والمثبت عقد تأسيسها لدى كتابة العدل الغرفة التجارية الصناعية بجدة في الصحيفة رقم [0] [عدد 80 من المجلد 0 وتاريخ [03/11/1396] هـ]						
وكان آخر قرار شركاء تم إثباته لدى كتابة العدل الغرفة التجارية الصناعية بجدة في الصحيفة رقم [197] عدد [197] من المجلد [1] وتاريخ [21/03/1430] هـ						
س.ت. 4030131094						
اسم الشريك (طرف ثاني)	المركز الرئيسي	تاريخ السجل	الصحيفة	العدد / المجلد	تاريخ الإثبات	
شركة سدس التجارية المحدودة	جسدة	15/05/1421	3	2 / 3	12/02/1421	طرف ثاني
والمثبت عقد تأسيسها لدى كتابة العدل كاتب العدل المكلف بوزارة التجارة في الصحيفة رقم [3] عدد 3 من المجلد 2 وتاريخ [12/02/1421] هـ						
وكان آخر قرار شركاء تم إثباته لدى كتابة العدل في الصك رقم [381209193] وتاريخ [11/08/1438] هـ						

تأسيس شركة معدات الجزيرة المحدودة [ذات مسؤولية محدودة] والمقيدة بالسجل التجاري رقم [2051005734] وتاريخ [12/03/1400] هـ

والمثبت عقد تأسيسها لدى كتاب العدل في الصحيفة رقم [91] عدد [2022] من المجلد [2] وتاريخ: [16/04/1399] هـ

وكان قد تم تدقيق آخر قرار شركاء للشركة إلكترونيا من قبل وزارة التجارة، والتحقق من هوية الشركاء عن طريق رسائل نصية على رقم الجوال المسجل في نظام الخدمات الإلكترونية بوزارة الداخلية أبشر

، وحيث رغب الشركاء بتعديل عقد تأسيس الشركة

وحيث رغب الشركاء بزيادة رأس المال من: (120000000) إلى: (180000000) هـ،

وقد استوفى الأطراف حقوقهم من قبل بعضهم البعض، تعتبر موافقتهم على هذا العقد بمثابة مخالصة تامة نهائية فيما بينهم وحيث اتفق جميع الأطراف على تعديل عقد الشركة، وفقا لنظام الشركات الصادر بالمرسوم الملكي رقم م / 3 بتاريخ 28 / 01 / 1437 هـ ولوائحه، ووفقا للشروط والأحكام التالية

"المادة الأولى: التمهيد"

يعتبر هذا التمهيد جزء لا يتجزأ من العقد

المركز الرئيسي: الخبر
رأس المال: 180000000

رقم العقد: 64439
رقم نسخة العقد: 3
تاريخ تقديم العقد: 06/02/1443

رأس المال السابق : [120000000]
الشركاء السابقين :

رقم الهوية/الجواز/السجل التجاري	عدد الحصص	قيمة الحصة	قيمة حصة الشريك
4030010885	118800	1000	118800000
4030131094	1200	1000	1200000
	120000		120000000

رأس المال الحالي: [180000000]

الشركاء الحاليين :

اسم الشريك	رقم الهوية/الجواز/السجل التجاري	عدد الحصص	قيمة الحصة	قيمة حصة الشريك
الشركة السعودية للاقتصاد والتنمية القابضة سدكو	4030010885	178200	1000	178200000
شركة سد التجاري المحدودة	4030131094	1800	1000	1800000
الاجمالي		180000		180000000

"المادة الثانية: اسم الشركة"

اسم الشركة هو: [شركة معدات الجزيرة المحدودة] [ذات مسؤولية محدودة]

"المادة الثالثة: أغراض الشركة"

تحدد اغراض الشركة بالتالي:

الباب	الفئة
التشيد	أنشطة التشيد المتخصصة الأخرى
الخدمات الإدارية وخدمات الدعم	تأجير المركبات ذات المحركات تأجير الآلات والمعدات الأخرى والسلع الحقيقية
الصناعات التحويلية	صنع هياكل (أعمال تجهيز العربات) للمركبات ذات المحركات ، صناعة المركبات المقطورة والمركبات نصف المقطورة
النقل والتخزين	النقل البري للبضائع التخزين
تجارة الجملة والتجزئة وإصلاح المركبات ذات المحركات والدراجات النارية	بيع المركبات ذات المحركات صيانة وإصلاح المركبات ذات المحركات بيع قطع غيار المركبات ذات المحركات وملحقاتها بيع وقود السيارات بالتجزئة في المتاجر المتخصصة

وتمارس الشركة أنشطتها وفق الأنظمة المتبعة وبعد الحصول على التراخيص اللازمة من الجهات المختصة إن وجدت.

رقم العقد: 64439 المركز الرئيسي: الخبر
رقم نسخة العقد: 3 رأس المال: 180000000
تاريخ تقديم العقد: 06/02/1443

"المادة الرابعة: المركز الرئيسي للشركة"

يكون المركز الرئيسي للشركة في مدينة [الخبر] وللشركة الحق في افتتاح فروع لها داخل وخارج المملكة متى اقتضت مصلحة الشركة وذلك بقرار [بقرار الإدارة].

"المادة الخامسة: مدة الشركة"

مدة الشركة [50] سنوات هجرية / ميلادية تبدأ من تاريخ قيدها بالسجل التجاري ويجوز مد أجل الشركة قبل انقضاءه مدة أخرى بقرار تصدره الجمعية العامة من أي عدد من الشركاء المالكين لنصف الحصص الممثلة لرأس المال أو من أغلبية الشركاء، وإذا لم يصدر القرار بمد أجل الشركة، واستمرت الشركة في أداء أعمالها، امتد العقد لمدة مماثلة بالشروط نفسها الواردة في عقد التأسيس. وللشريك الذي لا يرغب في الاستمرار في الشركة أن ينسحب منها، وتقوّم حصصه وفقاً للأحكام الواردة في المادة (الحادية والستين بعد المائة) من نظام الشركات، ولا يتفد التمديد إلا بعد بيع حصة الشريك للشركاء أو الغير بحسب الأحوال وأداء قيمتها له، ما لم يتفق الشريك المنسحب مع باقي الشركاء على غير ذلك.

"المادة السادسة: رأس المال"

حدد رأس مال الشركة بـ [180000000] [مئة وثمانون مليون] [إل] سعودي مقسم إلى [180000] حصة (نقدية / عينية) متساوية القيمة وقيمة كل حصة [1000] [إل] سعودي تم توزيعها على الشركاء كالتالي:

الشريك	الحصص النقدية	الحصص العينية	قيمة كل حصة	إجمالي قيمة الحصص
الشركة السعودية للاقتصاد والتنمية القابضة س.ك.و	178200	0	1000	178200000
شركة سد التجارية المحدودة	1800	0	1000	1800000
الاجمالي	180000	0		180000000

ويقر الشركاء بأنه تم توزيع الحصص فيما بينهم وتم الوفاء بقيمتها كاملة

"المادة السابعة: زيادة أو تخفيض رأس المال"

يجوز بموافقة جميع الشركاء زيادة رأس مالها عن طريق رفع القيمة الاسمية لحصص الشركاء أو عن طريق إصدار حصص جديدة، مع إلزام جميع الشركاء بدفع قيمة الزيادة في رأس المال بنسبة مشاركة كل منهم. للجمعية العامة للشركاء أن تقرر تخفيض رأس مال الشركة إذا زاد على حاجتها أو منيت بخسائر لم تبلغ نصف رأس المال، وذلك وفقاً للأحكام الواردة بالمادة (السابعة والسبعون بعد المائة) من نظام الشركات.

"المادة الثامنة: الحصص"

المركز الرئيسي: الخبر
رأس المال: 180000000

رقم العقد: 64439

رقم نسخة العقد: 3

تاريخ تقديم العقد: 06/02/1443

يجوز للشريك أن يتنازل عن حصته لأحد الشركاء أو للغير. ومع ذلك، إذا أراد الشريك التنازل عن حصته بعوض أو بدونه لغير أحد الشركاء، وجب أن يبلغ باقي الشركاء عن طريق مدير الشركة بشروط التنازل. وفي هذه الحالة، يجوز لكل شريك أن يطلب استرداد الحصة بحسب قيمتها العادلة خلال ثلاثين يوماً من تاريخ إبلاغه بذلك. وإذا استعمل حق الاسترداد أكثر من شريك، قسمت هذه الحصة أو الحصص بين طالبي الاسترداد بنسبة حصة كل منهم في رأس المال. ولا يسري حق الاسترداد المنصوص عليه في هذه المادة على انتقال ملكية الحصص بالإرث أو بالوصية أو انتقالها بموجب حكم من الجهة القضائية المختصة. وإذا انقضت المدة المحددة لممارسة حق الاسترداد دون أن يستعمله أحد الشركاء، كان لصاحب الحصة الحق في التنازل عنها للغير.

"المادة التاسعة: سجل الحصص"

تعد الشركة سجلاً خاماً بأسماء الشركاء وعدد الحصص التي يملكها كل منهم والتصرفات التي ترد على الحصص. ولا ينفذ انتقال الملكية في مواجهة الشركة أو الغير إلا بقيد السبب الناقل للملكية في السجل المذكور. وعلى الشركة إبلاغ الوزارة لإثباته في سجل الشركة.

"المادة العاشرة: إدارة الشركة"

- يدير الشركة [مجلس مديرين] يحدد في عقد مستقل وتكون الصلاحيات كالتالي: .

صلاحيات مجلس المديرين:

يحق التوكيل	اصدار	الرئيسية	السجلات التجارية
يحق التوكيل	تجديد		
يحق التوكيل	شطب		
يحق التوكيل	اصدار	الفرعية	
يحق التوكيل	تجديد		
يحق التوكيل	شطب		
		يحق التوكيل	شراء المؤسسة
		يحق التوكيل	التوقيع على جميع المستندات لدى الغرفة التجارية
		يحق التوكيل	بيع المؤسسة
		يحق التوكيل	مراجعة إدارة السجلات
		يحق التوكيل	استخراج السجلات
		يحق التوكيل	نقل السجلات التجارية
		يحق التوكيل	إدارة السجلات
		يحق التوكيل	إلغاء السجلات
		يحق التوكيل	الإشراف على السجلات
		يحق التوكيل	فتح الاشتراك لدى الغرفة التجارية
		يحق التوكيل	اعتماد التوقيع لدى الغرفة التجارية

المركز الرئيسي: الخبر
رأس المال: 180000000

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تاريخ تقديم العقد: 06/02/1443

	يحق التوكيل	إلغاء التوقيع لدى الغرفة التجارية
	يحق التوكيل	دخول المناقصات واستلام الاستثمارات
	يحق التوكيل	تحويل فرع المؤسسة
	يحق التوكيل	مراجعة التأمينات الاجتماعية
	يحق التوكيل	مراجعة مصلحة الزكاة والدخل
	يحق التوكيل	فتح فروع للسجلات
	يحق التوكيل	إدارة السجل التجاري
	يحق التوكيل	إلغاء السجل التجاري
	يحق التوكيل	مراجعة الدفاع المدني
	يحق التوكيل	تعديل السجلات
	يحق التوكيل	إضافة نشاط
	يحق التوكيل	حجز الاسم التجاري
	يحق التوكيل	تجديد الاشتراك لدى الغرفة التجارية
	يحق التوكيل	تعديل السجل التجاري
	يحق التوكيل	نقل السجل التجاري
	يحق التوكيل	استخراج سجل بدل تالف أو مفقود
	يحق التوكيل	تسجيل العلامة التجارية
	يحق التوكيل	التنازل عن العلامة التجارية
	يحق التوكيل	التنازل عن الاسم التجاري

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	يحق التوكيل	استخراج التراخيص
	يحق التوكيل	شراء القوارب
	يحق التوكيل	استخراج بدل تالف أو مفقود لتصاريح الصيد
	يحق التوكيل	استيراد قوارب
	يحق التوكيل	إلغاء رخص قوارب
	يحق التوكيل	تجديد التراخيص
	يحق التوكيل	تعديل التراخيص
	يحق التوكيل	حجز الأسماء
	يحق التوكيل	إلغاء التراخيص
	يحق التوكيل	تجديد الاشتراك بالغرفة التجارية
	يحق التوكيل	فتح الفروع
	يحق التوكيل	استخراج تصريح صيد
	يحق التوكيل	استخراج رخصة قارب
	يحق التوكيل	تجديد رخصة قارب
	يحق التوكيل	نقل رخصة قارب
	يحق التوكيل	بيع القارب
	يحق التوكيل	تجديد تصريح الصيد
	يحق التوكيل	إلغاء تصريح الصيد
	يحق التوكيل	استخراج بدل تالف أو مفقود لرخصة القارب
	يحق التوكيل	فتح فرع للترخيص
	يحق التوكيل	نقل الترخيص
	يحق التوكيل	تأسيس شركة
	يحق التوكيل	التوقيع على عقود التأسيس وملاحق التعديل
	يحق التوكيل	إلغاء عقود التأسيس وملاحق التعديل
	يحق التوكيل	تعيين المدراء وعزلهم

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	يحق التوكيل	تعديل أغراض الشركة
	يحق التوكيل	تصفية الشركة
	يحق التوكيل	تحويل الشركة من مساهمة إلى ذات مسؤولية محدودة
	يحق التوكيل	تحويل الشركة من ذات مسؤولية محدودة إلى مساهمة
	يحق التوكيل	تحويل الشركة من تضامنية إلى ذات مسؤولية محدودة
	يحق التوكيل	زيادة رأس المال
	يحق التوكيل	خفض رأس المال
	يحق التوكيل	دخول وخروج شركاء
	يحق التوكيل	الدخول في شركات قائمة
	يحق التوكيل	نقل الحصص والأسهم والسندات
	يحق التوكيل	تحديد رأس المال
	يحق التوكيل	استلام فائض التخصيص
	يحق التوكيل	بيع الحصص والأسهم واستلام القيمة
	يحق التوكيل	التنازل عن الحصص والأسهم من رأس المال
	يحق التوكيل	بيع فرع الشركة
	يحق التوكيل	تعديل جنسية أحد الشركاء في العقد
	يحق التوكيل	قبول التنازل عن الحصص والأسهم ورأس المال
	يحق التوكيل	شراء الحصص والأسهم ودفع الثمن
	يحق التوكيل	قفل الحسابات لدى البنوك باسم الشركة

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	يحق التوكيل	فتح الحسابات لدى البنوك باسم الشركة
	يحق التوكيل	توقيع الاتفاقيات
	يحق التوكيل	تسجيل الشركة
	يحق التوكيل	تسجيل الوكالات والعلامات التجارية
	يحق التوكيل	حضور الجمعيات العامة
	يحق التوكيل	فتح الفروع للشركة
	يحق التوكيل	فتح الملفات للشركة
	يحق التوكيل	التوقيع على عقود التأسيس وملاحق التعديل لدى كاتب العدل
	يحق التوكيل	استخراج السجلات التجارية وتجديدها للشركة
	يحق التوكيل	الاشتراك بالغرفة التجارية وتجديدها
	يحق التوكيل	مراجعة الهيئة العامة للاستثمار والتوقيع أمامها
	يحق التوكيل	مراجعة إدارة الجودة والنوعية وهيئة المواصفات والمقاييس
	يحق التوكيل	مراجعة هيئة سوق المال
	يحق التوكيل	استخراج التراخيص وتجديدها للشركة
	يحق التوكيل	تحويل المؤسسة إلى شركة
	يحق التوكيل	تحويل فرع الشركة إلى مؤسسة
	يحق التوكيل	تحويل فرع الشركة إلى شركة

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	يحق التوكيل	نشر عقد التأسيس وملاحق التعديل وملخصاتها والأنظمة الأساسية في الجريدة الرسمية
	يحق التوكيل	مراجعة شركات الاتصالات وتأسيس الهوائف الثابتة أو الجوال باسم الشركة
	يحق التوكيل	توقيع العقود الخاصة بالشركة مع الغير
	يحق التوكيل	التنازل عن العلامات التجارية أو إلغائها
	يحق التوكيل	تعديل اسم الشركة
	يحق التوكيل	استخراج التأشيرات
	يحق التوكيل	تحويل الشركة إلى مؤسسة
	يحق التوكيل	استلام تعويضات التأشيرات
	يحق التوكيل	تحديث بيانات العمال
	يحق التوكيل	فتح الملفات الأساسية والفرعية وتجديدها وإلغاؤها
	يحق التوكيل	تصفية العمالة وإلغاؤها
	يحق التوكيل	التبليغ عن هروب العمالة
	يحق التوكيل	إلغاء بلاغات الهروب للعمالة
	يحق التوكيل	نقل الكفالات
	يحق التوكيل	تعديل المهن

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	يحق التوكيل	نقل ملكية المنشآت وتصفياتها وإلغاؤها
	يحق التوكيل	مراجعة قسم المكاتب الأهلية للاستقدام
	يحق التوكيل	مراجعة إدارة الحاسب الآلي في القوى العاملة
	يحق التوكيل	استخراج رخص العمل وتجديدها
	يحق التوكيل	استلام شهادات السعودية
	يحق التوكيل	استخراج كشف بيانات (برنت)
	يحق التوكيل	إضافة وحذف السعوديين
	يحق التوكيل	استقدام
	يحق التوكيل	فتح ملف
	يحق التوكيل	تفعيل البوابة السعودية
	يحق التوكيل	استقدام العمالة من الخارج
	يحق التوكيل	إنهاء إجراءات العمالة لدى التأمينات الاجتماعية
	يحق التوكيل	الغاء التأشيرات
	يحق التوكيل	استرداد مبالغ التأشيرات
	يحق التوكيل	تعديل الجنسيات
	يحق التوكيل	استخراج تأشيرات الزيارات العائلية
	يحق التوكيل	استخراج تأشيرات استقدام العوائل
	يحق التوكيل	مراجعة السفارة
	يحق التوكيل	تمديد تأشيرات الخروج والعودة

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	يحق التوكيل	تمديد تأشيرات الزيارة
	يحق التوكيل	إلغاء التأشيرة
	يحق التوكيل	استرداد مبلغ التأشيرة
	يحق التوكيل	تعديل جهة القدوم
	يحق التوكيل	توقيع عقود الشركات
	يحق التوكيل	شراء الحصص
	يحق التوكيل	تصفية الشركة
	يحق التوكيل	بيع الحصص
	يحق التوكيل	تمثيل الشركة في الشركة المساهم فيها
	يحق التوكيل	تسجيلها في الوزارة
	يحق التوكيل	تمثيل امام كاتب العدل
	يحق التوكيل	تأسيس الشركات بأسم الشركة
يحق التوكيل	امدار	السجلات التجارية
يحق التوكيل	تجديد	
يحق التوكيل	شطب	
	يحق التوكيل	استخراج الإقامات
	يحق التوكيل	تجديد الإقامات
	يحق التوكيل	عمل خروج وعودة
	يحق التوكيل	عمل الخروج النهائي
	يحق التوكيل	استخراج الإقامات بدل مفقود أو تالف
	يحق التوكيل	إنهاء إجراءات العمالة المتوفاة
	يحق التوكيل	التبليغ عن الهروب
	يحق التوكيل	إلغاء بلاغات الهروب
	يحق التوكيل	نقل المعلومات وتحديث البيانات

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	يحق التوكيل	التسوية والتنازل عن العمال
	يحق التوكيل	مراجعة إدارة الترحيل والوافدين
	يحق التوكيل	استخراج كشف بيانات العمال (برنت)
	يحق التوكيل	اسقاط العمالة
	يحق التوكيل	إدارة أعمال تجارية
	يحق التوكيل	نقل كفالة العمالة لنفسه
	يحق التوكيل	إضافة المولود
	يحق التوكيل	إنهاء إجراءات العامل المتوفى
	يحق التوكيل	إدارة شؤون المنافذ
	يحق التوكيل	استخراج مشاهد الإعادة
	يحق التوكيل	إضافة تابعين
	يحق التوكيل	إضافة الأبناء إلى جواز الأب أو الأم
	يحق التوكيل	فصل الأبناء من جواز الأب أو الأم
	يحق التوكيل	إلغاء تأشيرات الخروج والعودة
	يحق التوكيل	إلغاء تأشيرات الخروج النهائي
	يحق التوكيل	استخراج تأشيرات سفر بديل تالف أو مفقود
	يحق التوكيل	استخراج تمديد تأشيرات الزيارة
	يحق التوكيل	استخراج تصاريح حج
	يحق التوكيل	مراجعة شئون الخدمات
	يحق التوكيل	التسجيل في الخدمة الإلكترونيه
	يحق التوكيل	البنكية

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فتح الاعتمادات	يحق التوكيل	البنكية
الايداع	يحق التوكيل	
السحب	يحق التوكيل	
اصدار الشيكات	يحق التوكيل	
تحديث الحسابات	يحق التوكيل	
استخراج كشوف الحسابات	يحق التوكيل	
طلب التسهيلات	يحق التوكيل	
طلب الضمانات	يحق التوكيل	
توقيع عقود القروض	يحق التوكيل	
	يحق التوكيل	
	يحق التوكيل	مراجعة كتابة العدل أو المحكمة لقبول إفراغها
	يحق التوكيل	التنازل عن القرار الزراعي
	يحق التوكيل	نقل القرار الزراعي
	يحق التوكيل	استلام الرواتب
	يحق التوكيل	استلام الرواتب التقاعدية
	يحق التوكيل	استلام مكافأة نهاية الخدمة والتعويض عن الإجازات
	يحق التوكيل	تحويل الراتب
	يحق التوكيل	استلام المكافأة
	يحق التوكيل	استخراج تعريف بالراتب
	يحق التوكيل	استلام مستحقاتي
	يحق التوكيل	فتح الحسابات بضوابط شرعية
	يحق التوكيل	قفل الحسابات وتسويتها
	يحق التوكيل	السحب من الحسابات
	يحق التوكيل	استخراج بطاقات صرف آلي

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	يحق التوكيل	استخراج البطاقات الائتمانية المتوافقة مع الأحكام الشرعية
	يحق التوكيل	استلام الحوالات وصرفها
	يحق التوكيل	صرف الشيكات
	يحق التوكيل	إصدار الشيكات المصدقة
	يحق التوكيل	استخراج دفاتر شيكات
	يحق التوكيل	استخراج كشف حساب
	يحق التوكيل	التحويل من الحسابات
	يحق التوكيل	طلب القروض البنكية المتوافقة مع الأحكام والضوابط الشرعية
	يحق التوكيل	فتح حساب بضوابط شرعية
	يحق التوكيل	الإيداع في الحساب
	يحق التوكيل	تجديد الاشتراك في صناديق الأمانات
	يحق التوكيل	فتح صناديق الأمانات
	يحق التوكيل	الاشتراك في صناديق الأمانات
	يحق التوكيل	طلب الإعفاء من القروض
	يحق التوكيل	الاعتراض على الشيكات
	يحق التوكيل	تحديث البيانات
	يحق التوكيل	تنشيط الحسابات
	يحق التوكيل	استلام الشيكات
	يحق التوكيل	استرداد وحدات صناديق الأمانات
	يحق التوكيل	مراجعة
	يحق التوكيل	إعادة جدولة الأقساط
	يحق التوكيل	طلب نقاط البيع

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	يحق التوكيل	طلب اعتماد بنكي
	يحق التوكيل	طلب ضمان بنكي
	يحق التوكيل	الاكتتابات في الشركات المساهمة
	يحق التوكيل	استلام شهادات المساهمات
	يحق التوكيل	شراء الأسهم المتوافقة مع الأحكام الشرعية
	يحق التوكيل	بيع الأسهم المتوافقة مع الأحكام الشرعية
	يحق التوكيل	استلام قيمة الأسهم
	يحق التوكيل	استلام الأرباح
	يحق التوكيل	استلام الفائض
	يحق التوكيل	فتح المحافظ الاستثمارية بالضوابط الشرعية وتحرير وتعديل وإلغاء الأوامر
	يحق التوكيل	الاكتتاب
	يحق التوكيل	شراء أسهم
	يحق التوكيل	بيع أسهم
	يحق التوكيل	استرداد وحدات الصناديق الاستثمارية
	يحق التوكيل	نقل الأسهم من المحفظة
	يحق التوكيل	الاشتراك في وحدات الصناديق الاستثمارية المتوافقة مع الأحكام الشرعية
	يحق التوكيل	إدارة المحافظ الاستثمارية
	يحق التوكيل	إستخراج إثبات مديونية
	يحق التوكيل	تصفية المحافظ الاستثمارية
يحق التوكيل	يحق التوكيل	افراغ
يحق التوكيل	يحق التوكيل	بيع
		الاراضي
		شراء وبيع وافراغ الممتلكات
		ادارة الاملاك

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يحق التوكيل	يحق التوكيل	بيع	الاسهم		
يحق التوكيل	يحق التوكيل	شراء			
يحق التوكيل	يحق التوكيل	افراغ	العقار		
يحق التوكيل	يحق التوكيل	بيع			
يحق التوكيل	يحق التوكيل	شراء			
		يحق التوكيل	القبض	رهن الاملاك	فتح محل
		يحق التوكيل	حق الرهن		
		يحق التوكيل	فك الرهن		
				يحق التوكيل	استخراج الكروت الصحية
				يحق التوكيل	تحويل الأراضي الزراعية إلى سكنية
				يحق التوكيل	مراجعة الإدارة العامة للتخطيط العمراني
				يحق التوكيل	فتح المحلات
				يحق التوكيل	استخراج رخص
				يحق التوكيل	تجديد الرخص
				يحق التوكيل	إلغاء الرخص
				يحق التوكيل	نقل الرخص
				يحق التوكيل	استخراج فسوحات البناء والترميم
				يحق التوكيل	تخطيط الأراضي
				يحق التوكيل	استخراج شهادات إتمام البناء
				يحق التوكيل	استخراج رخص تسوير
				يحق التوكيل	استخراج رخص هدم
لا يحق التوكيل		التعديل على باقي بنود عقد التأسيس	الموافقة على قرارات الشركاء	الموافقة على قرارات الشركاء	تعديل عقد الشركات التي تدخل فيها الشركة كشريك

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لا يحق التوكيل	التوقيع على قرار الشركاء بالاندماج	الموافقة على قرارات الشركاء	تعديل عقد الشركات التي تدخل فيها الشركة كشريك
لا يحق التوكيل	تغيير الكيان القانوني		
لا يحق التوكيل	دخول وخروج الشركاء		
لا يحق التوكيل	زيادة أو تخفيض رأس المال		
لا يحق التوكيل	قبول التنازل عن الحصص وشراء الحصص		
	لا يحق التوكيل	تصفية الشركة	توقيع عقد الإيجار
	لا يحق التوكيل	تحول الشركة الى مؤسسة	
		يحق التوكيل	
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		يحق التوكيل	توقيع العقود مع مؤسسات البناء والمقاوليين
		يحق التوكيل	
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		يحق التوكيل	القضاء
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القضاء	التمثيل امام المحاكم الشرعية	رفض وقبول التحكيم	يقق التوكيل
البيع والإفراغ للمشتري	يقق التوكيل		يقق التوكيل
الشراء والإفراغ وقبول الثمن	يقق التوكيل		يقق التوكيل
استلام الصكوك	يقق التوكيل		يقق التوكيل
التأجير	يقق التوكيل		يقق التوكيل
استلام الأجرة	يقق التوكيل		يقق التوكيل
توقيع عقود الأجرة	يقق التوكيل		يقق التوكيل
تجديد عقود الأجرة	يقق التوكيل		يقق التوكيل
إلغاء وفسخ عقود التأجير	يقق التوكيل		يقق التوكيل
الرهن	يقق التوكيل		يقق التوكيل
فك الرهن	يقق التوكيل		يقق التوكيل
التجزئة والفرز	يقق التوكيل		يقق التوكيل
تعديل الحدود والأطوال والمساحة وأرقام القطع والمخططات والصكوك وتواريخها وأسماء الأحياء	يقق التوكيل		يقق التوكيل
بيع	يقق التوكيل		يقق التوكيل
قبول الرهن	يقق التوكيل		يقق التوكيل
تحديث الصكوك وإدخالها في النظام الشامل	يقق التوكيل		يقق التوكيل
بيع النصيب من	يقق التوكيل		يقق التوكيل
شراء	يقق التوكيل		يقق التوكيل
شراء النصيب من	يقق التوكيل		يقق التوكيل
تأجير	يقق التوكيل		يقق التوكيل
تعديل اسم المالك ورقم السجل المدني الحفيظة	يقق التوكيل		يقق التوكيل

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	يحق التوكيل	الهبة والإفراغ
	يحق التوكيل	قبول الهبة والإفراغ
	يحق التوكيل	التنازل عن النقص في المساحة
	يحق التوكيل	دمج الصكوك
	يحق التوكيل	قبول التنازل والإفراغ
	يحق التوكيل	إستخراج مجموعة صكوك بدل مفقود وبياناتها : كالتالي
	يحق التوكيل	إستخراج مجموعة صكوك بدل تالف وبياناتها : كالتالي
	يحق التوكيل	البيع والإفراغ للورثة
	يحق التوكيل	التنازل عن النصيب من
	يحق التوكيل	إثبات المبني
	يحق التوكيل	استخراج صك بدل تالف
	يحق التوكيل	وذلك للعقارات الواقعة
	يحق التوكيل	تحويل الأرض الزراعية إلى سكنية أو صناعية
	يحق التوكيل	الدخول في المساهمات العقارية
	يحق التوكيل	شراء أسهم المساهمات العقارية
	يحق التوكيل	بيع أسهم المساهمات العقارية
	يحق التوكيل	التنازل عن الأرض المؤجرة
	يحق التوكيل	تحديث الصك وإدخاله في النظام الشامل
	يحق التوكيل	استخراج صك بدل مفقود
	يحق التوكيل	بناء الأرض
	يحق التوكيل	استئجار الأرض

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	يحق التوكيل	تغيير الكيان القانوني للشركة
	يحق التوكيل	تحويل الشركة من شركة توصية بسيطة إلى ذات مسؤولية محدودة
	يحق التوكيل	قسمة الأسهم بين الورثة ونقلها إلى محافظهم

صلاحيات رئيس المجلس:

يحق التوكيل	اصدار	الرئيسية	السجلات التجارية
يحق التوكيل	تجديد		
يحق التوكيل	شطب		
يحق التوكيل	اصدار	الفرعية	
يحق التوكيل	تجديد		
يحق التوكيل	شطب		
		يحق التوكيل	شراء المؤسسة
		يحق التوكيل	التوقيع على جميع المستندات لدى الغرفة التجارية
		يحق التوكيل	مراجعة إدارة السجلات
		يحق التوكيل	استخراج السجلات
		يحق التوكيل	نقل السجلات التجارية
		يحق التوكيل	إدارة السجلات
		يحق التوكيل	إلغاء السجلات
		يحق التوكيل	الإشراف على السجلات
		يحق التوكيل	فتح الاشتراك لدى الغرفة التجارية
		يحق التوكيل	اعتماد التوقيع لدى الغرفة التجارية
		يحق التوكيل	إلغاء التوقيع لدى الغرفة التجارية

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	يحق التوكيل	دخول المناقصات واستلام الاستثمارات
	يحق التوكيل	تحويل فرع المؤسسة
	يحق التوكيل	مراجعة التأمينات الاجتماعية
	يحق التوكيل	مراجعة مصلحة الزكاة والدخل
	يحق التوكيل	فتح فروع للسجلات
	يحق التوكيل	إدارة السجل التجاري
	يحق التوكيل	إلغاء السجل التجاري
	يحق التوكيل	مراجعة الدفاع المدني
	يحق التوكيل	تعديل السجلات
	يحق التوكيل	إضافة نشاط
	يحق التوكيل	حجز الاسم التجاري
	يحق التوكيل	تجديد الاشتراك لدى الغرفة التجارية
	يحق التوكيل	تعديل السجل التجاري
	يحق التوكيل	نقل السجل التجاري
	يحق التوكيل	استخراج سجل بدل تالف أو مفقود
	يحق التوكيل	تسجيل العلامة التجارية
	يحق التوكيل	التنازل عن العلامة التجارية
	يحق التوكيل	التنازل عن الاسم التجاري
	يحق التوكيل	استخراج التراخيص
	يحق التوكيل	شراء القوارب

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	يحق التوكيل	استخراج بدل تالف أو مفقود لتصاريح الصيد
	يحق التوكيل	استيراد قوارب
	يحق التوكيل	إلغاء رخص قوارب
	يحق التوكيل	تجديد التراخيص
	يحق التوكيل	تعديل التراخيص
	يحق التوكيل	حجز الأسماء
	يحق التوكيل	إلغاء التراخيص
	يحق التوكيل	تجديد الاشتراك بالغرفة التجارية
	يحق التوكيل	فتح الفروع
	يحق التوكيل	استخراج تصريح صيد
	يحق التوكيل	استخراج رخصة قارب
	يحق التوكيل	تجديد رخصة قارب
	يحق التوكيل	نقل رخصة قارب
	يحق التوكيل	بيع القارب
	يحق التوكيل	تجديد تصريح الصيد
	يحق التوكيل	إلغاء تصريح الصيد
	يحق التوكيل	استخراج بدل تالف أو مفقود لرخصة القارب
	يحق التوكيل	فتح فرع للترخيص
	يحق التوكيل	نقل الترخيص
	يحق التوكيل	تأسيس شركة
	يحق التوكيل	التوقيع على عقود التأسيس وملاحق التعديل

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	يحق التوكيل	إلغاء عقود التأسيس وملاحق التعديل
	يحق التوكيل	توقيع قرارات الشركاء
	يحق التوكيل	تعيين المدراء وعزلهم
	يحق التوكيل	تعديل أغراض الشركة
	يحق التوكيل	تصفية الشركة
	يحق التوكيل	تحويل الشركة من مساهمة إلى ذات مسؤولية محدودة
	يحق التوكيل	تحويل الشركة من ذات مسؤولية محدودة إلى مساهمة
	يحق التوكيل	تحويل الشركة من تضامنية إلى ذات مسؤولية محدودة
	يحق التوكيل	زيادة رأس المال
	يحق التوكيل	خفض رأس المال
	يحق التوكيل	دخول وخروج شركاء
	يحق التوكيل	الدخول في شركات قائمة
	يحق التوكيل	نقل الحصص والأسهم والسندات
	يحق التوكيل	تحديد رأس المال
	يحق التوكيل	استلام فائض التخصيص
	يحق التوكيل	تعديل جنسية أحد الشركاء في العقد
	يحق التوكيل	قفل الحسابات لدى البنوك باسم الشركة

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	يحق التوكيل	فتح الحسابات لدى البنوك باسم الشركة
	يحق التوكيل	توقيع الاتفاقيات
	يحق التوكيل	تسجيل الشركة
	يحق التوكيل	تسجيل الوكالات والعلامات التجارية
	يحق التوكيل	حضور الجمعيات العامة
	يحق التوكيل	فتح الفروع للشركة
	يحق التوكيل	فتح الملفات للشركة
	يحق التوكيل	التوقيع على عقود التأسيس وملاحق والتعديل لدى كاتب العدل
	يحق التوكيل	استخراج السجلات التجارية وتجديدها للشركة
	يحق التوكيل	الاشترالك بالغرفة التجارية وتجديدها
	يحق التوكيل	مراجعة الهيئة العامة للاستثمار والتوقيع أمامها
	يحق التوكيل	مراجعة إدارة الجودة والنوعية وهيئة المواصفات والمقاييس
	يحق التوكيل	مراجعة هيئة سوق المال
	يحق التوكيل	استخراج التراخيص وتجديدها للشركة

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	يحق التوكيل	تحويل المؤسسة إلى شركة
	يحق التوكيل	تحويل فرع الشركة إلى مؤسسة
	يحق التوكيل	تحويل فرع الشركة إلى شركة
	يحق التوكيل	نشر عقد التأسيس وملاحق التعديل وملخصاتها والأنظمة الأساسية في الجريدة الرسمية
	يحق التوكيل	مراجعة شركات الاتصالات وتأسيس الهوائف الثابتة أو الجوال باسم الشركة
	يحق التوكيل	توقيع العقود الخاصة بالشركة مع الغير
	يحق التوكيل	التنازل عن العلامات التجارية أو إلغائها
	يحق التوكيل	تعديل اسم الشركة
	يحق التوكيل	استخراج التأشيرات
	يحق التوكيل	تحويل الشركة إلى مؤسسة
	يحق التوكيل	استلام تعويضات التأشيرات
	يحق التوكيل	تحديث بيانات العمال
	يحق التوكيل	فتح الملفات الأساسية والفرعية وتجديدها وإلغاؤها
	يحق التوكيل	تصفية العمالة وإلغاؤها

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	يحق التوكيل	التبليغ عن هروب العمالة
	يحق التوكيل	إلغاء بلاغات الهروب للعمالة
	يحق التوكيل	نقل الكفالات
	يحق التوكيل	تعديل المهن
	يحق التوكيل	نقل ملكية المنشآت وتصفيها وإلغاؤها
	يحق التوكيل	مراجعة قسم المكاتب الأهلية للاستقدام
	يحق التوكيل	مراجعة إدارة الحاسب الآلي في القوى العاملة
	يحق التوكيل	استخراج رخص العمل وتجديدها
	يحق التوكيل	استلام شهادات السعودية
	يحق التوكيل	استخراج كشف بيانات (برنت)
	يحق التوكيل	إضافة وحذف السعوديين
	يحق التوكيل	استقدام
	يحق التوكيل	فتح ملف
	يحق التوكيل	تفعيل البوابة السعودية
	يحق التوكيل	استقدام العمالة من الخارج
	يحق التوكيل	إنهاء إجراءات العمالة لدى التأمينات الاجتماعية
	يحق التوكيل	الغاء التأشيرات

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	يحق التوكيل	استرداد مبالغ التأشيرات
	يحق التوكيل	تعديل الجنسيات
	يحق التوكيل	استخراج تأشيرات الزيارات العائلية
	يحق التوكيل	استخراج تأشيرات استخدام العوائل
	يحق التوكيل	مراجعة السفارة
	يحق التوكيل	تمديد تأشيرات الخروج والعودة
	يحق التوكيل	تمديد تأشيرات الزيارة
	يحق التوكيل	إلغاء التأشيرة
	يحق التوكيل	استرداد مبلغ التأشيرة
	يحق التوكيل	تعديل جهة القدوم
يحق التوكيل	توقيع عقود الشركات	الشركات التي تدخل فيها الشركة كشريك
يحق التوكيل	شراء الحصص	
يحق التوكيل	تصفية الشركة	
يحق التوكيل	بيع الحصص	
يحق التوكيل	تمثيل الشركة في الشركة المساهم فيها	
يحق التوكيل	تسجيلها في الوزارة	تأسيس الشركات باسم الشركة
يحق التوكيل	تمثيل امام كاتب العدل	
يحق التوكيل	التوقيع على عقد الشركة	
يحق التوكيل	التوقيع على قرارات الشركاء	
يحق التوكيل	اصدار	السجلات التجارية
يحق التوكيل	تجديد	
يحق التوكيل	شطب	

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	يحق التوكيل	استخراج الإقامات
	يحق التوكيل	تجديد الإقامات
	يحق التوكيل	عمل خروج وعودة
	يحق التوكيل	عمل الخرج النهائي
	يحق التوكيل	استخراج الإقامات بدل مفقود أو تالف
	يحق التوكيل	إنهاء إجراءات العمالة المتوفاة
	يحق التوكيل	التبليغ عن الهروب
	يحق التوكيل	إلغاء بلاغات الهروب
	يحق التوكيل	نقل المعلومات وتحديث البيانات
	يحق التوكيل	التسوية والتنازل عن العمال
	يحق التوكيل	مراجعة إدارة الترحيل والوافدين
	يحق التوكيل	استخراج كشف بيانات العمال (برنت)
	يحق التوكيل	اسقاط العمالة
	يحق التوكيل	إدارة أعمال تجارية
	يحق التوكيل	نقل كفالة العمالة لنفسه
	يحق التوكيل	إضافة المولود
	يحق التوكيل	إنهاء إجراءات العامل المتوفى
	يحق التوكيل	إدارة شؤون المنافذ

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	يحق التوكيل	استخراج مشاهد الإعادة
	يحق التوكيل	إضافة تابعين
	يحق التوكيل	إضافة الأبناء إلى جواز الأب أو الأم
	يحق التوكيل	فصل الأبناء من جواز الأب أو الأم
	يحق التوكيل	إلغاء تأشيرات الخروج والعودة
	يحق التوكيل	إلغاء تأشيرات الخروج النهائي
	يحق التوكيل	استخراج تأشيرات سفر بدل تالف أو مفقود
	يحق التوكيل	استخراج تمديد تأشيرات الزيارة
	يحق التوكيل	استخراج تصاريح حج
	يحق التوكيل	مراجعة شئون الخدمات
	يحق التوكيل	التسجيل في الخدمة الالكترونيه
	يحق التوكيل	البنكية
	يحق التوكيل	
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	يحق التوكيل	مراجعة وزارة الزراعة ومديرية الزراعة بخصوص
	يحق التوكيل	مراجعة كتابة العدل أو المحكمة لقبول إفراغها
	يحق التوكيل	التنازل عن القرار الزراعي
	يحق التوكيل	نقل القرار الزراعي
	يحق التوكيل	استلام الرواتب
	يحق التوكيل	استلام الرواتب التقاعدية
	يحق التوكيل	استلام مكافأة نهاية الخدمة والتعويض عن الإجازات
	يحق التوكيل	تحويل الراتب
	يحق التوكيل	استلام المكافأة
	يحق التوكيل	استخراج تعريف بالراتب
	يحق التوكيل	استلام مستحقاتي
	يحق التوكيل	فتح الحسابات بضوابط شرعية
	يحق التوكيل	قفل الحسابات وتسويتها
	يحق التوكيل	السحب من الحسابات
	يحق التوكيل	استخراج بطاقات صراف آلي
	يحق التوكيل	استخراج البطاقات الائتمانية المتوافقة مع الأحكام الشرعية
	يحق التوكيل	استلام الحوالات وصرفها

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	يحق التوكيل	صرف الشيكات
	يحق التوكيل	إصدار الشيكات المصدقة
	يحق التوكيل	استخراج دفاتر شيكات
	يحق التوكيل	استخراج كشف حساب
	يحق التوكيل	التحويل من الحسابات
	يحق التوكيل	طلب القروض البنكية المتوافقة مع الأحكام والضوابط الشرعية
	يحق التوكيل	فتح حساب بضوابط شرعية
	يحق التوكيل	الإيداع في الحساب
	يحق التوكيل	تجديد الاشتراك في صناديق الأمانات
	يحق التوكيل	فتح صناديق الأمانات
	يحق التوكيل	الاشتراك في صناديق الأمانات
	يحق التوكيل	طلب الإعفاء من القروض
	يحق التوكيل	الاعتراض على الشيكات
	يحق التوكيل	تحديث البيانات
	يحق التوكيل	تنشيط الحسابات
	يحق التوكيل	استلام الشيكات
	يحق التوكيل	استرداد وحدات صناديق الأمانات
	يحق التوكيل	مراجعة
	يحق التوكيل	إعادة جدولة الأقساط
	يحق التوكيل	طلب نقاط البيع
	يحق التوكيل	طلب اعتماد بنكي

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	يحق التوكيل	طلب ضمان بنكي
	يحق التوكيل	الاكتتابات في الشركات المساهمة
	يحق التوكيل	استلام شهادات المساهمات
	يحق التوكيل	شراء الأسهم المتوافقة مع الأحكام الشرعية
	يحق التوكيل	بيع الأسهم المتوافقة مع الأحكام الشرعية
	يحق التوكيل	استلام قيمة الأسهم
	يحق التوكيل	استلام الأرباح
	يحق التوكيل	استلام الفائض
	يحق التوكيل	فتح المحافظ الاستثمارية بالضوابط الشرعية وتحرير وتعديل وإلغاء الأوامر
	يحق التوكيل	الاكتتاب
	يحق التوكيل	شراء أسهم
	يحق التوكيل	بيع أسهم
	يحق التوكيل	استرداد وحدات الصناديق الاستثمارية
	يحق التوكيل	نقل الأسهم من المحفظة
	يحق التوكيل	الاشتراك في وحدات الصناديق الاستثمارية المتوافقة مع الأحكام الشرعية
	يحق التوكيل	إدارة المحافظ الاستثمارية
	يحق التوكيل	إستخراج إثبات مديونية

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	يحق التوكيل	تصفية المحافظ الاستثمارية
	يحق التوكيل	فتح محل
	يحق التوكيل	استخراج الكروت الصحية
	يحق التوكيل	تحويل الأراضي الزراعية إلى سكنية
	يحق التوكيل	مراجعة الإدارة العامة للتخطيط العمراني
	يحق التوكيل	فتح المحلات
	يحق التوكيل	استخراج رخص
	يحق التوكيل	تجديد الرخص
	يحق التوكيل	إلغاء الرخص
	يحق التوكيل	نقل الرخص
	يحق التوكيل	استخراج فسوحات البناء والترميم
	يحق التوكيل	تخطيط الأراضي
	يحق التوكيل	استخراج شهادات إتمام البناء
	يحق التوكيل	استخراج رخص تسوير
	يحق التوكيل	استخراج رخص هدم
	يحق التوكيل	توقيع عقد الإيجار
	يحق التوكيل	التنازل عن العقد
	يحق التوكيل	عمل مخطط للأرض المملوكة
	يحق التوكيل	مراجعة أمانة
	يحق التوكيل	تحويل الأرض الزراعية إلى سكنية
	يحق التوكيل	الإشراف على البناء

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	يحق التوكيل	توقيع العقود مع مؤسسات البناء والمقاوليين
	يحق التوكيل	تعيين المحكمين
	يحق التوكيل	تعيين المحامين
	يحق التوكيل	التمثيل امام كتابات العدل
يحق التوكيل	الاقرار والانكار	القضاء
يحق التوكيل	التنازل	
يحق التوكيل	المخاصمة	
يحق التوكيل	المدافعه	
يحق التوكيل	المرافعه	
يحق التوكيل	المصالحة	
يحق التوكيل	المطالبة	
يحق التوكيل	رفض وقبول التحكيم	
يحق التوكيل	رفض وقبول الصلح	
يحق التوكيل	سماع الدعاوي والرد عليها	
	يحق التوكيل	استلام الصكوك
	يحق التوكيل	التأجير
	يحق التوكيل	استلام الأجرة
	يحق التوكيل	توقيع عقود الأجرة
	يحق التوكيل	تجديد عقود الأجرة
	يحق التوكيل	إلغاء وفسخ عقود التأجير
	يحق التوكيل	التجزئة والفرز
	يحق التوكيل	تعديل الحدود والأطوال والمساحة وأرقام القطع والمخططات والصكوك وتواريخها وأسماء الأحياء

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	يحق التوكيل	تحديث الصكوك و إدخالها في النظام الشامل
	يحق التوكيل	تأجير
	يحق التوكيل	إستخراج مجموعة صكوك بدل مفقود وبياناتها : كالتالي
	يحق التوكيل	إستخراج مجموعة صكوك بدل تالف وبياناتها : كالتالي
	يحق التوكيل	إثبات الميني
	يحق التوكيل	استخراج صك بدل تالف
	يحق التوكيل	وذلك للعقارات الواقعة
	يحق التوكيل	تحويل الأرض الزراعية إلى سكنية أو صناعية
	يحق التوكيل	تحديث الصك وإدخاله في النظام الشامل
	يحق التوكيل	استخراج صك بدل مفقود
	يحق التوكيل	بناء الأرض
	يحق التوكيل	استئجار الأرض
	يحق التوكيل	تغيير الكيان القانوني للشركة
	يحق التوكيل	تحويل الشركة من شركة توصية بسيطة إلى ذات مسؤولية محدودة

يعقد المجلس في المركز الرئيسي للشركة أو أي مكان يتم الاتفاق عليه بالإجماع من قبل مجلس المديرين، ويكون الاجتماع صحيح بحضور الأغلبية من أعضاء المجلس وفي حال عدم اكتمال النصاب يتم الدعوة إلى اجتماع ثاني. ويكون الاجتماع صحيح بحضور الأغلبية من أعضاء المجلس وفي حال عدم اكتمال النصاب لا يصح انعقاد المجلس

ويجوز للعضو توكيل من يراه بحضور اجتماع مجلس المديرين والتصويب نيابة عنه بموجب توكيل خطي

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- عزل المدير: يجوز للشركاء عزل المديرين المعيّنين في عقد مستقل دون إخلال بحقهم في التعويض إذا وقع العزل بغير مبرر مقبول أو في وقت غير مناسب.

"المادة الحادية عشر: مراجعي الحسابات"

يجب أن يكون للشركة مراجع حسابات (أو أكثر) من بين مراجعي الحسابات المرخص لهم بالعمل في المملكة تعيينه الجمعية العامة للشركاء، وتحدد مكافأته ومدة عمله، ويجوز للجمعية أيضاً في كل وقت تغييره مع عدم الإخلال بحقه في التعويض إذا وقع التغيير في وقت غير مناسب أو لسبب غير مشروع.

"المادة الثانية عشر: الجمعية العامة للشركاء"

يكون للشركة ذات المسؤولية المحدودة جمعية عامة تتكون من جميع الشركاء. وتُعقد الجمعية العامة بدعوة من (المدير أو المديرين أو مجلس المديرين)، على أن تعقد مرة على الأقل في السنة خلال الشهور الأربعة التالية لنهاية السنة المالية للشركة. وتجوز دعوة الجمعية العامة في كل وقت بناءً على طلب المديرين أو مجلس الرقابة أو مراجع الحسابات أو عدد من الشركاء يمثل نصف رأس المال على الأقل. ويحرر محضر بخلاصة مناقشات الجمعية العامة، وتدون المحاضر وقرارات الجمعية العامة أو قرارات الشركاء في سجل خاص تعدّه الشركة لهذا الغرض. ويجب أن يشتمل جدول أعمال الجمعية العامة للشركاء في اجتماعها السنوي بصفة خاصة على البنود الآتية:

- 1- سماع تقرير المديرين عن نشاط الشركة ومركزها المالي خلال السنة المالية، وتقرير مراجع الحسابات، وتقرير مجلس الرقابة إن وجد.
- 2- مناقشة القوائم المالية والتصديق عليها .
- 3- تحديد نسبة الربح التي توزع على الشركاء .
- 4- تعيين المديرين أو أعضاء مجلس الرقابة إن وجدوا وتحديد مكافآتهم .
- 5- تعيين مراجع الحسابات وتحديد أتعابه .
- 6- المسائل الأخرى التي تدخل في اختصاص الجمعية بموجب النظام أو عقد تأسيس الشركة .

"المادة الثالثة عشر: قرارات الشركاء"

- 1- تصدر قرارات الشركاء في الجمعية العامة، (ومع ذلك يجوز في الشركة التي لا يزيد عدد الشركاء فيها على عشرين أن يبدي الشركاء آراءهم متفرقين. وفي هذه الحالة يرسل مدير الشركة إلى كل شريك خطاباً مسجلاً بالقرارات المقترحة ليصوت الشريك عليها كتابة.)
- 2- يجوز تعديل عقد تأسيس الشركة بموافقة (الشركاء بالاجماع) الذين يمثلون (100%) من رأس المال على الأقل،
- 3- تصدر بقية القرارات بموافقة الشركاء الذين يمثلون (51%) من رأس المال، وإذا لم تتوافر في المداولة أو في المشاورة الأولى الأغلبية المنصوص عليها في هذه الفقرة وجبت دعوة الشركاء إلى الاجتماع بخطابات مسجلة وتصدر القرارات في الاجتماع المشار إليه بموافقة أغلبية الحصص الممثلة فيه أياً كانت النسبة التي تمثلها بالنسبة إلى رأس المال .

"المادة الرابعة عشر: السنة المالية"

تصبح بداية السنة المالية للشركة من تاريخ [14/03/1441] هـ الموافق [11/11/2019] م وتنتهي في [16/05/1442] هـ الموافق [31/12/2020] م وتكون كل سنة مالية بعد ذلك اثني عشر شهراً.
ب- يُعد [مجلس المديرين في الشركة] عن كل سنة مالية القوائم المالية للشركة وتقريراً عن نشاط الشركة ومركزها المالي واقتراحاتهم في شأن توزيع الأرباح، وذلك خلال ثلاثة أشهر من نهاية السنة المالية. وعلى المديرين أن يرسلوا إلى الوزارة وإلى كل شريك صورة من هذه الوثائق وصورة من تقرير مجلس الرقابة - إن وجد- وصورة من تقرير مراجع الحسابات، وذلك خلال شهر من تاريخ إعداد الوثائق المذكورة. ولكل شريك أن يطلب من المديرين الدعوة إلى عقد الاجتماع للجمعية العامة للشركاء للمداولة في الوثائق المذكورة.

"المادة الخامسة عشر: الأرباح والخسائر"

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توزع أرباح الشركة السنوية الصافية على النحو التالي:
أ- تجنب الشركة في كل سنة (10%) على الأقل من أرباحها الصافية، لتكوين احتياطي نظامي. ويجوز للجمعية العامة للشركاء أن تقرر وقف هذا التجنّب متى بلغ الاحتياطي المذكور (30%) من رأس مال الشركة.
ب- الباقي يوزع على الشركاء بنسبة حصص كل منهم في رأس المال ما لم يقرر الشركاء تكوين احتياطات أخرى أو ترحيل رصيد الأرباح كلياً أو جزئياً للسنة المالية التالية.
ت- في حالة تحقيق خسائر يتحملها الشركاء بنسبة ما يملكه كل منهم من حصص في رأس المال أو يتم ترحيلها للسنة المالية التالية ولا يتم توزيع أرباح إلا بعد استهلاك تلك الخسارة وإذا بلغت خسائر الشركة نصف رأس مالها، وجب على (مدير أو مديري أو مجلس المديرين) الشركة تسجيل هذه الواقعة في السجل التجاري ودعوة الشركاء للاجتماع خلال مدة لا تزيد على تسعين يوماً من تاريخ علمهم ببلوغ الخسارة هذا المقدار؛ للنظر في استمرار الشركة أو حلها. ويجب شهر قرار الشركاء سواء باستمرار الشركة أو حلها بالطرق المنصوص عليها في المادة (الثامنة والخمسين بعد المائة) من نظام الشركات. وتعد الشركة منقضية بقوة النظام إذا أهمل مديرو الشركة دعوة الشركاء أو تعذر على الشركاء إصدار قرار باستمرار الشركة أو حلها.

المادة السادسة عشر: إنقضاء الشركة

تنقضي الشركة بأحد أسباب الانقضاء الواردة في المادة السادسة عشرة من نظام الشركات ومواد هذا العقد وبانقضائها تدخل في دور التصفية وفقاً لأحكام الباب العاشر من نظام الشركات.
مع مراعاة أنه في حالة التصفية الاختيارية يلزم اتخاذ الآتي :
1- إعداد مركز مالي للشركة في تاريخ صدور قرار الشركاء بحل وتصفية الشركة معتمد من محاسب قانوني مرخص له بالعمل في المملكة العربية السعودية يثبت قدرة الشركة على الوفاء بالتزاماتها وديونها تجاه الغير.
2- سداد كافة حقوق الدائنين أو إبرام صلح معهم ، فإن تعذر فلا يتم تصفية الشركة إلا بعد صدور قرار من الجهة القضائية المختصة بشهر إفلاس الشركة بناءً على طلب الدائنين أو الشركة.

المادة السابعة عشر: التبليغات

تكون التبليغات التي توجهها الشركة إلى الشركاء عن طريق البريد الإلكتروني

المادة الثامنة عشر: كيفية تعيين الإدارة

في حالة استقالة أو عزل أو وفاة أي مدير من المدراء المعيّنين في مجلس المديرين أو امتناعه عن حضور الاجتماعات، يقوم الشريك الأول بتعيين مديراً آخر بدلاً عنه لعضوية المجلس، وإذا لم يتم تعيين مديراً آخر فيستمر المجلس في ممارسة كافة صلاحياته بعضوية المدراء الآخرين الباقين.

المادة التاسعة عشر: مدة المجلس

تكون مدة المجلس (3) سنوات ميلادية قابلة للتجديد لمدة أو لمدد أخرى.

المادة العشرون: اجتماعات المجلس

إن التصرفات الجارية في أي اجتماع لمجلس المديرين، كيفما تمت الدعوة إليه والإخطار بصدده وأينما عقد، تعتبر تصرفات صحيحة كما لو كانت قد اتخذت في اجتماع عقد حسب الأصول بعد دعوة أو إخطار نظاميين وذلك إذا توافر النصاب اللازم وظل كذلك طوال الاجتماع.

المادة الحادية والعشرون: دعوة مجلس المديرين

يجتمع مجلس المديرين بطلب من الرئيس في أي وقت أو بناءً على طلب مديران من مجلس المديرين أو من مراقب حسابات الشركة وتوجه الدعوة للاجتماع إلى المديرين خطياً قبل موعد أي جلسة بثلاثين يوماً على الأقل، كما يمكن لأي مدير أن نييب عنه خطياً أي مدير آخر بحضور أية جلسة والتصويت نيابة عنه ولا يجوز أن يكون المدير موكلاً عن أكثر من مدير في نفس الوقت.

المادة الثانية والعشرون: قرارات المجلس

يكون لكل مدير صوت واحد (بما في ذلك رئيس مجلس المديرين) بشأن أي أمر من الأمور ويتم التصويت إما شخصياً أو بالوكالة على أن يجوز للمدير الحاضر شخصياً فضلاً عن إدلائه بصوته الخاص أن يدلي بصوت مدير غائب أناب عنه ذلك المدير الحاضر، وتتخذ قرارات المجلس بأغلبية المدراء الحاضرين أو الممثلين في الاجتماع.

المادة الثالثة والعشرون: قرارات المجلس

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رقم نسخة العقد: 3 رأس المال: 18000000
تاريخ تقديم العقد: 06/02/1443

يجوز اتخاذ قرارات مجلس المديرين "بالتصوير" وفي هذه الحالة يرسل رئيس مجلس المديرين إلى كل مدير خطاباً بالقرارات المقترحة، بحيث يبدي المديرين آراءهم متفرقين، ويتم الموافقة على القرارات بالإجماع.

المادة الرابعة والعشرون: المدير التنفيذي

يتولى إدارة الأعمال اليومية للشركة مدير تنفيذي يتم تعيينه وتحديد صلاحياته بموجب قرار مستقل يصدر من الشريك الأول.

المادة الخامسة والعشرون: صلاحية التوكيل والتفويض

يكون للسيد/ صالح بن سالم بن أحمد بن محفوظ - سعودي الجنسية هوية وطنية رقم (1000643666) - منفرداً حق توكيل وتفويض الغير بأي من الصلاحيات الممنوحة لأعضاء مجلس المديرين والمذكورة في المادة (العاشرة) ومنح الوكيل حق توكيل الغير.

المادة السادسة والعشرون: إنشاء لجان تنفيذية أو استشارية

يحق لمجلس المديرين إنشاء لجنة أو لجان تنفيذية أو استشارية بقرار مستقل ويحدد في هذا القرار مهامها وصلاحياتها ومكافآتها كما يحق للمجلس عزل أو استبدال أعضاءها.

المادة السابعة والعشرون: أحكام عامة

- 1- تخضع الشركة لأنظمة السارية بالمملكة.
- 2- كل ما لم يرد به نص في هذا العقد يطبق بشأنه نظام الشركات ولائحته.

المادة الثامنة والعشرون: نسخ العقد

حرر هذا العقد من عدد من النسخ استلمها مالك رأس المال للعمل بموجبها ولتقديمها للجهات المختصة لتقيد الشركة بالسجل التجاري وسجل الشركات، هذا وقد فوض الشركاء السيد/ عبدالله مبارك عبدالله بإعارمه في إتمام الإجراءات النظامية اللازمة لتأسيس الشركة والعتابعة لدى الجهات المختصة فيما يختص بهذا الشأن.

يقر الشركاء وهم بكامل الأهلية المعتبرة شرعاً ونظاماً بموافقتهم على عقد الشركة وأنهم قاموا بمراجعة بنوده والالتزامات والحقوق التي يتضمنها بعناية، وأنهم يقررون بصحتها وعدم مخالفتها لنظام الشركات ويتقدمون به بطوعهم واختيارهم ودون إكراه أو إجبار من أحد، وأنهم مسؤولون عن صحة جميع البيانات والمعلومات المدخلة والواردة فيه ويتحملون المسؤولية النظامية وفقاً للمادة الثانية عشرة بعد المائتين من نظام الشركات إذا ثبت خلاف ذلك.

تم تدقيق هذا العقد الإلكتروني وتوثيقه من قبل وزارة التجارة، وتم التحقق من هوية الشركاء عن طريق رسائل نصية على رقم الجوال المسجل في نظام الخدمات الإلكترونية بوزارة الداخلية (أبشر).



الختم

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العقد المستقل لإدارة الشركة

بموافقة الشركاء.. يتولى إدارة شركة [شركة معدات الجزيرة المحدودة] [ذات مسؤولية محدودة] والمقيدة بالسجل التجاري رقم [2051005734]

الصفة	أعضاء مجلس الإدارة			
	الجنسية	تاريخ الميلاد	الإسم	رقم الهوية
رئيس مجلس	السعودي	25/10/1965	عبدالله مبارك عبدالله باعارمه	هـ.و : 1000161743
عضو	السعودي	26/03/1967	وليد محمد سالم بن محفوظ	هـ.و : 1002192514
عضو	السعودي	17/03/1961	فيصل رمضان محمد عناني	هـ.و : 1000838290
عضو	السعودي	25/12/1981	فراس توفيق عاكف البهيتي	هـ.و : 1045924477
عضو	السعودي	21/07/1982	اسامه احمد سليمان باناجه	هـ.و : 1002575437

صلاحيات مجلس المديرين:

يحق التوكيل	اصدار	الرئيسية	السجلات التجارية
يحق التوكيل	تجديد		
يحق التوكيل	شطب		
يحق التوكيل	اصدار	الفرعية	
يحق التوكيل	تجديد		
يحق التوكيل	شطب		
		يحق التوكيل	شراء المؤسسة
		يحق التوكيل	التوقيع على جميع المستندات لدى الغرفة التجارية
		يحق التوكيل	بيع المؤسسة
		يحق التوكيل	مراجعة إدارة السجلات
		يحق التوكيل	استخراج السجلات
		يحق التوكيل	نقل السجلات التجارية
		يحق التوكيل	إدارة السجلات
		يحق التوكيل	إلغاء السجلات
		يحق التوكيل	الإشراف على السجلات

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	يحق التوكيل	فتح الاشتراك لدى الغرفة التجارية
	يحق التوكيل	اعتماد التوقيع لدى الغرفة التجارية
	يحق التوكيل	إلغاء التوقيع لدى الغرفة التجارية
	يحق التوكيل	دخول المناقصات واستلام الاستثمارات
	يحق التوكيل	تحويل فرع المؤسسة
	يحق التوكيل	مراجعة التأمينات الاجتماعية
	يحق التوكيل	مراجعة مصلحة الزكاة والدخل
	يحق التوكيل	فتح فروع للسجلات
	يحق التوكيل	إدارة السجل التجاري
	يحق التوكيل	إلغاء السجل التجاري
	يحق التوكيل	مراجعة الدفاع المدني
	يحق التوكيل	تعديل السجلات
	يحق التوكيل	إضافة نشاط
	يحق التوكيل	حجز الاسم التجاري
	يحق التوكيل	تجديد الاشتراك لدى الغرفة التجارية
	يحق التوكيل	تعديل السجل التجاري
	يحق التوكيل	نقل السجل التجاري
	يحق التوكيل	استخراج سجل بديل تالف أو مفقود
	يحق التوكيل	تسجيل العلامة التجارية

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	يحق التوكيل	التنازل عن العلامة التجارية
	يحق التوكيل	التنازل عن الاسم التجاري
	يحق التوكيل	استخراج التراخيص
	يحق التوكيل	شراء القوارب
	يحق التوكيل	استخراج بدل تالف أو مفقود لتضاريج الصيد
	يحق التوكيل	استيراد قوارب
	يحق التوكيل	إلغاء رخص قوارب
	يحق التوكيل	تجديد التراخيص
	يحق التوكيل	تعديل التراخيص
	يحق التوكيل	حجز الأسماء
	يحق التوكيل	إلغاء التراخيص
	يحق التوكيل	تجديد الاشتراك بالغرفة التجارية
	يحق التوكيل	فتح الفروع
	يحق التوكيل	استخراج تصريح صيد
	يحق التوكيل	استخراج رخصة قارب
	يحق التوكيل	تجديد رخصة قارب
	يحق التوكيل	نقل رخصة قارب
	يحق التوكيل	بيع القارب
	يحق التوكيل	تجديد تصريح الصيد
	يحق التوكيل	إلغاء تصريح الصيد
	يحق التوكيل	استخراج بدل تالف أو مفقود لرخصة القارب
	يحق التوكيل	فتح فرع للتريخيص
	يحق التوكيل	نقل الترخيص
	يحق التوكيل	تأسيس شركة
	يحق التوكيل	التوقيع على عقود التأسيس وملاحق التعديل

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	يحق التوكيل	إلغاء عقود التأسيس وملاحق التعديل
	يحق التوكيل	تعيين المدراء وعزلهم
	يحق التوكيل	تعديل أغراض الشركة
	يحق التوكيل	تصفية الشركة
	يحق التوكيل	تحويل الشركة من مساهمة إلى ذات مسئولية محدودة
	يحق التوكيل	تحويل الشركة من ذات مسئولية محدودة إلى مساهمة
	يحق التوكيل	تحويل الشركة من تضامنية الى ذات مسئولية محدودة
	يحق التوكيل	زيادة رأس المال
	يحق التوكيل	خفض رأس المال
	يحق التوكيل	دخول وخروج شركاء
	يحق التوكيل	الدخول في شركات قائمة
	يحق التوكيل	نقل الحصص والأسهم والسندات
	يحق التوكيل	تحديد رأس المال
	يحق التوكيل	استلام فائض التخصيص
	يحق التوكيل	بيع الحصص والأسهم واستلام القيمة
	يحق التوكيل	التنازل عن الحصص والأسهم من رأس المال
	يحق التوكيل	بيع فرع الشركة
	يحق التوكيل	تعديل جنسية أحد الشركاء في العقد
	يحق التوكيل	قبول التنازل عن الحصص والأسهم ورأس المال

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	يحق التوكيل	شراء الحصص والأسهم ودفع الثمن
	يحق التوكيل	قفل الحسابات لدى البنوك باسم الشركة
	يحق التوكيل	فتح الحسابات لدى البنوك باسم الشركة
	يحق التوكيل	توقيع الاتفاقيات
	يحق التوكيل	تسجيل الشركة
	يحق التوكيل	تسجيل الوكالات والعلامات التجارية
	يحق التوكيل	حضور الجمعيات العامة
	يحق التوكيل	فتح الفرع للشركة
	يحق التوكيل	فتح الملفات للشركة
	يحق التوكيل	التوقيع على عقود التأسيس وملاحق التعديل لدى كاتب العدل
	يحق التوكيل	استخراج السجلات التجارية وتجديدها للشركة
	يحق التوكيل	الاشتراك بالغرفة التجارية وتجديدها
	يحق التوكيل	مراجعة الهيئة العامة للاستثمار والتوقيع أمامها
	يحق التوكيل	مراجعة إدارة الجودة والنوعية وهيئة المواصفات والمقاييس
	يحق التوكيل	مراجعة هيئة سوق المال
	يحق التوكيل	استخراج التراخيص وتجديدها للشركة
	يحق التوكيل	تحويل المؤسسة إلى شركة

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	يحق التوكيل	تحويل فرع الشركة إلى مؤسسة
	يحق التوكيل	تحويل فرع الشركة إلى شركة
	يحق التوكيل	نشر عقد التأسيس وملاحق التعديل وملخصاتها والأنظمة الأساسية في الجريدة الرسمية
	يحق التوكيل	مراجعة شركات الاتصالات وتأسيس الهواتف الثابتة أو الجوال باسم الشركة
	يحق التوكيل	توقيع العقود الخاصة بالشركة مع الغير
	يحق التوكيل	التنازل عن العلامات التجارية أو إلغائها
	يحق التوكيل	تعديل اسم الشركة
	يحق التوكيل	استخراج التأشيرات
	يحق التوكيل	تحويل الشركة إلى مؤسسة
	يحق التوكيل	استلام تعويضات التأشيرات
	يحق التوكيل	تحديث بيانات العمال
	يحق التوكيل	فتح الملفات الأساسية والفرعية وتجديدها وإلغاؤها
	يحق التوكيل	تصفية العمالة وإلغاؤها
	يحق التوكيل	التبليغ عن هروب العمالة
	يحق التوكيل	إلغاء بلاغات الهروب للعمالة
	يحق التوكيل	نقل الكفالات

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	يحق التوكيل	تعديل المهن
	يحق التوكيل	نقل ملكية المنشآت وتصفياتها وإلغاؤها
	يحق التوكيل	مراجعة قسم المكاتب الأهلية للاستقدام
	يحق التوكيل	مراجعة إدارة الحاسب الآلي في القوى العاملة
	يحق التوكيل	استخراج رخص العمل وتجديدها
	يحق التوكيل	استلام شهادات السعودية
	يحق التوكيل	استخراج كشف بيانات (برنت)
	يحق التوكيل	إضافة وحذف السعوديين
	يحق التوكيل	استقدام
	يحق التوكيل	فتح ملف
	يحق التوكيل	تفعيل البوابة السعودية
	يحق التوكيل	استقدام العمالة من الخارج
	يحق التوكيل	إنهاء إجراءات العمالة لدى التأمينات الاجتماعية
	يحق التوكيل	الغاء التأشيرات
	يحق التوكيل	استرداد مبالغ التأشيرات
	يحق التوكيل	تعديل الجنسيات
	يحق التوكيل	استخراج تأشيرات الزيارات العائلية
	يحق التوكيل	استخراج تأشيرات استقدام العوائل

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	يحق التوكيل	مراجعة السفارة
	يحق التوكيل	تمديد تأشيرات الخروج والعودة
	يحق التوكيل	تمديد تأشيرات الزيارة
	يحق التوكيل	إلغاء التأشيرة
	يحق التوكيل	استرداد مبلغ التأشيرة
	يحق التوكيل	تعديل جهة القдом
	يحق التوكيل	توقيع عقود الشركات
	يحق التوكيل	شراء الحصص
	يحق التوكيل	تصفية الشركة
	يحق التوكيل	بيع الحصص
	يحق التوكيل	تمثيل الشركة في الشركة المساهم فيها
	يحق التوكيل	تسجيلها في الوزارة
	يحق التوكيل	تمثيل امام كاتب العدل
	يحق التوكيل	تأسيس الشركات بأسم الشركة
يحق التوكيل	اصدار	السجلات التجارية
يحق التوكيل	تجديد	
يحق التوكيل	شطب	
	يحق التوكيل	استخراج الإقامات
	يحق التوكيل	تجديد الإقامات
	يحق التوكيل	عمل خروج وعودة
	يحق التوكيل	عمل الخروج النهائي
	يحق التوكيل	استخراج الإقامات بدل مفقود أو تالف
	يحق التوكيل	إنهاء إجراءات العمالة المتوقفة
	يحق التوكيل	التبليغ عن الهروب
	يحق التوكيل	إلغاء بلاغات الهروب

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	يحق التوكيل	نقل المعلومات وتحديث البيانات
	يحق التوكيل	التسوية والتنازل عن العمال
	يحق التوكيل	مراجعة إدارة الترحيل والوافدين
	يحق التوكيل	استخراج كشف بيانات العمال (برنت)
	يحق التوكيل	اسقاط العمالة
	يحق التوكيل	إدارة أعمال تجارية
	يحق التوكيل	نقل كفالة العمالة لنفسه
	يحق التوكيل	إضافة المولود
	يحق التوكيل	إنهاء إجراءات العامل المتوفى
	يحق التوكيل	إدارة شؤون المنافذ
	يحق التوكيل	استخراج مشاهد الإعادة
	يحق التوكيل	إضافة تابعين
	يحق التوكيل	إضافة الأبناء إلى جواز الأب أو الأم
	يحق التوكيل	فصل الأبناء من جواز الأب أو الأم
	يحق التوكيل	إلغاء تأشيرات الخروج والعودة
	يحق التوكيل	إلغاء تأشيرات الخروج النهائي
	يحق التوكيل	استخراج تأشيرات سفر بدل تالف أو مفقود
	يحق التوكيل	استخراج تمديد تأشيرات الزيارة
	يحق التوكيل	استخراج تصاريح حج
	يحق التوكيل	مراجعة شئون الخدمات
	يحق التوكيل	التسجيل في الخدمة الإلكترونيه

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فتح الاعتمادات	يحق التوكيل	
الايداع	يحق التوكيل	
السحب	يحق التوكيل	
اصدار الشيكات	يحق التوكيل	
تحديث الحسابات	يحق التوكيل	
استخراج كشوف الحسابات	يحق التوكيل	
طلب التسهيلات	يحق التوكيل	
طلب الضمانات	يحق التوكيل	
توقيع عقود القروض	يحق التوكيل	
يحق التوكيل		
يحق التوكيل		مراجعة كتابة العدل أو المحكمة لقبول إفراغها
يحق التوكيل		التنازل عن القرار الزراعي
يحق التوكيل		نقل القرار الزراعي
يحق التوكيل		استلام الرواتب
يحق التوكيل		استلام الرواتب التقاعدية
يحق التوكيل		استلام مكافأة نهاية الخدمة والتعويض عن الإجازات
يحق التوكيل		تحويل الراتب
يحق التوكيل		استلام المكافأة
يحق التوكيل		استخراج تعريف بالراتب
يحق التوكيل		استلام مستحقاتي
يحق التوكيل		فتح الحسابات بضوابط شرعية
يحق التوكيل		قفل الحسابات وتسويتها
يحق التوكيل		السحب من الحسابات

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	يحق التوكيل	استخراج بطاقات صراف آلي
	يحق التوكيل	استخراج البطاقات الائتمانية المتوافقة مع الأحكام الشرعية
	يحق التوكيل	استلام الحوالات وصرفها
	يحق التوكيل	صرف الشيكات
	يحق التوكيل	إصدار الشيكات المصدقة
	يحق التوكيل	استخراج دفاتر شيكات
	يحق التوكيل	استخراج كشف حساب
	يحق التوكيل	التحويل من الحسابات
	يحق التوكيل	طلب القروض البنكية المتوافقة مع الأحكام والضوابط الشرعية
	يحق التوكيل	فتح حساب بضوابط شرعية
	يحق التوكيل	الإيداع في الحساب
	يحق التوكيل	تجديد الاشتراك في صناديق الأمانات
	يحق التوكيل	فتح صناديق الأمانات
	يحق التوكيل	الاشتراك في صناديق الأمانات
	يحق التوكيل	طلب الإعفاء من القروض
	يحق التوكيل	الاعتراض على الشيكات
	يحق التوكيل	تحديث البيانات
	يحق التوكيل	تنشيط الحسابات
	يحق التوكيل	استلام الشيكات
	يحق التوكيل	استرداد وحدات صناديق الأمانات
	يحق التوكيل	مراجعة
	يحق التوكيل	إعادة جدولة الأقساط

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					طلب نقاط البيع	يحق التوكيل
					طلب اعتماد بنكي	يحق التوكيل
					طلب ضمان بنكي	يحق التوكيل
					الاكتتابات في الشركات المساهمة	يحق التوكيل
					استلام شهادات المساهمات	يحق التوكيل
					شراء الأسهم المتوافقة مع الأحكام الشرعية	يحق التوكيل
					بيع الأسهم المتوافقة مع الأحكام الشرعية	يحق التوكيل
					استلام قيمة الأسهم	يحق التوكيل
					استلام الأرباح	يحق التوكيل
					استلام الفوائد	يحق التوكيل
					فتح المحافظ الاستثمارية بالضوابط الشرعية وتحرير وتعديل وإلغاء الأوامر	يحق التوكيل
					الاكتتاب	يحق التوكيل
					شراء أسهم	يحق التوكيل
					بيع أسهم	يحق التوكيل
					استرداد وحدات الصناديق الاستثمارية	يحق التوكيل
					نقل الأسهم من المحفظة	يحق التوكيل
					الاشتراك في وحدات الصناديق الاستثمارية المتوافقة مع الأحكام الشرعية	يحق التوكيل
					إدارة المحافظ الاستثمارية	يحق التوكيل
					إستخراج إثبات مديونية	يحق التوكيل
					تصفية المحافظ الاستثمارية	يحق التوكيل
يحق التوكيل	يحق التوكيل	افراغ	الاراضي	شراء وبيع وافراغ الممتلكات	ادارة الاملاك	يحق التوكيل

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يحق التوكيل	يحق التوكيل	بيع	الاراضي	شراء وبيع وافراغ الممتلكات	ادارة الاملاك
يحق التوكيل	يحق التوكيل	شراء			
يحق التوكيل	يحق التوكيل	بيع	الاسهم		
يحق التوكيل	يحق التوكيل	شراء			
يحق التوكيل	يحق التوكيل	افراغ	العقار		
يحق التوكيل	يحق التوكيل	بيع			
يحق التوكيل	يحق التوكيل	شراء			
		يحق التوكيل	القبض	رهن الاملاك	
		يحق التوكيل	حق الرهن		
		يحق التوكيل	فك الرهن		
				يحق التوكيل	فتح محل
				يحق التوكيل	استخراج الكروت الصحية
				يحق التوكيل	تحويل الأراضي الزراعية إلى سكنية
				يحق التوكيل	مراجعة الإدارة العامة للتخطيط العمراني
				يحق التوكيل	فتح المحلات
				يحق التوكيل	استخراج رخص
				يحق التوكيل	تجديد الرخص
				يحق التوكيل	إلغاء الرخص
				يحق التوكيل	نقل الرخص
				يحق التوكيل	استخراج فسوحات البناء والترميم
				يحق التوكيل	تخطيط الأراضي
				يحق التوكيل	استخراج شهادات إتمام البناء
				يحق التوكيل	استخراج رخص تسوير
				يحق التوكيل	استخراج رخص هدم

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لا يحق التوكيل	التعديل على باقي بنود عقد التأسيس	الموافقة على قرارات الشركاء	تعديل عقد الشركات التي تدخل فيها الشركة كشريك
لا يحق التوكيل	التوقيع على قرار الشركاء بالاندماج		
لا يحق التوكيل	تغيير الكيان القانوني		
لا يحق التوكيل	دخول وخروج الشركاء		
لا يحق التوكيل	زيادة أو تخفيض رأس المال		
لا يحق التوكيل	قبول التنازل عن الحصص وشراء الحصص		
	لا يحق التوكيل	تصفية الشركة	
	لا يحق التوكيل	تحول الشركة الى مؤسسة	
	يحق التوكيل	توقيع عقد الإيجار	
	يحق التوكيل	التنازل عن العقد	
	يحق التوكيل	عمل مخطط للأرض المملوكة	
	يحق التوكيل	مراجعة أمانة	
	يحق التوكيل	تحويل الأرض الزراعية إلى سكنية	
	يحق التوكيل	الإشراف على البناء	
	يحق التوكيل	توقيع العقود مع مؤسسات البناء والمعقاولين	
	يحق التوكيل	تعيين المحكمين	القضاء
	يحق التوكيل	تعيين المحامين	
	يحق التوكيل	التمثيل امام كتابات العدل	
يحق التوكيل	الاقرار والانكار	التمثيل امام المحاكم الشرعية	
يحق التوكيل	التنازل		
يحق التوكيل	المخاصمة		
يحق التوكيل	المدافعة		
يحق التوكيل	المرافعة		
يحق التوكيل	المصالحة		

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المطالبة	التمثيل امام المحاكم الشرعية	القضاء
يحق التوكيل	يحق التوكيل	البيع والإفراغ للمشتري
يحق التوكيل	يحق التوكيل	الشراء وقبول الإفراغ ودفع الثمن
يحق التوكيل	يحق التوكيل	استلام الصكوك
يحق التوكيل	يحق التوكيل	التأجير
يحق التوكيل	يحق التوكيل	استلام الأجرة
يحق التوكيل	يحق التوكيل	توقيع عقود الأجرة
يحق التوكيل	يحق التوكيل	تجديد عقود الأجرة
يحق التوكيل	يحق التوكيل	إلغاء وفسخ عقود التأجير
يحق التوكيل	يحق التوكيل	الرهن
يحق التوكيل	يحق التوكيل	فك الرهن
يحق التوكيل	يحق التوكيل	التجزئة والفرز
يحق التوكيل	يحق التوكيل	تعديل الحدود والأطوال والمساحة وأرقام القطع والمخططات والصكوك وتواريخها وأسماء الأحياء
يحق التوكيل	يحق التوكيل	بيع
يحق التوكيل	يحق التوكيل	قبول الرهن
يحق التوكيل	يحق التوكيل	تجديد الصكوك وإدخالها في النظام الشامل
يحق التوكيل	يحق التوكيل	بيع النصيب من
يحق التوكيل	يحق التوكيل	شراء
يحق التوكيل	يحق التوكيل	شراء النصيب من
يحق التوكيل	يحق التوكيل	تأجير

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	يحق التوكيل	تعديل اسم المالك ورقم السجل المدني الحفيظة
	يحق التوكيل	الهبة والإفراغ
	يحق التوكيل	قبول الهبة والإفراغ
	يحق التوكيل	التنازل عن النقص في المساحة
	يحق التوكيل	دمج الصكوك
	يحق التوكيل	قبول التنازل والإفراغ
	يحق التوكيل	إستخراج مجموعة صكوك بدل مفقود وبياناتها : كالتالي
	يحق التوكيل	إستخراج مجموعة صكوك بدل تالف وبياناتها : كالتالي
	يحق التوكيل	البيع والإفراغ للورثة
	يحق التوكيل	التنازل عن النصيب من
	يحق التوكيل	إثبات الميني
	يحق التوكيل	استخراج صك بدل تالف
	يحق التوكيل	وذلك للعقارات الواقعة
	يحق التوكيل	تحويل الأرض الزراعية إلى سكنية أو صناعية
	يحق التوكيل	الدخول في المساهمات العقارية
	يحق التوكيل	شراء أسهم المساهمات العقارية
	يحق التوكيل	بيع أسهم المساهمات العقارية
	يحق التوكيل	التنازل عن الأرض المؤجرة
	يحق التوكيل	تحديث الصك وإدخاله في النظام الشامل

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	يحق التوكيل	استخراج صك بدل مفقود
	يحق التوكيل	بناء الأرض
	يحق التوكيل	استئجار الأرض
	يحق التوكيل	تغيير الكيان القانوني للشركة
	يحق التوكيل	تحويل الشركة من شركة توصية بسيطة إلى ذات مسؤولية محدودة
	يحق التوكيل	قسمة الأسهم بين الورثة ونقلها إلى محافظهم

ملاحظات رئيس المجلس:

يحق التوكيل	اصدار	الرئيسية	السجلات التجارية
يحق التوكيل	تجديد		
يحق التوكيل	شطب		
يحق التوكيل	اصدار	الفرعية	
يحق التوكيل	تجديد		
يحق التوكيل	شطب		
		يحق التوكيل	شراء المؤسسة
		يحق التوكيل	التوقيع على جميع المستندات لدى الغرفة التجارية
		يحق التوكيل	مراجعة إدارة السجلات
		يحق التوكيل	استخراج السجلات
		يحق التوكيل	نقل السجلات التجارية
		يحق التوكيل	إدارة السجلات
		يحق التوكيل	إلغاء السجلات
		يحق التوكيل	الإشراف على السجلات
		يحق التوكيل	فتح الاشتراك لدى الغرفة التجارية
		يحق التوكيل	اعتماد التوقيع لدى الغرفة التجارية

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	يحق التوكيل	إلغاء التوقيع لدى الغرفة التجارية
	يحق التوكيل	دخول المناقصات واستلام الاستثمارات
	يحق التوكيل	تحويل فرع المؤسسة
	يحق التوكيل	مراجعة التأمينات الاجتماعية
	يحق التوكيل	مراجعة مصلحة الزكاة والدخل
	يحق التوكيل	فتح فروع للسجلات
	يحق التوكيل	إدارة السجل التجاري
	يحق التوكيل	إلغاء السجل التجاري
	يحق التوكيل	مراجعة الدفاع المدني
	يحق التوكيل	تعديل السجلات
	يحق التوكيل	إضافة نشاط
	يحق التوكيل	حجز الاسم التجاري
	يحق التوكيل	تجديد الاشتراك لدى الغرفة التجارية
	يحق التوكيل	تعديل السجل التجاري
	يحق التوكيل	نقل السجل التجاري
	يحق التوكيل	استخراج سجل بدل تالف أو مفقود
	يحق التوكيل	تسجيل العلامة التجارية
	يحق التوكيل	التنازل عن العلامة التجارية
	يحق التوكيل	التنازل عن الاسم التجاري

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	يحق التوكيل	استخراج التراخيص
	يحق التوكيل	شراء القوارب
	يحق التوكيل	استخراج بدل تالف أو مفقود لتصاريح الصيد
	يحق التوكيل	استيراد قوارب
	يحق التوكيل	إلغاء رخص قوارب
	يحق التوكيل	تجديد التراخيص
	يحق التوكيل	تعديل التراخيص
	يحق التوكيل	حجز الأسماء
	يحق التوكيل	إلغاء التراخيص
	يحق التوكيل	تجديد الاشتراك بالغرفة التجارية
	يحق التوكيل	فتح الفروع
	يحق التوكيل	استخراج تصريح صيد
	يحق التوكيل	استخراج رخصة قارب
	يحق التوكيل	تجديد رخصة قارب
	يحق التوكيل	نقل رخصة قارب
	يحق التوكيل	بيع القارب
	يحق التوكيل	تجديد تصريح الصيد
	يحق التوكيل	إلغاء تصريح الصيد
	يحق التوكيل	استخراج بدل تالف أو مفقود لرخصة القارب
	يحق التوكيل	فتح فرع للترخيص
	يحق التوكيل	نقل الترخيص
	يحق التوكيل	تأسيس شركة

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	يحق التوكيل	التوقيع على عقود التأسيس وملاحق التعديل
	يحق التوكيل	إلغاء عقود التأسيس وملاحق التعديل
	يحق التوكيل	توقيع قرارات الشركاء
	يحق التوكيل	تعيين المدراء وعزلهم
	يحق التوكيل	تعديل أغراض الشركة
	يحق التوكيل	تصفية الشركة
	يحق التوكيل	تحويل الشركة من مساهمة إلى ذات مسئولية محدودة
	يحق التوكيل	تحويل الشركة من ذات مسئولية محدودة إلى مساهمة
	يحق التوكيل	تحويل الشركة من تضامنية إلى ذات مسئولية محدودة
	يحق التوكيل	زيادة رأس المال
	يحق التوكيل	خفض رأس المال
	يحق التوكيل	دخول وخروج شركاء
	يحق التوكيل	الدخول في شركات قائمة
	يحق التوكيل	نقل الحصص والأسهم والسندات
	يحق التوكيل	تجديد رأس المال
	يحق التوكيل	استلام فائض التخصيص
	يحق التوكيل	تعديل جنسية أحد الشركاء في العقد

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	يحق التوكيل	فصل الحسابات لدى البنوك باسم الشركة
	يحق التوكيل	فتح الحسابات لدى البنوك باسم الشركة
	يحق التوكيل	توقيع الاتفاقيات
	يحق التوكيل	تسجيل الشركة
	يحق التوكيل	تسجيل الوكالات والعلامات التجارية
	يحق التوكيل	حضور الجمعيات العامة
	يحق التوكيل	فتح الفروع للشركة
	يحق التوكيل	فتح الملفات للشركة
	يحق التوكيل	التوقيع على عقود التأسيس وملاحق والتعديل لدى كاتب العدل
	يحق التوكيل	استخراج السجلات التجارية وتجديدها للشركة
	يحق التوكيل	الاشتراك بالغرفة التجارية وتجديدها
	يحق التوكيل	مراجعة الهيئة العامة للاستثمار والتوقيع أمامها
	يحق التوكيل	مراجعة إدارة الجودة والنوعية وهيئة المواصفات والمقاييس
	يحق التوكيل	مراجعة هيئة سوق المال

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	يحق التوكيل	استخراج التراخيص وتجديدها للشركة
	يحق التوكيل	تحويل المؤسسة إلى شركة
	يحق التوكيل	تحويل فرع الشركة إلى مؤسسة
	يحق التوكيل	تحويل فرع الشركة إلى شركة
	يحق التوكيل	نشر عقد التأسيس وملاحق التعديل وملخصاتها والأنظمة الأساسية الجريدة الرسمية
	يحق التوكيل	مراجعة شركات الاتصالات وتأسيس الهوائف الثابتة أو الجوال باسم الشركة
	يحق التوكيل	توقيع العقود الخاصة بالشركة مع الغير
	يحق التوكيل	التنازل عن العلامات التجارية أو إلغائها
	يحق التوكيل	تعديل اسم الشركة
	يحق التوكيل	استخراج التأشيرات
	يحق التوكيل	تحويل الشركة إلى مؤسسة
	يحق التوكيل	استلام تعويضات التأشيرات
	يحق التوكيل	تحديث بيانات العمال

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رقم العقد: 64439

رقم نسخة العقد: 3

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	يحق التوكيل	فتح الملفات الأساسية والفرعية وتجديدها وإلغاؤها
	يحق التوكيل	تصفية العمالة وإلغاؤها
	يحق التوكيل	التبليغ عن هروب العمالة
	يحق التوكيل	إلغاء بلاغات الهروب للعمالة
	يحق التوكيل	نقل الكفالات
	يحق التوكيل	تعديل المهن
	يحق التوكيل	نقل ملكية المنشآت وتصفياتها وإلغاؤها
	يحق التوكيل	مراجعة قسم المكاتب الأهلية للاستقدام
	يحق التوكيل	مراجعة إدارة الحاسب الآلي في القوى العاملة
	يحق التوكيل	استخراج رخص العمل وتجديدها
	يحق التوكيل	استلام شهادات السعودية
	يحق التوكيل	استخراج كشف بيانات (برنت)
	يحق التوكيل	إضافة وحذف السعوديين
	يحق التوكيل	استقدام
	يحق التوكيل	فتح ملف
	يحق التوكيل	تفعيل البوابة السعودية

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	يحق التوكيل	استقدام العمالة من الخارج
	يحق التوكيل	إنهاء إجراءات العمالة لدى التأمينات الاجتماعية
	يحق التوكيل	الغاء التأشيرات
	يحق التوكيل	استرداد مبالغ التأشيرات
	يحق التوكيل	تعديل الجنسيات
	يحق التوكيل	استخراج تأشيرات الزيارات العائلية
	يحق التوكيل	استخراج تأشيرات استقدام العوائل
	يحق التوكيل	مراجعة السفارة
	يحق التوكيل	تمديد تأشيرات الخروج والعودة
	يحق التوكيل	تمديد تأشيرات الزيارة
	يحق التوكيل	إلغاء التأشيرة
	يحق التوكيل	استرداد مبلغ التأشيرة
	يحق التوكيل	تعديل جهة القدوم
يحق التوكيل	توقيع عقود الشركات	الشركات التي تدخل فيها الشركة كشريك
يحق التوكيل	شراء الحصص	
يحق التوكيل	تصفية الشركة	
يحق التوكيل	بيع الحصص	
يحق التوكيل	تمثيل الشركة في الشركة المساهم فيها	
يحق التوكيل	تسجيلها في الوزارة	تأسيس الشركات بأسم الشركة

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	يحق التوكيل	تمثيل امام كاتب العدل	تأسيس الشركات بأسم الشركة
	يحق التوكيل	التوقيع على عقد الشركة	
	يحق التوكيل	التوقيع على قرارات الشركاء	
يحق التوكيل	اصدار	السجلات التجارية	
يحق التوكيل	تجديد		
يحق التوكيل	شطب		
		يحق التوكيل	استخراج الإقامات
		يحق التوكيل	تجديد الإقامات
		يحق التوكيل	عمل خروج وعودة
		يحق التوكيل	عمل الخروج النهائي
		يحق التوكيل	استخراج الإقامات بدل مفقود أو تالف
		يحق التوكيل	إنهاء إجراءات العمالة المتوفاة
		يحق التوكيل	التبليغ عن الهروب
		يحق التوكيل	إلغاء بلاغات الهروب
		يحق التوكيل	نقل المعلومات وتحديث البيانات
		يحق التوكيل	التسوية والتنازل عن العمال
		يحق التوكيل	مراجعة إدارة الترحيل والوافدين
		يحق التوكيل	استخراج كشف بيانات العمال (برنت)
		يحق التوكيل	اسقاط العمالة
		يحق التوكيل	إدارة أعمال التجارية

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	يحق التوكيل	نقل كفالة العمالة لنفسه
	يحق التوكيل	إضافة الممولود
	يحق التوكيل	إنهاء إجراءات العامل المتوفى
	يحق التوكيل	إدارة شؤون المنافذ
	يحق التوكيل	استخراج مشاهد الإعادة
	يحق التوكيل	إضافة تابعين
	يحق التوكيل	إضافة الأبناء إلى جواز الأب أو الأم
	يحق التوكيل	فصل الأبناء من جواز الأب أو الأم
	يحق التوكيل	إلغاء تأشيرات الخروج والعودة
	يحق التوكيل	إلغاء تأشيرات الخروج النهائي
	يحق التوكيل	استخراج تأشيرات سفر بدل تالف أو مفقود
	يحق التوكيل	استخراج تمديد تأشيرات الزيارة
	يحق التوكيل	استخراج تصاريح حج
	يحق التوكيل	مراجعة شئون الخادمت
	يحق التوكيل	التسجيل فى الخدمة الالكترونيه
يحق التوكيل	فتح الحسابات	البنكية
يحق التوكيل	فتح الاعتمادات	
يحق التوكيل	الايداع	
يحق التوكيل	السحب	
يحق التوكيل	اصدار الشيكات	

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يحق التوكيل	تحديث الحسابات	البنكية
يحق التوكيل	استخراج كشوف الحسابات	
يحق التوكيل	طلب التسهيلات	
يحق التوكيل	طلب الضمانات	
يحق التوكيل	توقيع عقود القروض	
	يحق التوكيل	مراجعة وزارة الزراعة ومديرية الزراعة بخصوص
	يحق التوكيل	مراجعة كتابة العدل أو المحكمة لقبول إفراغها
	يحق التوكيل	التنازل عن القرار الزراعي
	يحق التوكيل	نقل القرار الزراعي
	يحق التوكيل	استلام الرواتب
	يحق التوكيل	استلام الرواتب التقاعدية
	يحق التوكيل	استلام مكافأة نهاية الخدمة والتعويض عن الإجازات
	يحق التوكيل	تحويل الراتب
	يحق التوكيل	استلام المكافأة
	يحق التوكيل	استخراج تعريف بالراتب
	يحق التوكيل	استلام مستحقاتي
	يحق التوكيل	فتح الحسابات بضوابط شرعية
	يحق التوكيل	قفل الحسابات وتسويتها
	يحق التوكيل	السحب من الحسابات
	يحق التوكيل	استخراج بطاقات صرف آلي

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	يحق التوكيل	استخراج البطاقات الائتمانية المتوافقة مع الأحكام الشرعية
	يحق التوكيل	استلام الحوالات وصرفها
	يحق التوكيل	صرف الشيكات
	يحق التوكيل	إصدار الشيكات المصدقة
	يحق التوكيل	استخراج دفاتر شيكات
	يحق التوكيل	استخراج كشف حساب
	يحق التوكيل	التحويل من الحسابات
	يحق التوكيل	طلب القروض البنكية المتوافقة مع الأحكام والضوابط الشرعية
	يحق التوكيل	فتح حساب بضوابط شرعية
	يحق التوكيل	الإيداع في الحساب
	يحق التوكيل	تجديد الاشتراك في صناديق الأمانات
	يحق التوكيل	فتح صناديق الأمانات
	يحق التوكيل	الاشتراك في صناديق الأمانات
	يحق التوكيل	طلب الإعفاء من القروض
	يحق التوكيل	الاعتراض على الشيكات
	يحق التوكيل	تحديث البيانات
	يحق التوكيل	تنشيط الحسابات
	يحق التوكيل	استلام الشيكات

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	يحق التوكيل	استرداد وحدات صناديق الأمانات
	يحق التوكيل	مراجعة
	يحق التوكيل	إعادة جدولة الأقساط
	يحق التوكيل	طلب نقاط البيع
	يحق التوكيل	طلب اعتماد بنكي
	يحق التوكيل	طلب ضمان بنكي
	يحق التوكيل	الاكتتابات في الشركات المساهمة
	يحق التوكيل	استلام شهادات المساهمات
	يحق التوكيل	شراء الأسهم المتوافقة مع الأحكام الشرعية
	يحق التوكيل	بيع الأسهم المتوافقة مع الأحكام الشرعية
	يحق التوكيل	استلام قيمة الأسهم
	يحق التوكيل	استلام الأرباح
	يحق التوكيل	استلام الفوائد
	يحق التوكيل	فتح المحافظ الاستثمارية بالضوابط الشرعية وتحرير وتعديل وإلغاء الأوامر
	يحق التوكيل	الاكتتاب
	يحق التوكيل	شراء أسهم
	يحق التوكيل	بيع أسهم
	يحق التوكيل	استرداد وحدات الصناديق الاستثمارية
	يحق التوكيل	نقل الأسهم من المحفظة

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	يحق التوكيل	الاشتراك في وحدات الصناديق الاستثمارية المتوافقة مع الأحكام الشرعية
	يحق التوكيل	إدارة المحافظ الاستثمارية
	يحق التوكيل	إستخراج إثبات مديونية
	يحق التوكيل	تصفية المحافظ الاستثمارية
	يحق التوكيل	فتح محل
	يحق التوكيل	استخراج الكروت الصحية
	يحق التوكيل	تحويل الأراضي الزراعية إلى سكنية
	يحق التوكيل	مراجعة الإدارة العامة للتخطيط العمراني
	يحق التوكيل	فتح المحلات
	يحق التوكيل	استخراج رخص
	يحق التوكيل	تجديد الرخص
	يحق التوكيل	إلغاء الرخص
	يحق التوكيل	نقل الرخص
	يحق التوكيل	استخراج فسوحات البناء والترميم
	يحق التوكيل	تخطيط الأراضي
	يحق التوكيل	استخراج شهادات إتمام البناء
	يحق التوكيل	استخراج رخص تسوير
	يحق التوكيل	استخراج رخص هدم
	يحق التوكيل	توقيع عقد الإيجار

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	يحق التوكيل	التنازل عن العقد
	يحق التوكيل	عمل مخطط للأرض المملوكة
	يحق التوكيل	مراجعة أمانة
	يحق التوكيل	تحويل الأرض الزراعية إلى سكنية
	يحق التوكيل	الإشراف على البناء
	يحق التوكيل	توقيع العقود مع مؤسسات البناء والمقاولين
	يحق التوكيل	القضاء
	يحق التوكيل	
	يحق التوكيل	
	يحق التوكيل	
	يحق التوكيل	
	يحق التوكيل	
	يحق التوكيل	
	يحق التوكيل	
	يحق التوكيل	
	يحق التوكيل	
	يحق التوكيل	الاقرار والانكار
	يحق التوكيل	التنازل
	يحق التوكيل	المخاصمة
	يحق التوكيل	المدافعه
	يحق التوكيل	المرافعه
	يحق التوكيل	المصالحة
	يحق التوكيل	المطالبه
	يحق التوكيل	رفض وقبول التحكيم
	يحق التوكيل	رفض وقبول الصلح
	يحق التوكيل	سماع الدعاوي والرد عليها
	يحق التوكيل	استلام المكوك
	يحق التوكيل	التأجير
	يحق التوكيل	استلام الأجرة
	يحق التوكيل	توقيع عقود الأجرة
	يحق التوكيل	تجديد عقود الأجرة
	يحق التوكيل	إلغاء و فسخ عقود التأجير

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	يحق التوكيل	التجزئة والفرز
	يحق التوكيل	تعديل الحدود والأطوال والمساحة وأرقام القطع والمخططات والصكوك وتواريخها وأسماء الأحياء
	يحق التوكيل	تحديث الصكوك وإدخالها في النظام الشامل
	يحق التوكيل	تأجير
	يحق التوكيل	إستخراج مجموعة صكوك بدل مفقود وبياناتها : كالتالي
	يحق التوكيل	إستخراج مجموعة صكوك بدل تالف وبياناتها : كالتالي
	يحق التوكيل	إثبات المبني
	يحق التوكيل	استخراج صك بدل تالف
	يحق التوكيل	وذلك للعقارات الواقعة
	يحق التوكيل	تحويل الأرض الزراعية إلى سكنية أو صناعية
	يحق التوكيل	تحديث الصك وإدخاله في النظام الشامل
	يحق التوكيل	استخراج صك بدل مفقود
	يحق التوكيل	بناء الأرض
	يحق التوكيل	استئجار الأرض
	يحق التوكيل	تغيير الكيان القانوني للشركة

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	يحق التوكيل	تحويل الشركة من شركة توصية بسيطة إلى ذات مسؤولية محدودة
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يعقد المجلس في المركز الرئيسي للشركة أو أي مكان يتم الاتفاق عليه بالإجماع من قبل مجلس المديرين، ويكون الاجتماع صحيح بحضور الأغلبية من أعضاء المجلس وفي حال عدم اكتمال النصاب يتم الدعوة الى اجتماع ثاني. ويكون الاجتماع صحيح بحضور الأغلبية من أعضاء المجلس وفي حال عدم اكتمال النصاب لا يصح انعقاد المجلس

ويجوز للعضو توكيل من يراه بحضور اجتماع مجلس المديرين والتصويب نيابة عنه بموجب توكيل خطي

- عزل المدير: يجوز للشركاء عزل المديرين المعيّنين في عقد مستقل دون إخلال بحقهم في التعويض إذا وقع العزل بغير مبرر مقبول أو في وقت غير مناسب.

شركة معدات الجزيرة
(شركة ذات المسؤولية المحدودة من شخص واحد)

- 1- السادة/ الشركة السعودية للاقتصاد والتنمية القابضة سدكو — سجل تجاري ٤٠٣٠٠١٠٨٨٥ — المعتمد نظامها الأساسي لدى وزارة التجارة بتاريخ ١٦/١١/١٤٤٣هـ. (الطرف الأول)
- 2- السادة/ شركة سدد التجارية المحدودة — سجل تجاري ٤٠٣٠١٣١٠٩٤ بتاريخ ١٥/٠٥/١٤٢١هـ - المثبت عقد تأسيسها المعدل لدى كاتب عدل الغرفة التجارية بجدة برقم (٣٨١٢٠٩١٩٣) بتاريخ ١١/٠٨/١٤٣٨هـ. (الطرف الثاني)

حيث سبق لأطراف المذكورين أعلاه تأسيس شركة (معدات الجزيرة) والمقيدة بالسجل التجاري بمدينة جدة برقم (٢٠٥١٠٠٥٧٣٤) بتاريخ ١٢/٠٣/١٤٠١هـ، والمثبت عقد تأسيسها لدى كاتب عدل الرياض بعدد رقم ٢٠٢٢ مجلد ٢ صحيفة ٩١ بتاريخ ١٦/٠٤/١٣٩٩هـ، وآخر تعديل له بموجب العقد المعتمد من وزارة التجارة بالطلب رقم (٦٤٤٣٩) بتاريخ ٠٦/٠٢/١٤٤٣هـ، وحيث أن الطرف الثاني/ شركة سدد التجارية المحدودة رغب بالتنازل عن كامل حصصه في رأس مال الشركة وعددها (١٠٨٠٠) ألف وثمانمائة حصة إلى الطرف الأول/ الشركة السعودية للاقتصاد والتنمية القابضة سدكو الذي قبل هذه الحصص المتنازل عنها بما لها من حقوق وما عليها من التزامات وقد استوفى الطرفان حقوقهما قبل بعضهما البعض ويعتبر توقيعهما على هذا العقد بمثابة مخالصة نهائية فيما بينهما، وبناءً على قرار الطرف الأول/ الشركة السعودية للاقتصاد والتنمية القابضة سدكو تحويل هذه الشركة إلى شركة شخص واحد بحيث يكون هو المالك الوحيد لجميع رأس مال الشركة وبما لها من عمالة وكوادر وتصنيف وتراخيص وجميع عناصرها المالية والفضية والإدارية، مع الاحتفاظ بنفس اسم ورقم وتاريخ السجل التجاري للشركة عند تحويلها إلى شركة شخص واحد ذات مسؤولية محدودة، وذلك طبقاً لنظام الشركات الصادر بالمرسوم الملكي رقم (م/١٣٢) بتاريخ ٠١/١٢/١٤٤٣هـ، ووفقاً للشروط والأحكام التالية:

المادة الأولى: اسم الشركة:

شركة معدات الجزيرة شركة شخص واحد (شركة ذات المسؤولية المحدودة).

المادة الثانية: المركز الرئيس للشركة:

يكون المركز الرئيس للشركة في مدينة الخبر وللشركة الحق في افتتاح فروع لها داخل وخارج المملكة متى اقتضت مصلحة الشركة وذلك بموافقة الإدارة.

المادة الثالثة: أقراض الشركة:

1. أنشطة التشييد المختصة الأخرى.
2. تأجير المركبات ذات المحركات.
3. تأجير الآلات والمعدات الأخرى والسلع الحقيقية.
4. صنع هياكل (أعمال تجهيز العريات) للمركبات ذات المحركات، صناعة المركبات المقطورة والمركبات نصف المقطورة.



5. النقل البري للركاب في المدن والضواحي.
6. النقل البري للبضائع.
7. التخزين.
8. بيع المركبات ذات المحركات.
9. صيانة وإصلاح المركبات ذات المحركات.
10. بيع قطع غيار المركبات ذات المحركات وملحقاتها.
11. بيع وقود السيارات بالتجزئة في المتاجر المتخصصة.

وتمارس الشركة أغراضها وفق الأنظمة المتبعة وبعد الحصول على التراخيص اللازمة من الجهات المختصة إن وجدت.

المادة الرابعة: رأس المال:

حدد رأس مال الشركة بـ (١٨٠,٠٠٠,٠٠٠) ريال (مائة وثمانون مليون) ريال مقسم إلى (١٨٠,٠٠٠) حصة نقدية متساوية القيمة، قيمة كل حصة (١,٠٠٠) ريال وفق ما يلي:
ويقر سالك رأس المال بأنه تم الوفاء بقيمتها كاملة.

الاسم	عدد الحصص	قيمة الحصة	اجمالي قيمة الحصص
الشركة السعودية للاقتصاد والتنمية القابضة س.ك.و	١٨٠,٠٠٠	١,٠٠٠	١٨٠,٠٠٠,٠٠٠
الإجمالي	١٨٠,٠٠٠	١,٠٠٠	١٨٠,٠٠٠,٠٠٠

المادة الخامسة: زيادة أو تخفيض رأس المال:

١. يجوز لمالك رأس المال زيادة رأس مال الشركة عن طريق رفع القيمة الاسمية لتلحيص أو إصدار حصص جديدة.
٢. لمالك رأس المال أن يقرر تخفيض رأس المال إذا زاد على حاجة الشركة أو إذا منيت بخسائر وفقاً للأحكام النظامية المقررة.

المادة السادسة: إدارة الشركة:

أ- يتولى إدارة الشركة مجلس مديرين، يعينهم مالك رأس المال بموجب قرار مستقل لمدة (٣) ثلاثة سنوات قابلة للتجديد لمدة أو لمدد أخرى.

ب- يكون لمجلس المديرين السلطات والصلاحيات التالية:

- 1- فيما يخص [السجلات التجارية والشركات] (الرئيسية): إصدار - تجديد - شطب - (الفرعية): إصدار - تجديد - شطب - شراء المؤسسة - التوقيع على جميع المستندات - لدى الغرفة التجارية - بيع المؤسسة - مراجعة إدارة السجلات - استخراج السجلات - نقل السجلات التجارية - إدارة السجلات - إلغاء السجلات - الإشراف على السجلات - فتح الاشتراك لدى الغرفة التجارية - اعتماد التوقيع لدى الغرفة التجارية - إلغاء التوقيع لدى الغرفة التجارية - دخول المناقصات واستلام الاستثمارات - المؤسسة - تحويل فرع المؤسسة - مراجعة التأمينات الاجتماعية - مراجعة مصلحة

الزكاة والدخل - فتح فروع للسجلات - إدارة السجل التجاري - إلغاء السجل التجاري - مراجعة الدفاع المدني - تعديل السجلات - إضافة نشاط - حجز الاسم التجاري - تجديد الاشتراك لدى الغرفة التجارية - تعديل السجل التجاري - نقل السجل التجاري - استخراج سجل بدل تالف أو مفقود - استخراج سجل بدل تالف أو مفقود - تسجيل العلامة التجارية - التنازل عن العلامة التجارية - التنازل عن الاسم التجاري - استخراج التراخيص - تجديد التراخيص - تعديل التراخيص - إضافة نشاط - حجز الأسماء - إلغاء التراخيص - تجديد الاشتراك بالغرفة التجارية - فتح الفروع - مراجعة التأمينات الاجتماعية - مراجعة الدفاع المدني - مراجعة مصلحة الزكاة والدخل - استخراج تصريح صيد - استخراج رخصة قارب - تجديد رخصة قارب - نقل رخصة قارب - بيع القارب - تجديد تصريح الصيد - إلغاء تصريح الصيد - استخراج بدل تالف أو مفقود لرخصة القارب - فتح فرع للتريخيص - نقل الترخيص - تأسيس شركة - توقيع علي عقود التأسيس وملاحق التعديل - إلغاء عقود التأسيس وملاحق التعديل - توقيع قرارات الشركاء - تعيين المدراء وعزلهم - تعديل أغراض الشركة - تصفية الشركة - تحويل الشركة من مساهمة إلى ذات مسئولية محدودة - تحويل الشركة من ذات مسئولية محدودة إلى مساهمة - تحويل الشركة من تضامنية إلى ذات مسئولية محدودة - زيادة رأس المال - خفض رأس المال - دخول وخروج شركاء - الدخول في شركات قائمة - نقل الحصص والأسهم والسندات - تحديد رأس المال - استلام فائض التخصيص - بيع الحصص والأسهم واستلام القيمة - التنازل عن الحصص والأسهم من رأس المال - بيع فرع الشركة - تعديل جنسية أحد الشركاء في العقد - قبول التنازل عن الحصص والأسهم ورأس المال - شراء الحصص والأسهم ودفع الثمن - قفل الحسابات لدى البنوك باسم الشركة - فتح الحسابات لدى البنوك باسم الشركة - توقيع الاتفاقيات - تسجيل الشركة - تسجيل الوكالات والعلامات التجارية - حضور الجمعيات العامة - فتح الفروع للشركة - فتح الملفات للشركة - التوقيع على عقود التأسيس وملاحق التعديل لدى كاتب العدل - استخراج السجلات التجارية وتجديدها للشركة - الاشتراك بالغرفة التجارية وتجديدها - مراجعة الهيئة العامة للاستثمار والتوقيع أمامها - مراجعة إدارة الجودة والنوعية وهيئة المواصفات والمقاييس - مراجعة هيئة سوق المال - استخراج التراخيص وتجديدها للشركة - تحويل المؤسسة إلى شركة - تحويل فرع الشركة إلى مؤسسة - تحويل فرع الشركة إلى شركة - نشر عقد التأسيس وملاحق - التعديل وملخصاتها والأنظمة الأساسية في الجريدة الرسمية - مراجعة شركات الاتصالات وتأسيس الهواتف الثابتة أو الجوال باسم الشركة - دخول المناقصات واستلام الاستمارات - توقيع العقود الخاصة بالشركة مع الغير - التنازل عن العلامات التجارية أو إلغاؤها - تعديل اسم الشركة - استخراج التأشيرات - تحويل الشركة إلى مؤسسة - استلام تعويضات التأشيرات - تحديث بيانات العمال - فتح الملفات الأساسية والفرعية وتجديدها وإلغاؤها - تصفية العمالة وإلغاؤها - التبليغ عن هروب العمالة - إلغاء بلاغات الهروب للعمالة - نقل الكفالات - تعديل المهن - نقل ملكية المنشآت وتصفيته وإلغاؤها - مراجعة قسم المكاتب الأهلية للاستخدام - مراجعة إدارة الحاسب الآلي في القوى العاملة - استخراج رخص العمل وتجديدها - استلام شهادات السعودية - استخراج كشف بيانات (برنت) - إضافة وحذف السعوديين - استخدام - فتح ملف - تفعيل البوابة السعودية - استخدام العمالة من الخارج - إنهاء إجراءات العمالة لدى التأمينات الاجتماعية - إلغاء التأشيرات - استرداد مبالغ التأشيرات -



تعديل الجنسيات - استخراج تأشيرات الزيارات العائلية - استخراج تأشيرات استخدام العوائل -
مراجعة السفارة - تمديد تأشيرات الخروج والعودة - تمديد تأشيرات الزيارة - استخراج كشف بيانات
(برنتا) - إلغاء التأشيرة - استرداد مبلغ التأشيرة - تعديل جهة القدوم.

**2- فيما يخص [الشركات التي تدخل فيها الشركة كمشريك] توقيع عقود الشركات - شراء الحصص -
تصفية الشركة - بيع الحصص - تمثيل الشركة في الشركة المساهم فيها - تأسيس الشركات باسم
الشركة تسجيلها في الوزارة - تمثيل امام كاتب العدل - التوقيع على عقد الشركة - التوقيع على
قرارات الشركاء - السجلات التجارية: اصدار - تجديد - شطب — تعديل.**

**3- فيما يخص [العمالة والموظفين] استخراج الإقامات - تجديد الإقامات - عمل خروج وعودة - عمل
الخروج النهائي - نقل الكفالات - استخراج الإقامات بدل مفقود أو تالف - إنهاء إجراءات العمالة
المتوقفة - التبليغ عن الهروب - إلغاء بلاغات الهروب - نقل المعلومات وتحديث البيانات - التسوية
والتنازل عن العمال - مراجعة إدارة الترحيل والوافدين - استخراج كشف بيانات العمال (برنتا) -
اسقاط العمالة - إدارة أعمال التجارية - نقل كفالة العمالة لنفسه - إضافة المولود - إنهاء إجراءات
العامل المتوفى - إدارة شؤون المنافذ - استخراج مشاهد الإعادة - إضافة تابعين - إضافة الأبناء
إلى جواز الأب أو الأم - فصل الأبناء من جواز الأب أو الأم - إلغاء تأشيرات الخروج والعودة - إلغاء
تأشيرات الخروج النهائي - استخراج تأشيرات سفر بدل تالف أو مفقود - استخراج تمديد تأشيرات
الزيارة - تعديل المهن - استخراج تصاريح حج - مراجعة شئون الخدمات - التسجيل في الخدمة
الإلكترونية.**

**4- فيما يخص [البنوك] فتح الحسابات - فتح الاعتمادات - الإيداع - السحب - اصدار الشيكات -
تحديث الحسابات - استخراج كشوف الحسابات - طلب التسهيلات - طلب الضمانات - توقيع عقود
القروض - توقيع الأوراق التجارية - توقيع سندات لأمر - التقدم بأي طلب أو خدمة من الطلبات أو
الخدمات المندرجة تحت اختصاص هيئة الاتصالات وتقنية المعلومات - صلاحية التفويض لأي
شخص وفقاً للأنظمة ذات العلاقة للتقدم بأي من الطلبات أو الخدمات المندرجة تحت اختصاص
هيئة الاتصالات وتقنية المعلومات - استلام الرواتب - استلام الرواتب التقاعدية - استلام مكافأة
نهائية الخدمة والتعويض عن الإجازات - تحويل الراتب - استلام المكافأة - استخراج تعريف بالراتب
- استلام مستحقاتي - فتح الحسابات بضوابط شرعية - قفل الحسابات وتسويتها - السحب من
الحسابات - استخراج بطاقات صراف آلي - استخراج البطاقات الائتمانية المتوافقة مع الأحكام
الشرعية - استلام الحوالات وصرفها - صرف الشيكات - إصدار الشيكات المصدقة - استخراج دفاتر
شيكات - استخراج كشف حساب - التحويل من الحسابات - طلب القروض البنكية المتوافقة مع
الأحكام والضوابط الشرعية - فتح حساب بضوابط شرعية - الإيداع في الحساب - تجديد الاشتراك
في صناديق الأمانات - فتح صناديق الأمانات - الاشتراك في صناديق الأمانات - طلب الإعفاء من
القروض - الاعتراض على الشيكات - تحديث البيانات - تنشيط الحسابات - استلام الشيكات -
استرداد وحدات صناديق الأمانات - مراجعة - إعادة جدولة الأقساط - طلب نقاط البيع - طلب
اعتماد بنكي - طلب ضمان بنكي - الاكتتابات في الشركات المساهمة - استلام شهادات المساهمات
- شراء الأسهم المتوافقة مع الأحكام الشرعية - بيع الأسهم المتوافقة مع الأحكام الشرعية استلام
قيمة الأسهم - استلام الأرباح - استلام الفائض - فتح المحافظ الاستثمارية بالضوابط الشرعية**

وتحرير وتعديل وإلغاء الأوامر - الاكتتاب - شراء أسهم - بيع أسهم - استرداد وحدات الصناديق الاستثمارية - نقل الأسهم من المحفظة - الاشتراك في وحدات الصناديق الاستثمارية المتوافقة مع الأحكام الشرعية - إدارة المحافظ الاستثمارية - إستخراج إثبات مديونية - تصفية المحافظ الاستثمارية - وتمثيل الشركة أمام كافة البنوك والمصارف والصناديق والجهات المالية والمصرفية (سواء كانت حكومية أو غير حكومية) والأسواق المالية داخل المملكة وخارجها ومن ذلك على سبيل المثال لا الحصر البنك المركزي السعودي وصندوق التنمية الصناعية وجميع صناديق التنمية الحكومية وغير الحكومية والصناديق التابعة لصندوق الاستثمارات العامة وهيئة السوق المالية وجميع البنوك المحلية والعالمية وله في ذلك دون تحديد أو تقييد اتخاذ كافة التصرفات والإجراءات وإنهاؤها ومن ذلك إدارة الحسابات البنكية وتحديث البيانات وله حق السحب والإيداع والتحويل من البنوك وإجراء المقاصات وبيع وتحويل وشراء الأسهم لصالح الشركة ورهنها وتحرير خطابات الضمان والاعتمادات المستندية والتسهيلات البنكية وفتح الاعتمادات لدى البنوك والمصارف بتقطع أو بدون تقطيع واستلام طلب القروض البنكية واستلامها والتصرف فيها أو التنازل عنها أو تعليقها أو تجديدها أو تنشيطها أو فسخها والقبول بشروطها وأحكامها وأسعارها أو تقسيطها أو سدادها كلياً أو جزئياً من حسابات الشركة وإبرام وتوقيع المخالفات المتعلقة بها وتوقيع عقودها ونماذجها وتعهداتها وجدول سدادها وطلب الاعفاء من القروض وإنشاء وتحرير وتوقيع ونظهير وقبول كافة الأوراق التجارية التي تتطلبها أعمال الشركة ومن ذلك الشيكات والكمبيالات والسندات لأمر والطلب والموافقة والإبرام والسحب والإصدار والإلغاء والانتهاء والقبول والتنازل والتجديد والاستلام والتوقيع على كافة السندات التجارية والضمانات البنكية والكفالات والاعتمادات البنكية والسندات بكافة أنواعها وله مراجعة جميع البنوك والمصارف وفتح الحسابات وإلغاء واعتماد التوقيع والسحب من الحسابات والإيداع المحلي والدولي والتحويل من الحسابات سواء بالعملة الأجنبية أو بالعملة المحلية واستخراج كشف حساب واستخراج دفاتر الشيكات واستلامها وتحريرها وتجبيرها وصرف الشيكات - الاعتراض على الشيكات - استلام الشيكات المرتجعة وإصدار الشيكات المصدقة واستلامها واستلام الحوالات وصرفها والاشتراك في صناديق الأمانات أو تجديد الاشتراك في صناديق الأمانات أو استرداد وحدات صناديق الأمانات وتنشيط الحسابات وقفل الحسابات وتسويتها وتحويل أرصدها وصرف الشيكات والاعتراض على الشيكات أو استلام الشيكات المرتجعة وتحديث البيانات واستلام شهادات المساهمات واستلام قيمة الأسهم واستلام الأرباح واستلام الفائض وفتح المحافظ الاستثمارية وتحرير وتعديل وإلغاء الأوامر واسترداد وحدات الصناديق الاستثمارية قسمة الأسهم بين الورثة ونقلها إلى محافظهم واستئجار الخزائن الحديدية استخراج بطاقات صراف آلي واستلامها واستلام الأرقام السرية وإدخالها - استخراج البطاقات الائتمانية واستلامها واستلام الأرقام السرية لها واستخراج كشف حساب كما له حق التوقيع على جميع أنواع الإثفاقيات والمستندات المتعلقة بالشركات المالية.

5- فيما يخص [الوزارات والجهات الحكومية] تمثيل الشركة أمام و مراجعة كافة الوزارات والجهات والمؤسسات والهيئات الحكومية وما يتبعها من إدارات وأقسام، بما في ذلك المقام السامي والديوان الملكي والأمارات ورئاسة مجلس الوزراء ووزارة العدل ووزارة الداخلية ووزارة التعليم ووزارة التجارة ووزارة الاستثمار ووزارة المالية ووزارة الشؤون البلدية والقروية والإسكان ووزارة الاتصالات وتقنية

المعلومات ووزارة الدفاع ووزارة البيئة والمياه والزراعة ووزارة الموارد البشرية والتنمية الإجتماعية ووزارة الصحة ووزارة الثقافة ووزارة الإعلام ووزارة الشؤون الإسلامية والدعوة والإرشاد والهيئة العامة للأوقاف ووزارة الإسكان ووزارة الطاقة ووزارة الصناعة والثروة المعدنية ووزارة النقل والخدمات اللوجستية ووزارة الحج والعمرة ووزارة الاقتصاد والتخطيط وهيئة السوق المالية والهيئة السعودية للمواصفات والمقاييس والجودة والهيئة السعودية للمدن الصناعية ومناطق التقنية وهيئة الإتصالات وتقنية المعلومات والهيئة الملكية بالجبيل وينبع وهيئة الرقابة ومكافحة الفساد والهيئة العامة للموائئ والهيئة السعودية للتخصصات الصحية والهيئة العامة للغذاء والدواء والمركز الموحد لتسجيل الرهون ووزارة السياحة وهيئة حقوق الإنسان والمركز الوطني لتنمية الحياة الفطرية والهيئة العامة للطيران المدني والهيئة الملكية لمدينة الرياض وهيئة عقارات الدولة وهيئة تطوير منطقة مكة المكرمة و لجنة تطوير الساحات الشمالية والهيئة الملكية لمدينة مكة المكرمة والمشاعر المقدسة وهيئة تطوير المدينة المنورة ووزارة الرياضة والهيئة العامة للأرصاد وحماية البيئة وهيئة الزكاة والضريبة والجمارك وتقديم الاقرارات الزكوية أو الضريبية والقوائم المالية واستلام شهادات الزكاة والإعتراض عليها والرئاسة العامة لهيئة الأمر بالمعروف والنهي عن المنكر والبنك المركزي والمؤسسة العامة للتدريب التقني والمهني والمؤسسة العامة للمخطوطات الحديدية والمؤسسة العامة لتحلية المياه المالحة والمؤسسة العامة للتأمينات الاجتماعية ومدينة الملك عبد العزيز للعلوم والتقنية والرئاسة العامة لشؤون المسجد الحرام والمسجد النبوي والرئاسة العامة للبحوث العلمية والإفتاء والأمن العام ومراكز الشرطة والمديرية العامة للدفاع المدني والتبابة العامة والمباحث العامة والإدارية والجنائية وهيئة الرقابة ومكافحة الفساد ورئاسة أمن الدولة والحصول على أي تراخيص أو تعديلات عليها أو أذونات مطلوبة للشركة لتصرف شؤون الشركة وإلغاء التراخيص ونقل التراخيص واستخراج بدل مفقود أو تالف لأي مستند أو وثيقة من المحاكم وكتابات العدل ومن في حكمهم من موثقين ونحوهم وجميع الجهات الحكومية وغير الحكومية داخل المملكة العربية السعودية وخارجها.

6- فيما يخص [إدارة الأملاك] مراجعة كتابة العدل أو المحكمة لقبول إفراغها - شراء وبيع وإفراغ الممتلكات - (العقار): شراء - بيع - إفراغ (الأراضي): شراء - بيع - إفراغ - الأسهم - شراء - بيع - رهن الأملاك - حق الرهن - فك الرهن - القبض - فتح محل - استخراج الكروت الصحية - تحويل الأراضي الزراعية إلى سكنية - مراجعة الإدارة العامة للتخطيط العمراني - فتح المحلات - استخراج رخص - تجديد الرخص - إلغاء الرخص - نقل الرخص - استخراج فسوحات البناء والترسيم - تخطيط الأراضي - استخراج شهادات إتمام البناء - استخراج رخص تسوير - استخراج رخص هدم - تعديل عقد الشركات التي تدخل فيها الشركة كشريك - الموافقة على قرارات الشركاء - تغيير الكيان القانوني - زيادة أو تخفيض رأس المال - قبول التنازل عن الحصص وشراء الحصص - دخول وخروج الشركاء - التوقيع على قرار الشركاء بالاندماج - التعديل على باقي بنود عقد التأسيس - تصفية الشركة - تحول الشركة إلى مؤسسة - توقيع عقد الإيجار - التنازل عن العقد - عمل مخطط للأرض المملوكة - مراجعة أمانة - تحويل الأرض الزراعية إلى سكنية - الإشراف على البناء - توقيع العقود مع مؤسسات البناء والمقاولين - دخول المناقصات واستلام الاستثمارات.



7- فيما يخص [القضاء] تعيين المحكمين - تعيين المحامين - التمثيل امام كتابات العدل - التمثيل امام المحاكم الشرعية (سماع الدعاوي والرد عليها - المصالحة - رفض وقبول التحكيم - رفض وقبول الصلح - الاقرار والانكار - التنازل - المرافعة - المدافعة - المطالبة - المخاصمة) - استخدام وتنفيذ كافة خدمات وزارة العدل الإلكترونية - تفويض/توكيل الغير على تنفيذ خدمات وزارة العدل الالكترونية - (التوقيع على اتفاقية عقد القرض وتعديلاته وملحقاته وكافة الوثائق ذات العلاقة - التوقيع على اتفاقية المتابعة - التوقيع على اتفاقية المثورة - التوقيع امام كاتب العدل فيما يخص الرهن الصناعي الخاص برهن جميع ممتلكات الشركة - استلام القرض - التنازل عن القرض - طلب الإعفاء من القرض - تسديد القرض - التوقيع على اتفاقية - الاعتماد المستندي) - التوقيع على الضمان الاعتبائي - التوقيع على اتفاقية نقل الالتزامات وتعديل عقد القرض - التوقيع على اتفاقية ترتيب الديون عن الشركة والشركاء - اصدار وتعديل والغاء اعلان التنازل - له المطالبة وإقامة الدعاوى والمرافعة والمدافعة وسماع الدعوى والرد عليها وطلب الإمهال والإقرار والتسوية والإنكار والصلح والتنازل والإبراء وطلب اليمين ورده والإمتناع عنه وحضار الشهود والبيانات والطعن فيها والإجابة والجرح والتعديل والطعن بالتزوير أو أي طعن آخر وإنكار الخطوط والأختام والتوقيع وطلب المنع من السفر أو رفعه وطلب الحجز والتنفيذ وطلب التحكيم وتعيين الخبراء والمحكمين وقبول التحكيم والطعن بتقارير الخبراء والمحكمين وردهم واستبدالهم وطلب تطبيق المادة (٢٣١) من نظام المرافعات الشرعية وطلب تطبيق أي مادة من مواد نظام المرافعات الشرعية أو أي نظام آخر ساري بالمملكة وخارجها والمطالبة بتنفيذ الأحكام وقبول الأحكام ونفيها والإعتراض على الأحكام وطلب الإستئناف والتماس إعادة النظر والتمهيش على صكوك الأحكام وطلب رد الاعتبار وطلب الشقعة وإنهاء ما يلزم حضور الجلسات في جميع الدعاوى لدى جميع المحاكم وإستلام المبالغ وإستلام صكوك الأحكام وطلب بدل مفقود أو تالف وطلب إحالة الدعوى وطلب تحجي القاضي ورده وطلب الإدخال والتداخل وطلب الحجز الاحتياطي واتخاذ كافة الاجراءات النظامية لتنفيذ الأحكام الصادرة لمصلحة الشركة والمطالبة بحقوق الشركة لدى الغير لدى المحاكم العامة والمحاكم الجزائية وديوان المظالم (المحاكم الإدارية) والمحاكم التجارية والمرورية والعمالية والمجلس الأعلى للقضاء والمحكمة العليا والمحكمة العليا الإدارية والهيئات العمالية ولدى لجان فض المنازعات المالية ولجان تسوية المنازعات المصرفية ولدى الأمانة العامة للجان الضريبية ولدى لجنة الفصل في المخالفات والمنازعات الضريبية ولدى اللجنة الاستئنافية للمخالفات والمنازعات الضريبية ولدى لجان الفصل في منازعات الأوراق المالية لدى مكاتب الفصل في منازعات الأوراق التجارية أو لدى اللجان الجمركية ولجان الغش التجاري أو لدى هيئة الرقابة ومكافحة الفساد أو لدى النيابة العامة ولجان حسم المنازعات التجارية وجميع اللجان والهيئات ذات الاختصاص القضائي على مختلف مسمياتها ودرجاتها وطلب التحكيم أمام هيئات التحكيم داخل المملكة العربية السعودية وخارجها وتعيين المحكمين وعزلهم واستبدالهم والقبول بأحكام المحكمين والإعتراض عليها، تعيين الخبراء والإعتراض عليهم، قبول تقارير الخبراء والإعتراض عليها وله إستخراج صك إثبات وقف أو هبة أو شراء أو بيع أو مباتي، وله إستخراج صك إذن شراء أو بيع أو إستثمار أو فرز أو دمج أو تعمير أو رهن أو فك حكر عقار (سواءً موقوف أو غير موقوف).

8- فيما يخص [العقارات] البيع والإفراغ للمشتري - الشراء وقبول الإفراغ ودفع الثمن - استلام الصكوك - التأجير - استلام الأجرة - توقيع عقود الأجرة - تجديد عقود الأجرة - إلغاء وفسخ عقود التأجير - الرهن - فك الرهن - التجزئة والفرز - تعديل الحدود والأطوال والمساحة وأرقام القطع والمخططات والصكوك وتواريخها وأسماء الأحياء - بيع - قبول الرهن - تحديث الصكوك وإدخالها في النظام الشامل - بيع النصيب من - شراء - شراء النصيب من - تأجير - تعديل اسم المالك ورقم السجل المدني الحفيظة - الهبة والإفراغ - قبول الهبة والإفراغ - التنازل عن النقص في المساحة - دمج الصكوك - قبول التنازل والإفراغ - استخراج مجموعة صكوك بدل مفقود وبياناتها كالتالي :- استخراج مجموعة صكوك بدل تالف وبياناتها كالتالي :- البيع والإفراغ للورثة - التنازل عن النصيب من - إثبات المبني - استخراج صك بدل تالف - وذلك للتعقبات الواقعة - تحويل الأرض الزراعية إلى سكنية أو صناعية - الدخول في المساهمات العقارية - شراء أسهم المساهمات العقارية - بيع أسهم المساهمات العقارية - التنازل عن الأرض المؤجرة - تحديث الصك وإدخاله في النظام الشامل - استخراج صك بدل مفقود - تحويل الأراضي الزراعية إلى سكنية - بناء الأرض - استئجار الأرض - تغيير الكيان القانوني للشركة - تحويل الشركة من شركة توصية بسيطة إلى ذات مسؤولية محدودة - قسمة الأسهم بين الورثة ونقلها إلى محافظهم.

ويحق لأعضاء المجلس مجتمعين أو منفردين توكيل أو تفويض الغير في بعض أو جميع الصلاحيات المذكورة أعلاه، وإلغاء تلك التوكيلات أو التفويضات، كما يحق لهم منح التوكيل أو المفوض حق توكيل أو تفويض الغير.

ج- صلاحيات رئيس مجلس المديرين:

1- فيما يخص [السجلات التجارية والشركات] (الرئيسية): اصدار - تجديد - شطب - لدى الغرفة التجارية - بيع المؤسسة - مراجعة إدارة السجلات - استخراج السجلات - نقل السجلات التجارية - إدارة السجلات - إلغاء السجلات - الإشراف على السجلات - فتح الاشتراك لدى الغرفة التجارية - اعتماد التوقيع لدى الغرفة التجارية - إلغاء التوقيع لدى الغرفة التجارية - دخول المناقصات واستلام الاستثمارات - المؤسسة - تحويل فرع المؤسسة - مراجعة التأمينات الاجتماعية - مراجعة مصلحة الزكاة والدخل - فتح فروع للسجلات - إدارة السجل التجاري - إلغاء السجل التجاري - مراجعة الدفاع المدني - تعديل السجلات - إضافة نشاط - حجز الاسم التجاري - تجديد الاشتراك لدى الغرفة التجارية - تعديل السجل التجاري - نقل السجل التجاري - استخراج سجل بدل تالف أو مفقود - استخراج سجل بدل تالف أو مفقود - تسجيل العلامة التجارية - التنازل عن العلامة التجارية - التنازل عن الاسم التجاري - استخراج التراخيص - تجديد التراخيص - تعديل التراخيص - إضافة نشاط - حجز الأسماء - إلغاء التراخيص - تجديد الاشتراك بالغرفة التجارية - فتح الفروع - مراجعة التأمينات الاجتماعية - مراجعة الدفاع المدني - مراجعة مصلحة الزكاة والدخل - استخراج تصريح صيد - استخراج رخصة قارب - تجديد رخصة قارب - نقل رخصة قارب - بيع القارب - تجديد تصريح الصيد - إلغاء تصريح الصيد - استخراج بدل تالف أو مفقود لرخصة



القارب — فتح فرع للترخيص - نقل الترخيص - تأسيس شركة - التوقيع على عقود التأسيس وملاحق التعديل - إلغاء عقود التأسيس وملاحق التعديل - توقيع قرارات الشركاء - تعيين المدراء وعزلهم - تعديل أغراض الشركة - تصفية الشركة - تحويل الشركة من مساهمة إلى ذات مسئولية محدودة - تحويل الشركة من ذات مسئولية محدودة إلى مساهمة - تحويل الشركة من تضامنية إلى ذات مسئولية محدودة - زيادة رأس المال - خفض رأس المال - دخول وخروج شركاء - الدخول في شركات قائمة - نقل الحصص والأسهم والسندات - تحديد رأس المال - استلام فائض التخصيص - بيع الحصص والأسهم واستلام القيمة - التنازل عن الحصص والأسهم من رأس المال — بيع فرع الشركة - تعديل جنسية أحد الشركاء في العقد - قبول التنازل عن الحصص والأسهم ورأس المال - شراء الحصص والأسهم ودفع الثمن - قفل الحسابات لدى البنوك باسم الشركة - فتح الحسابات لدى البنوك باسم الشركة - توقيع الاتفاقيات - تسجيل الشركة - تسجيل الوكالات والعلامات التجارية - حضور الجمعيات العامة - فتح الفروع للشركة - فتح الملفات للشركة - التوقيع على عقود التأسيس وملاحق التعديل لدى كاتب العدل - استخراج السجلات التجارية وتجديدها للشركة - الاشتراك بالفقرة التجارية وتجديدها - مراجعة الهيئة العامة للاستثمار والتوقيع أمامها - مراجعة إدارة الجودة والنوعية وهيئة المواصفات والمقاييس - مراجعة هيئة سوق المال - استخراج التراخيص وتجديدها للشركة - تحويل المؤسسة إلى شركة — تحويل فرع الشركة إلى مؤسسة - تحويل فرع الشركة إلى شركة - نشر عقد التأسيس وملاحق - التعديل وملخصاتها والأنظمة الأساسية في الجريدة الرسمية - مراجعة شركات الاتصالات وتأسيس الهوائيات الثابتة أو الجوال باسم الشركة - دخول المناقصات واستلام الاستثمارات - توقيع العقود الخاصة بالشركة مع الغير - التنازل عن العلامات التجارية أو إلغائها - تعديل اسم الشركة - استخراج التأشيرات - تحويل الشركة إلى مؤسسة - استلام تعويضات التأشيرات - تحديث بيانات العمال - فتح الملفات الأساسية والفرعية وتجديدها وإلغاؤها - تصفية العمالة وإلغاؤها - التبليغ عن هروب العمالة - إلغاء بلاغات الهروب للعمالة - نقل الكفالات - تعديل المهن - نقل ملكية المنشآت وتصفياتها وإلغاؤها - مراجعة قسم المكاتب الأهلية للاستخدام - مراجعة إدارة الحاسب الآلي في القوى العاملة - استخراج رخص العمل وتجديدها - استلام شهادات السعودة - استخراج كشف بيانات (برنت) - إضافة وحذف السعوديين - استخدام - فتح ملف - تفعيل البوابة السعودية - استخدام العمالة من الخارج - إنهاء إجراءات العمالة لدى التأمينات الاجتماعية - إلغاء التأشيرات - استرداد مبالغ التأشيرات - تعديل الجنسيات - استخراج تأشيرات الزيارات العائلية - استخراج تأشيرات استخدام العوائل - مراجعة السفارة - تمديد تأشيرات الخروج والعودة - تمديد تأشيرات الزيارة - استخراج كشف بيانات (برنت) - إلغاء التأشيرة - استرداد مبلغ التأشيرة - تعديل جهة القدم.

2- فيما يخص [الشركات التي تدخل فيها الشركة كشريك] توقيع عقود الشركات - شراء الحصص - تصفية الشركة - بيع الحصص - تمثيل الشركة في الشركة المساهم فيها - تأسيس الشركات باسم الشركة تسجيلها في الوزارة - تمثيل امام كاتب العدل - التوقيع على عقد الشركة - التوقيع على قرارات الشركاء - السجلات التجارية: اصدار - تجديد - شطب — تعديل.

3- فيما يخص [العمالة والموظفين] استخراج الإقامات - تجديد الإقامات - عمل خروج وعودة - عمل الخروج النهائي - نقل الكفالات - استخراج الإقامات بدل مفقود أو تالف - إنهاء إجراءات العمالة



المتوفاة - التبليغ عن الهروب - إلغاء بلاغات الهروب - نقل المعلومات وتحديث البيانات - التسوية والتنازل عن العمال - مراجعة إدارة الترحيل والوافدين - استخراج كشف بيانات العمال (برنت) - اسقاط العمالة - إدارة أعمال التجارية - نقل كفاءة العمالة لنفسه - إضافة المولود - إنهاء إجراءات العامل المتوفى - إدارة شؤون المنافذ - استخراج مشاهد الإعادة - إضافة تابعين - إضافة الأبناء إلى جواز الأب أو الأم - فصل الأبناء من جواز الأب أو الأم - إلغاء تأشيرات الخروج والعودة - إلغاء تأشيرات الخروج النهائي - استخراج تأشيرات سفر بدل تالف أو مفقود - استخراج تمديد تأشيرات الزيارة - تعديل المهن - استخراج تصاريح حج - مراجعة شئون الخادمت - التسجيل في الخدمة الالكترونية.

4- فيما يخص [البنوك] فتح الحسابات - فتح الاعتمادات - الإيداع - السحب - اصدار الشيكات -

تحديث الحسابات - استخراج كشوف الحسابات - طلب التسهيلات - طلب الضمانات - توقيع عقود القروض - توقيع الأوراق التجارية - توقيع سندات لأمر - التقدم بأي طلب أو خدمة من الطلبات أو الخدمات المندرجة تحت اختصاص هيئة الاتصالات وتقنية المعلومات - صلاحية التفويض لأي شخص وفقاً للأنظمة ذات العلاقة للمتقدم بأي من الطلبات أو الخدمات المندرجة تحت اختصاص هيئة الاتصالات وتقنية المعلومات - استلام الرواتب - استلام الرواتب التقاعدية - استلام مكافأة نهاية الخدمة والتعويض عن الإجازات - تحويل الراتب - استلام المكافأة - استخراج تعريف بالراتب - استلام مستحقاتي - فتح الحسابات بضوابط شرعية - قفل الحسابات وتسويتها - السحب من الحسابات - استخراج بطاقات صراف آلي - استخراج البطاقات الائتمانية المتوافقة مع الأحكام الشرعية - استلام الحوالات وصرفها - صرف الشيكات - إصدار الشيكات المصدقة - استخراج دفاتر شيكات - استخراج كشف حساب - التحويل من الحسابات - طلب القروض البنكية المتوافقة مع الأحكام والضوابط الشرعية - فتح حساب بضوابط شرعية - الإيداع في الحساب - تجديد الاشتراك في صناديق الأمانات - فتح صناديق الأمانات - الاشتراك في صناديق الأمانات - طلب الإعفاء من القروض - الاعتراض على الشيكات - تحديث البيانات - تنشيط الحسابات - استلام الشيكات - استرداد وحدات صناديق الأمانات - مراجعة - إعادة جدولة الأقساط - طلب نقاط البيع - طلب اعتماد بنكي - طلب ضمان بنكي - الاكتتابات في الشركات المساهمة - استلام شهادات المساهمات - شراء الأسهم المتوافقة مع الأحكام الشرعية - بيع الأسهم المتوافقة مع الأحكام الشرعية استلام قيمة الأسهم - استلام الأرباح - استلام الفوائد - فتح المحافظ الاستثمارية بالضوابط الشرعية وتحرير وتعديل وإلغاء الأوامر - الاكتتاب - شراء أسهم - بيع أسهم - استرداد وحدات الصناديق الاستثمارية - نقل الأسهم من المحفظة - الاشتراك في وحدات الصناديق الاستثمارية المتوافقة مع الأحكام الشرعية - إدارة المحافظ الاستثمارية - استخراج إثبات مديونية - تصفية المحافظ الاستثمارية - وتمثيل الشركة أمام كافة البنوك والمصارف والصناديق والجهات المالية والمصرفية (سواء كانت حكومية أو غير حكومية) والأسواق المالية داخل المملكة وخارجها ومن ذلك على سبيل المثال لا الحصر البنك المركزي السعودي وصندوق التنمية الصناعية وجميع صناديق التنمية الحكومية وغير الحكومية والصناديق التابعة لصندوق الاستثمارات العامة وهيئة السوق المالية وجميع البنوك المحلية والعالمية وله في ذلك دون تحديد أو تقييد اتخاذ كافة التصرفات والإجراءات وإنهاؤها ومن ذلك إدارة الحسابات البنكية وتحديث البيانات وله حق السحب والإيداع

والتحويل من البنوك وإجراء المقاصات وبيع و تحويل وشراء الأسهم لصالح الشركة ورهنها وتحرير خطابات الضمان والاعتمادات المستندية والتسهيلات البنكية وفتح الاعتمادات لدى البنوك والمصارف بتقطيع أو بدون تقطيع واستلام طلب القروض البنكية واستلامها والتصرف فيها أو التنازل عنها أو تعليقها أو تجديدها أو تنشيطها أو فسخها والقبول بشروطها وأحكامها وأسعارها أو تقسيطها أو سدادها كلياً أو جزئياً من حسابات الشركة وإبرام وتوقيع المخالفات المتعلقة بها وتوقيع عقودها ونماذجها وتعهداتها وجداول سدادها وطلب الاعضاء من القروض وإنشاء وتحرير وتوقيع وتظهير وقبول كافة الأوراق التجارية التي تتطلبها أعمال الشركة ومن ذلك الشيكات والكمبيالات والسندات لأمر والطلب والموافقة والإبرام والسحب والاصدار والالغاء والانهاء والقبول والتنازل والتجديد والاستلام والتوقيع على كافة السندات التجارية والضمانات البنكية والكفالات والاعتمادات البنكية والسندات بكافة أنواعها وله مراجعة جميع البنوك والمصارف وفتح الحسابات والغاء واعتماد التوقيع والسحب من الحسابات والإيداع المحلي والدولي والتحويل من الحسابات سواء بالعملة الأجنبية أو بالعملة المحلية واستخراج كشف حساب واستخراج دفاتر الشيكات واستلامها وتحريرها وتجييرها وصرف الشيكات — الاعتراض على الشيكات — استلام الشيكات المرتجعة واصدار الشيكات المصدقة واستلامها واستلام الحوالات وصرفها والاشتراك في صناديق الأمانات أو تجديد الاشتراك في صناديق الأمانات أو استرداد وحدات صناديق الأمانات وتنشيط الحسابات ونقل الحسابات وتسويتها و تحويل ارصدها وصرف الشيكات والاعتراض على الشيكات أو استلام الشيكات المرتجعة وتحديث البيانات واستلام شهادات المساهمات واستلام قيمة الأسهم واستلام الأرباح واستلام الفائض وفتح المحافظ الاستثمارية وتحرير وتعديل والغاء الأوامر واسترداد وحدات الصناديق الاستثمارية قسمة الأسهم بين الورثة ونقلها إلى محافظتهم واستجار الخزائن الحديدية استخراج بطاقات صراف الي واستلامها واستلام الأرقام السرية وادخالها — استخراج البطاقات الائتمانية واستلامها واستلام الأرقام السرية لها واستخراج كشف حساب كما له حق التوقيع على جميع أنواع الإتفاقيات والمستندات المتعلقة بالشركات المالية.

5- فيما يخص [الوزارات والجهات الحكومية] تمثيل الشركة أمام ومراجعة كافة الوزارات والجهات والمؤسسات والهيئات الحكومية وما يتبعها من إدارات وأقسام، بما في ذلك المقام السامي والديوان الملكي والأمارات ورئاسة مجلس الوزراء ووزارة العدل ووزارة الداخلية ووزارة التعليم ووزارة التجارة ووزارة الإستثمار ووزارة المالية ووزارة الشؤون البلدية والقروية والإسكان ووزارة الاتصالات وتقنية المعلومات ووزارة الدفاع ووزارة البيئة والمياه والزراعة ووزارة الموارد البشرية والتنمية الإجتماعية ووزارة الصحة ووزارة الثقافة ووزارة الإعلام ووزارة الشؤون الإسلامية والدعوة والإرشاد والهيئة العامة للأوقاف ووزارة الإسكان ووزارة الطاقة ووزارة الصناعة والثروة المعدنية ووزارة النقل والخدمات اللوجستية ووزارة الحج والعمرة ووزارة الاقتصاد والتخطيط وهيئة السوق المالية والهيئة السعودية للمواصفات والمقاييس والجودة والهيئة السعودية للمدن الصناعية ومناطق التقنية وهيئة الاتصالات وتقنية المعلومات والهيئة الملكية بالجبيل وبنع وهيئة الرقابة ومكافحة الفساد والهيئة العامة للموائم والهيئة السعودية للتخصصات الصحية والهيئة العامة للغذاء والدواء والمركز الموحد لتسجيل الرهون ووزارة السياحة وهيئة حقوق الإنسان والمركز الوطني لتنمية الحياة الفطرية والهيئة العامة للطيران المدني والهيئة الملكية لمدينة الرياض وهيئة عقارات الدولة وهيئة



تطوير منطقة مكة المكرمة و لجنة تطوير الساحات الشمالية والهيئة الملكية لمدينة مكة المكرمة والمشاعر المقدسة وهيئة تطوير المدينة المنورة ووزارة الرياضة والهيئة العامة للأرصاد وحماية البيئة وهيئة الزكاة والضريبة والجمارك وتقديم الأقرارات الزكوية أو الضريبية والقوائم المالية واستلام شهادات الزكاة والإعترض عليها والرئاسة العامة لهيئة الأمر بالمعروف والنهي عن المنكر والبنك المركزي والمؤسسة العامة للتدريب التقني والمهني والمؤسسة العامة للخطوط الحديدية والمؤسسة العامة لتحلية المياه المالحة والمؤسسة العامة للتأمينات الاجتماعية ومدينة الملك عبد العزيز للعلوم والتقنية والرئاسة العامة لشؤون المسجد الحرام والمسجد النبوي والرئاسة العامة للبحوث العلمية والإفتاء والأمن العام ومراكز الشرطة والمديرية العامة للدفاع المدني، والنيابة العامة والمباحث العامة والإدارية والجنائية وهيئة الرقابة ومكافحة الفساد ورئاسة أمن الدولة والحصول على أي تراخيص أو تعديلات عليها أو أذونات مطلوبة للشركة لتصريف شؤون الشركة وإلغاء التراخيص ونقل التراخيص واستخراج بدل مفقود أو تالف لأي مستند أو وثيقة من المحاكم وكتابات العدل ومن في حكمهم من موثقين ونحوهم وجميع الجهات الحكومية وغير الحكومية داخل المملكة العربية السعودية وخارجها.

6- فيما يخص [إدارة الأملاك] مراجعة كتابة العدل أو المحكمة لقبول إفراغها - شراء وبيع وإفراغ الممتلكات - (العقار): شراء - بيع - إفراغ (الأراضي): شراء - بيع - إفراغ - الأسهم - شراء - بيع - رهن الأملاك - حق الرهن - فك الرهن - القبض - فتح محل - استخراج الكروت الصحية - تحويل الأراضي الزراعية إلى سكنية - مراجعة الإدارة العامة للتخطيط العمراني - فتح المحلات - استخراج رخص - تجديد الرخص - إلغاء الرخص - نقل الرخص - استخراج فسوحات البناء والترميم - تخطيط الأراضي - استخراج شهادات إتمام البناء - استخراج رخص تسوير - استخراج رخص هدم - تعديل عقد الشركات التي تدخل فيها الشركة كشريك - الموافقة على قرارات الشركاء - تغيير الكيان القانوني - زيادة أو تخفيض رأس المال - قبول التنازل عن الحصص وشراء الحصص - دخول وخروج الشركاء - التوقيع على قرار الشركاء بالاندماج - التعديل على باقي بنود عقد التأسيس - تصفية الشركة - تحول الشركة إلى مؤسسة - توقيع عقد الإيجار - التنازل عن العقد - عمل مخطط للأرض المملوكة - مراجعة أمانة - تحويل الأرض الزراعية إلى سكنية - الإشراف على البناء - توقيع العقود مع مؤسسات البناء والمقاولين - دخول المناقصات واستلام الاستمارات.

7- فيما يخص [القضاء] تعيين المحكمين - تعيين المحامين - التمثيل أمام كتابات العدل - التمثيل أمام المحاكم الشرعية (سماع الدعاوي والرد عليها - المصالحة - رفض وقبول التحكيم - رفض وقبول الصلح - الأقرار والانكار - التنازل - المرافعة - المدافعة - المطالبة - الخصامة) - استخدام وتنفيذ كافة خدمات وزارة العدل الإلكترونية - تفويض/توكيل الغير على تنفيذ خدمات وزارة العدل الإلكترونية - (التوقيع على اتفاقية عقد القرض وتعديلاته وملحقاته وكافة الوثائق ذات العلاقة - التوقيع على اتفاقية المتابعة - التوقيع على اتفاقية المشورة - التوقيع أمام كاتب العدل فيما يخص الرهن الصناعي الخاص برهن جميع ممتلكات الشركة - استلام القرض - التنازل عن القرض - طلب الإعفاء من القرض - تسديد القرض - التوقيع على اتفاقية - الاعتماد المستندي) - التوقيع على الضمان الاعتيادي - التوقيع على اتفاقية نقل الالتزامات وتعديل عقد القرض - التوقيع على اتفاقية ترتيب الديون عن الشركة والشركاء - اصدار وتعديل وإلغاء إعلان

التنازل - له المطالبة وإقامة الدعاوى والمرافعة والمدافعة وسماع الدعوى والرد عليها وطلب الإمهال والإقرار والتسوية والإنكار والصلح والتنازل والإبراء وطلب اليمين ورده والإمتناع عنه وإحضار الشهود والبيانات والظعن فيها والإجابة والجرح والتعديل والظعن بالتزوير أو أي ظعن آخر وإنكار الخطوط والأختام والتوقيع وطلب المنع من السفر أو رفعه وطلب الحجز والتنفيذ وطلب التحكيم وتعيين الخبراء والمحكمين وقبول التحكيم والظعن بتقارير الخبراء والمحكمين وردهم واستبدالهم وطلب تطبيق المادة (٢٣١) من نظام المرافعات الشرعية وطلب تطبيق أي مادة من مواد نظام المرافعات الشرعية أو أي نظام آخر ساري بالمملكة وخارجها والمطالبة بتنفيذ الأحكام وقبول الأحكام ونفيها والإعتراض على الأحكام وطلب الاستئناف والتماس إعادة النظر والتمهيش على صكوك الأحكام وطلب رد الاعتبار وطلب الشفعة وإنهاء ما يلزم حضور الجلسات في جميع الدعاوى لدى جميع المحاكم وإستلام المبالغ وإستلام صكوك الأحكام وطلب بدل مفقود أو تالف وطلب إحالة الدعوى وطلب تنحي القاضي ورده وطلب الإدخال والتداخل وطلب الحجز الاحتياطي واتخاذ كافة الاجراءات النظامية لتنفيذ الأحكام الصادرة لمصلحة الشركة والمطالبة بحقوق الشركة لدى الغير لدى المحاكم العامة والمحاكم الجزائية وديوان المظالم (المحاكم الإدارية) والمحاكم التجارية والمرورية والعمالية والمجلس الأعلى للقضاء والمحكمة العليا والمحكمة العليا الإدارية والهيئات العمالية ولدى لجان فض المنازعات المالية ولجان تسوية المنازعات المصرفية ولدى الأمانة العامة للجان الضريبية ولدى لجنة الفصل في المخالفات والمخالفات والضرائب ولدى اللجنة الاستئنافية للمخالفات والمنازعات الضريبية ولدى لجان الفصل في منازعات الأوراق المالية لدى مكاتب الفصل في منازعات الأوراق التجارية أو لدى اللجان الجمركية ولجان الغش التجاري أو لدى هيئة الرقابة ومكافحة الفساد أو لدى النيابة العامة ولجان حسم المنازعات التجارية وجميع اللجان والهيئات ذات الاختصاص القضائي على مختلف مسمياتها ودرجاتها وطلب التحكيم أمام هيئات التحكيم داخل المملكة العربية السعودية وخارجها وتعيين المحكمين وعزلهم واستبدالهم والقبول بأحكام المحكمين والإعتراض عليها، تعيين الخبراء والإعتراض عليهم، قبول تقارير الخبراء والإعتراض عليها وله إستخراج صك إثبات وقف أو هبة أو شراء أو بيع أو ميانى، وله إستخراج صك إذن شراء أو بيع أو إستثمار أو فرز أو دمج أو تعميم أو رهن أو فك حكر عقار (سواءً موقوف أو غير موقوف).

8- فيما يخص [العقارات] البيع والإفراغ للمشتري - الشراء وقبول الإفراغ ودفع الثمن - استلام الصكوك - التأجير - استلام الأجرة - توقيع عقود الأجرة - تجديد عقود الأجرة - إلغاء و فسخ عقود التأجير - الرهن - فك الرهن - التجزئة والفرز - تعديل الحدود والأطوال والمساحة وأرقام القطع والمخططات والصكوك وتواريخها وأسماء الأحياء - بيع - قبول الرهن - تحديث الصكوك وإدخالها في النظام الشامل - بيع النصيب من - شراء - شراء النصيب من - تأجير - تعديل اسم المالك ورقم السجل المدني الحفيظة - الهبة والإفراغ - قبول الهبة والإفراغ - التنازل عن النقص في المساحة - دمج الصكوك - قبول التنازل والإفراغ - إستخراج مجموعة صكوك بدل مفقود وبياناتها كالتالي :- إستخراج مجموعة صكوك بدل تالف وبياناتها كالتالي: - البيع والإفراغ للورثة - التنازل عن النصيب من - إثبات المبني - استخراج صك بدل تالف - وذلك للعقارات الواقعة - تحويل الأرض الزراعية إلى سكنية أو صناعية - الدخول في المساهمات العقارية - شراء أسهم المساهمات العقارية - بيع أسهم المساهمات العقارية - التنازل عن الأرض المؤجرة - تحديث الصك وإدخاله في النظام



الشامل - استخراج صك بدل مفقود - تحويل الأراضي الزراعية إلى سكنية - بناء الأرض - استئجار الأرض - تغيير الكيان القانوني للشركة - تحويل الشركة من شركة توصية بسيطة إلى ذات مسؤولية محدودة - قسمة الأسهم بين الورثة ونقلها إلى محافظهم.

ويحق لرئيس المجلس توكيل أو تفويض الغير في بعض أو جميع الصلاحيات المذكورة أعلاه، والغاء تلك التوكيلات أو التفويضات، كما يحق له منح الوكيل أو المفوض حق توكيل أو تفويض الغير.

د- طريقة العمل في مجلس المديرين:

1. مكان انعقاد المجلس والنيابة: يعقد المجلس في المركز الرئيسي للشركة أو أي مكان يتم الاتفاق عليه بالإجماع من قبل مجلس المديرين، ويكون الاجتماع صحيح بحضور الأغلبية من أعضاء المجلس وفي حال عدم اكتمال النصاب يتم الدعوة إلى اجتماع ثاني، ويكون الاجتماع صحيح بحضور الأغلبية من أعضاء المجلس وفي حال عدم اكتمال النصاب لا يصح انعقاد المجلس. ويجوز للعضو توكيل من يراه بحضور اجتماع مجلس المديرين والتصويت نيابة عنه بموجب توكيل خطي.
2. آلية استبدال أعضاء المجلس: في حالة استقالة أو عزل أو وفاة أي مدير من المدراء المعيّنين في مجلس المديرين أو امتناعه عن حضور الاجتماعات، يقوم مالك رأس المال بتعيين مدير آخر بدلاً منه لعضوية المجلس، وإذا لم يتم تعيين مديراً آخر فيستمر المجلس في ممارسة كافة صلاحياته بعضوية المدراء الآخرين الباقين.
3. اجتماعات المجلس: يجتمع مجلس المديرين بطلب من الرئيس في أي وقت أو بناء على طلب مديران من مجلس المديرين أو من مراقب حسابات الشركة وتوجه الدعوة للاجتماع إلى المديرين خطياً قبل موعد أي جلسة بثلاثين يوماً على الأقل، كما يكون لأي مدير أن ينيب عنه خطياً أي مدير آخر بحضور أية جلسة والتصويت نيابة عنه ولا يجوز أن يكون المدير موكلاً عن أكثر من مدير في نفس الوقت. إن التصرفات الجارية في أي اجتماع لمجلس المديرين، كإضفاء الدعوة إليه والإخطار بصده وأينما عقد، تعتبر تصرفات صحيحة كما لو كانت قد اتخذت في اجتماع عقد حسب الأصول بعد دعوة أو إخطار نظاميين وذلك إذا توافر النصاب اللازم وظل كذلك طوال الاجتماع.
4. قرارات المجلس: يكون لكل مدير صوت واحد بما فيه ذلك (رئيس مجلس المديرين) بشأن أي أمر من الأمور ويتم التصويت إما شخصياً أو بوكالة على أن يجوز للمدير الحاضر شخصياً فضلاً عن إدلائه بصوته الخاص أن يدلي بصوت مدير غائب أو أناب عنه المدير الحاضر، وتتخذ قرارات المجلس بأغلبية المدراء الحاضرين أو الممثلين في الاجتماع.
- يجوز اتخاذ قرارات مجلس المديرين " بالتمريم" وفي هذه الحالة يرسل رئيس مجلس المديرين إلى كل مدير خطاباً بالقرارات المقترحة، وبحيث يبدي المديرين آراءهم متفرقين، ويتم الموافقة على القرارات بالإجماع.
5. المدير التنفيذي: يتولى إدارة الأعمال اليومية للشركة مدير تنفيذي يتم تعيينه وتحديد صلاحياته بموجب قرار مستقل يصدر من مالك رأس المال.



6. إنشاء لجان تنفيذية أو استشارية: يحق لمجلس المديرين إنشاء لجنة أو لجان تنفيذية أو استشارية بقرار مستقل ويحدد في هذا القرار مهامها وصلاحياتها ومكافآتها كما يحق للمجلس عزل أو استبدال أعضائها.

المادة السابعة: التبليغات التي توجهها الشركة إلى مالك رأس المال:

تكون التبليغات التي توجهها الشركة إلى مالك رأس المال عن طريق أي من الوسائل الآتية:

1. إرسالها بخطابات مسجلة.
2. التسليم شخصياً أو من ينوب عنهم نظاماً.
3. إرسالها بالبريد الإلكتروني أو بأي من وسائل التقنية الحديثة.

المادة الثامنة: صلاحيات مالك رأس المال:

يكون لمالك رأس المال ال صلاحيات وإ سلطات المذ صوص عليها في نظام ال شركات، وذ صدر قراراته كتابة، وتدون في سجل خاص لدى الشركة.

المادة التاسعة: السنة المالية:

تكون السنة المالية للشركة اثني عشر شهراً ميلادياً تبدأ من يوم ٠١ شهر يناير وتنتهي بنهاية يوم ٣١ من شهر ديسمبر.

المادة العاشرة: الأرباح والخسائر:

١. يجوز توزيع أرباح سنوية أو مرحلية من الأرباح القابلة للتوزيع على مالك رأس المال، وفقاً للمضوابط النظامية المقررة.
٢. يحدد مالك رأس المال النسبة التي يجب توزيعها من الأرباح الصافية بعد خصم الاحتياطيات (إن وجدت).

المادة الحادية عشرة: انقضاء الشركة:

تنقضي الشركة بأحد أسباب الانقضاء الواردة في المادة (الثالثة والأربعون بعد المائتين) من نظام الشركات وبانقضائها تدخل في دور التصفية وفقاً لأحكام الباب الثاني عشر من نظام الشركات، وإذا انقضت الشركة وكانت أصولها لا تكفي لسداد ديونها أو كانت متعثرة وفقاً لنظام الإفلاس، وجب عليها التقدم إلى الجهة القضائية المختصة لافتتاح أي من إجراءات التصفية بموجب نظام الإفلاس.

المادة الثانية عشرة: أحكام ختامية:

1. تخضع الشركة لكافة الأنظمة السارية في المملكة العربية السعودية.
2. أي نص يخالف أحكام نظام الشركات في هذا النظام الأساس لا يعتد به ويطبق بحقه ما ورد من نصوص في نظام الشركات وكل ما لم يرد به نص في هذا العقد يطبق بشأنه نظام الشركات ولوائحه التنفيذية.
3. تعهد: يقر مالك رأس المال بصحة البيانات والأحكام المدرجة في النظام الأساس محل هذا الطلب واتفاقها مع أحكام نظام الشركات الصادر بالمرسوم الملكي (م/١٣٧) بتاريخ ١٤٤٣/١٢/١هـ ولوائحه التنفيذية.



واستيفاءها لجميع المتطلبات والتعليمات التي تصدرها الوزارة وفقاً لأحكام النظام، ويتحمل مالك رأس المال المسؤولية وجميع التبعات النظامية والمالية التي قد تنشأ عن ذلك، ولا تتحمل الوزارة أي مسؤولية عن عدم صحة البيانات والأحكام المدرجة أو عدم موافقتها لأحكام نظام الشركات وثوائحه التنفيذية والمتطلبات أو التعليمات التي تصدرها الوزارة. كما أن مالك رأس المال على علم بحق الوزارة في اتخاذ الإجراءات النظامية اللازمة في حال وجود أي مخالفة أو تعارض في الأحكام الواردة في هذا النظام الأساس. والله ولي التوفيق،،

الشريك
(الممتازة)
شركة سد
التجارية
المحدودة

عنا / محمد محمود فلانة
وكالة ٤٤٥١٠٥٠٠٣

مالك رأس المال

الشركة السعودية للاقتصاد والتنمية القابضة س.ك.م.

عنا / محمد محمود فلانة
وكالة ٤٤٥١٠٤٦٦٣

تم تدقيق هذا القرار واعتماده من قبل وزارة التجارة برقم الطلب (٢٢٣٠٠٦) وتسجيله في سجل الشركات برقم الضبط (١٠٠٠٤٦١٧٤) وتاريخ ١٤٤٤/١٢/٢١هـ وإثباته لدى موثق وزارة التجارة بجدة المستشار/ منير بن محمود الجهني

١٣٦٦

ملحق عقد تأسيس

(ملحق)

1- تعديل (اسم الشركة):

قبل التعديل: شركة معدات الجزيرة

بعد التعديل: شركة معدات الجزيرة شركة شخص واحد

2- تعديل (الشركاء):

قبل التعديل:

(1) الشركة السعودية للاقتصاد والتنمية القابضة سدكو

(2) شركة سدد التجارية المحدودة

بعد التعديل: الشركة السعودية للاقتصاد والتنمية القابضة سدكو

3- تعديل (رأس المال):

قبل التعديل: حدد رأس مال الشركة بـ (١٨٠,٠٠٠,٠٠٠) مائة وثمانون مليون ريال مقسم وفق ما يلي:

الاسم	عدد الحصص	قيمة الحصة	اجمالي قيمة الحصص
الشركة السعودية للاقتصاد والتنمية القابضة سدكو	١٧٨,٢٠٠	١,٠٠٠	١٧٨,٢٠٠,٠٠٠
شركة سدد التجارية المحدودة	١,٨٠٠	١,٠٠٠	١,٨٠٠,٠٠٠
الإجمالي	١٨٠,٠٠٠	١,٠٠٠	١٨٠,٠٠٠,٠٠٠

بعد التعديل: حدد رأس مال الشركة بـ (١٨٠,٠٠٠,٠٠٠) مائة وثمانون مليون ريال مقسم وفق ما يلي:

الاسم	عدد الحصص	قيمة الحصة	اجمالي قيمة الحصص
الشركة السعودية للاقتصاد والتنمية القابضة سدكو	١٨٠,٠٠٠	١,٠٠٠	١٨٠,٠٠٠,٠٠٠
الإجمالي	١٨٠,٠٠٠	١,٠٠٠	١٨٠,٠٠٠,٠٠٠

الشريك (المتنازل)
شركة سدد التجارية المحدودة



مالك رأس المال
الشركة السعودية للاقتصاد والتنمية القابضة سدكو



