Palms Agro Production Company K.S.C.P. and Subsidiary
State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)
And Independent Auditor's Review Report
For the Nine month period ended 30 September 2023

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Contents

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The Board of Directors

Palms Agro Production Company K.S.C.P. and Subsidiary
State of Kuwait

Independent Auditor's Review Report on the interim condensed consolidated financial information

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Palms Agro Production Company K.S.C.P. ("the Parent Company") and Subsidiary (together referred to as "the Group") as at 30 September 2023, and the interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the nine month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standards 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated 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 and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard (34).

Other Matter
The consolidated financial statements of the Group for the financial year ended 31 December 2022 and the interim condensed financial information for the nine month period ended 30 September 2022 were audited and reviewed, respectively, by another auditor who expressed an unqualified opinion and conclusion on those statements and information on 6 April 2023 and 14 November 2022 respectively.

Report on Other Legal and Regulatory Requirements

In addition, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016, its executive regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during nine month period ended 30 September 2023 that might have had a material effect on the Parent Company's financial position or its business results.

In addition, based on our review and to the best of our knowledge and belief, we report that nothing has come to our attention indicating any material violations during the nine month period ended 30 September 2023 of the Law No. 7 of 2010 regarding Establishment of Capital Markets Authority, its Related Regulations, and its Executive Regulations, as amended, which might have materially affected the Parent Company's financial position or its business results.

Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners

Kuwait: 14 November 2023

Palms Agro Production Company K.S.C.P. and Subsidiary
State of Kuwait

Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As at 30 September 2023

	Notes	30 September 2023	(Audited) 31 December 2022	30 September 2022
		KD	KD	KD
Assets				
Non-current assets				
Property and equipment		1,616,432	1,367,947	1,370,440
Right-of-use assets		90,048	117,494	131,554
Investment in an associate		400,069	213,992	199,279
		2,106,549	1,699,433	1,701,273
Current assets				
Inventories		1,171,867	1,138,242	1,142,214
Biological assets		279,520	254,329	234,266
Trade receivables and contract assets	3	1,048,006	1,134,796	931,092
Prepayments and other debit balances		400,713	336,127	345,346
Due from a related party	4	6,464	6,464	6,464
Financial assets carried at fair value through profit or loss		24,661	37,102	22,200
Cash and cash equivalents	5	1,789,319	2,104,248	2,090,942
		4,720,550	5,011,308	4,772,524
Total assets		6,827,099	6,710,741	6,473,797
Equity and liabilities				
Equity				
Share capital		5,239,900	5,239,900	5,239,900
Share premium		225,000	225,000	225,000
Statutory reserve		1,033,497	1,033,497	1,033,497
Voluntary reserve		429,242	429,242	429,242
Treasury shares	6	(3,573)	(3,573)	(3,573)
Foreign exchange reserve		59,559	57,102	98,763
Accumulated losses		(1,475,421)	(1,623,058)	(1,788,513)
Total equity		5,508,204	5,358,110	5,234,316
Liabilities				
Non-current liabilities				
Provision for end of service indemnity		502,432	497,748	505,553
Lease liabilities		50,422	76,389	87,668
		552,854	574,137	593,221
Current liabilities				
Lease liabilities		36,163	49,101	49,390
Trade payable and other credit balances		713,292	636,095	539,687
Contract liabilities		16,586	93,298	57,183
		766,041	778,494	646,260
Total liabilities		1,318,895	1,352,631	1,239,481
Total equity and liabilities		6,827,099	6,710,741	6,473,797

The accompanying notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Abdullah Musallam Mohammad Alzamel
Chairman

Waleed Ahmad Dawoud Al Ablani
Vice Chairman and CEO

Interim Condensed Consolidated Statement of Profit or Loss (Unaudited)
For the Nine month period ended 30 September 2023

		For the three month period ended 30 September		For the nine month period ended 30 September	
		2023	2022	2023	2022
	Notes	KD	KD	KD	KD
Revenues from contracts with customers	7	966,007	592,682	2,924,218	2,317,711
Cost of sales and services rendered		(671,001)	(297,630)	(1,703,166)	(1,205,015)
Gross profit		295,006	295,052	1,221,052	1,112,696
Selling and marketing expenses		(242,260)	(229,011)	(783,741)	(715,973)
Administrative charges		(193,198)	(167,898)	(602,957)	(524,906)
Operating losses		(140,452)	(101,857)	(165,646)	(128,183)
Other income, net		189,516	141,070	228,397	237,990
Company's share of results from associates		24,285	40,791	88,620	27,738
Profit for the period before deductions		73,349	80,004	151,371	137,545
National Labour Support Tax		(120)	(2,785)	(2,667)	(4,224)
Contribution to Zakat		(272)	(1,114)	(1,067)	(1,174)
Net profit for the period		72,957	76,105	147,637	132,147
Basic and diluted earnings per share (Fils)	8	1.39 Fils	1.45 Fils	2.82 Fils	2.53 Fils

The accompanying notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Palms Agro Production Company K.S.C.P. and Subsidiary
State of Kuwait

Interim Condensed Consolidated Statement of Other Comprehensive Income (Unaudited)
For the Nine month period ended 30 September 2023

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2023	**2022**	**2023**	**2022**
	KD	KD	KD	KD
Net profit for the period	72,957	76,105	147,637	132,147
Other comprehensive income / (loss)				
Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss				
Foreign currency translation differences	2,384	(3,582)	2,457	3,352
Other comprehensive income / (loss)	2,384	(3,582)	2,457	3,352
Total comprehensive income for the period	75,341	72,523	150,094	135,499

The accompanying notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the Nine month period ended 30 September 2023

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Foreign exchange reserve KD	Accumulated losses KD	Total equity KD
Balance as at 1 January 2022	5,239,900	225,000	1,033,497	429,242	(3,573)	95,411	(1,920,660)	5,098,817
Net profit for the period	-	-	-	-	-	-	132,147	132,147
Other comprehensive income for the period	-	-	-	-	-	3,352	-	3,352
Total comprehensive income for the period	-	-	-	-	-	3,352	132,147	135,499
Balance as at 30 September 2022	5,239,900	225,000	1,033,497	429,242	(3,573)	98,763	(1,788,513)	5,234,316
Balance as at 1 January 2023	5,239,900	225,000	1,033,497	429,242	(3,573)	57,102	(1,623,058)	5,358,110
Net profit for the period	-	-	-	-	-	-	147,637	147,637
Other comprehensive income for the period	-	-	-	-	-	2,457	-	2,457
Total comprehensive income for the period	-	-	-	-	-	2,457	147,637	150,094
Balance as at 30 September 2023	5,239,900	225,000	1,033,497	429,242	(3,573)	59,559	(1,475,421)	5,508,204

The accompanying notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Palms Agro Production Company K.S.C.P. and Subsidiary
State of Kuwait

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the Nine month period ended 30 September 2023

		For the nine month period ended 30 September	
		2023	2022
	Notes	KD	KD
Operating activities			
Profit for the period before deductions		151,371	137,545
Adjustments:			
Depreciation		195,917	152,289
Gain on sale of property and equipment		(1,700)	(30,800)
Amortisation of right of use assets		44,615	36,470
Interest on lease liabilities		3,568	5,295
Company's share of results from associates		(88,620)	(27,738)
Provision for expected credit loss – no longer required		(95,000)	-
Provision for obsolete and slow moving inventories – no longer required		(100,046)	(144,422)
Write off of biological assets		26,941	38,735
Changes in fair value of biological assets		(38,056)	74,026
Provision for expected credit losses	3	16,016	-
Provision for expected credit losses of trade receivables and contract assets – no longer required	3	-	(91,217)
Provision for expected credit losses on retention receivables		7,712	80,064
Changes in fair value of financial assets at fair value through profit or loss		12,441	29,050
Interest income		(51,799)	-
Provision for employees' end of service indemnity		50,474	104,299
		133,834	363,596
Changes in operating assets and liabilities:			
Inventories		66,421	95,826
Biological assets		(14,076)	130,649
Trade receivables and contract assets		70,774	227,123
Prepayments and other debit balances		(72,298)	86,876
Due from related parties		-	(1,325)
Trade payable and other credit balances		73,665	(668,846)
Contract liabilities		(76,712)	(7,875)
Cash generated from operations		181,608	226,024
Employees' end of service indemnity paid		(45,790)	(156,386)
Net cash generated from operating activities		135,818	69,638
Investing activities			
Purchase of property, plant and equipment		(444,402)	(39,198)
Proceeds from sale of property and equipment		1,700	30,826
Interest income received		51,799	-
Net cash used in investing activities		(390,903)	(8,372)
Financing activities			
Dividends payments		(202)	(2,288)
Repayment of lease liabilities		(59,642)	(56,557)
Net cash used in financing activities		(59,844)	(58,845)
Net change in cash and cash equivalents		(314,929)	2,421
Cash and cash equivalents at beginning of the period		2,104,248	2,088,521
Cash and cash equivalents at end of the period	5	1,789,319	2,090,942
Non-cash transactions excluded from the interim condensed consolidated statement of cash flows:			
Additions to right-of-use assets		(17,171)	(4,289)
Additions to lease liabilities		17,171	4,289

The accompanying notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

1. Incorporation and activities

The Parent Company is a public shareholding company incorporated in the State of Kuwait under Memorandum of Incorporation and Association under Ref. No. 1006 Vol 3 dated 13 May 1982 and registered in the commercial register under No. 33390 on 16 August 1982, whose shares are publicly traded in Boursa Kuwait. Its head office is located in Al-Rai area, 4th Ring Road, Plot No. 56 and its registered postal address is P.O. Box 1976, Safat 13020, State of Kuwait.

The Group principally operates in the State of Kuwait and engages in import and export business of agricultural supplies, the execution of agricultural contracting work, establishment and management all types of nurseries and farms, reclamation and development of agricultural land, landscape gardening and ornamentation of public places and cities, utilising of financial surplus available to the Parent Company through investing it in portfolios managed by specialised companies and entities, import and circulation of veterinary medicines and concluding agency agreements, inaugurating and operation of veterinary clinics and centers and practicing the profession of veterinary medicine, trading in the Kuwait stock exchange, breeding and trading of chicken and eggs and concluding of construction work contracts.

The Parent Company is a subsidiary of Bayan Holding Company K.S.C. ("The Ultimate Parent Company").

This interim condensed consolidated financial information of Palms Agro Production Company K.S.C.P. (the "Parent Company") and its subsidiary (together referred to as "the Group") for the nine month period ended 30 September 2023 were authorized for issue by virtue of the resolution of the board of directors of the Parent Company on 14 November 2023.

2. Basis of preparation

These interim condensed consolidated financial information have been prepared in accordance with (IAS 34) "Interim Financial Reporting", and should be read in conjunction with the Group's last annual consolidated financial statements for the financial year ended 31 December 2022 ("last annual consolidated financial statements").

This interim condensed consolidated financial information does not include all the information required for preparation of complete consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's interim condensed consolidated financial position and performance since the last annual consolidated financial statements.

In the opinion of the management all adjustments (including recurring accruals) have been included in the interim condensed consolidated financial information. Operating results for the nine-month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the year ending 31 December 2023. For further information, please refer to the consolidated financial statements and notes thereto for the year ended 31 December 2022.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Group.

2. Basis of preparation (Continued)

2.1 Changes in significant accounting policies

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of this interim condensed consolidated financial information are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the financial year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment issued but not yet effective.

Several amendments are applied for the first time in 2023, but they do not have an impact on the interim condensed consolidated financial information of the Group.

IFRS 17: Insurance Contracts
In May 2017, IASB issued IFRS (17) Insurance Contracts, which is a new comprehensive accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of 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 adoption for contracts with direct participation features (Variable fee approach).
- A simplified approach (premium allocation approach) mainly for short duration contracts.

This standard is not expected to have any impact on the Group's interim condensed consolidated financial information.

Definition of Accounting Estimates - Amendments to IAS (8)
The amendments to IAS (8) 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.

This standard is not expected to have any impact on the Group's interim condensed consolidated financial information.

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

This standard is not expected to have any impact on the Group's interim condensed consolidated financial information, but may affect the disclosures of accounting policies in the Group's consolidated financial statements.

3. Trade receivables and contract balances

	30 September 2023	31 December 2022 (audited)	30 September 2022
	KD	KD	KD
Trade receivables	1,275,337	1,441,995	1,270,885
Provision for expected credit losses	(545,177)	(529,017)	(502,056)
	730,160	912,978	768,829
Contract assets	329,377	233,493	172,152
Provision for expected credit losses	(11,531)	(11,675)	(9,889)
	1,048,006	1,134,796	931,092

Contract assets relate to revenues earned from ongoing plantation project services. As such, the balances of this account vary and depend on the number of ongoing plantation project services at the date of interim condensed consolidated financial information.

Contract liabilities amounting to KD 16,586 (31 December 2022: KD 93,298 and 30 September 2022: KD 57,183) include short-term advances received to render plantation project services.

Movement on provision for ECLs during the period / year / period is as follows:

	30 September 2023	31 December 2022 (audited)	30 September 2022
	KD	KD	KD
Balance as at the beginning of the period/year/period	540,692	694,837	694,837
Charged during the year	16,016	-	-
Provision for expected credit losses – no longer required	-	(154,145)	(91,217)
Expected credit losses written-off	-	-	(91,675)
Balance at the end of the period/year/period	556,708	540,692	511,945

4. Related party disclosures

The Group's has entered into various transactions with related parties, i.e. its associates, major shareholders, entities under common control, directors and executive officers of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise significant influence or joint control. Prices and terms of payment relating to these transactions are approved by the Group's management. Significant balances and transactions with related parties are as follows:

(i) <u>**Balances included in the interim condensed consolidated statement of financial position /consolidated statement of financial position:**</u>

	Associate	Other related parties	30 September 2023	31 December 2022 (audited)	30 September 2022
	KD	KD	KD	KD	KD
Due from a related party	6,464	-	6,464	6,464	6,464
Financial assets carried at fair value through profit or loss	-	24,661	24,661	18,185	22,200

4. Related party disclosures (Continued)

At the date of interim condensed consolidated financial information, the Group had total balances due from the Ultimate Parent Company amounting to KD 8,911 (31 December 2022: KD 8,911 and 30 September 2022: KD 8,911) for which a full expected credit loss has been made.

(ii) Transactions included in the interim condensed consolidated statement of profit or loss:

Senior management remunerations

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2023	**2022**	**2023**	**2022**
	KD	KD	KD	KD
Salaries and other short term benefits	12,000	12,000	36,000	36,000
Employees' end of service indemnity	3,498	3,475	10,370	10,370
	15,498	15,475	46,370	46,370

5. Cash and cash equivalents

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	30 September 2023	**31 December 2022 (audited)**	**30 September 2022**
	KD	KD	KD
Bank balances	644,165	582,374	2,069,658
Cash on hand	10,650	11,350	10,750
Short term deposits	1,124,000	1,500,000	-
Cash held in managed portfolios	10,504	10,524	10,534
	1,789,319	2,104,248	2,090,942

Short term deposits are placed with a local bank for 6-12 months. These deposits are carried at Kuwaiti Dinars with interest rates ranging from 4% to 5% (31 December 2022: 4.75%, 30 September 2022: Nil) per annum.

6. Treasury shares

	30 September 2023	**31 December 2022 (audited)**	**30 September 2022**
Number of treasury shares (shares)	83,200	83,200	83,200
Percentage of paid up shares	%0.16	%0.16	%0.16
Market value (KD)	4,191	6,490	6,406
Cost (KD)	3,573	3,573	3,573

The Group's management has allocated an amount equal to treasury shares balance from available retained earnings as at the interim condensed consolidated financial information. Such amount will not be available for distribution during treasury shares holding period.

7. Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

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

	For the nine month period ended 30 September 2023			For the three month period ended 30 September 2023		
Segments	**Sale of goods**	**Rendering services**	**Total**	**Sale of goods**	**Rendering services**	**Total**
	KD	KD	KD	KD	KD	KD
Type of Revenues						
Sale of goods	1,714,797	-	1,714,797	606,254	-	606,254
Rendering of services - plantation projects	-	1,209,421	1,209,421	-	359,753	359,753
	1,714,797	1,209,421	2,924,218	606,254	359,753	966,007
Primary geographical market						
State of Kuwait	1,714,797	1,209,421	2,924,218	606,254	359,753	966,007
	1,714,797	1,209,421	2,924,218	606,254	359,753	966,007
Timing of revenues recognition						
Services transferred at a point in time	1,714,797	-	1,714,797	606,254	-	606,254
Services transferred over time	-	1,209,421	1,209,421	-	359,753	359,753
	1,714,797	1,209,421	2,924,218	606,254	359,753	966,007

	For the nine month period ended 30 September 2022			For the three month period ended 30 September 2022		
Segments	**Sale of goods**	**Rendering services**	**Total**	**Sale of goods**	**Rendering services**	**Total**
	KD	KD	KD	KD	KD	KD
Type of Revenues						
Sale of goods	1,790,313	-	1,790,313	421,921	-	421,921
Rendering of services - plantation projects	-	527,398	527,398	-	170,761	170,761
	1,790,313	527,398	2,317,711	421,921	170,761	592,682
Primary geographical market						
State of Kuwait	1,790,313	527,398	2,317,711	421,921	170,761	592,682
	1,790,313	527,398	2,317,711	421,921	170,761	592,682
Timing of revenues recognition						
Services transferred at a point in time	1,790,313	-	1,790,313	421,921	-	421,921
Services transferred over time	-	527,398	527,398	-	170,761	170,761
	1,790,313	527,398	2,317,711	421,921	170,761	592,682

8. Basic and diluted earnings per share attributable to the shareholders of the Parent Company

Basic and diluted earnings per share is computed by dividing the profit for the period attributable to shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). There are no potential dilutive ordinary shares. The information necessary to calculate basic earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months ended 30 September		**Nine months ended 30 September**	
	2023	**2022**	**2023**	**2022**
Profit for the period (KD)	72,957	76,105	147,637	132,147
Weighted average number of ordinary shares outstanding during the period (shares)*	52,315,800	52,315,800	52,315,800	52,315,800
Basic and diluted earnings per share (Fils)	1.39	1.45	2.82	2.53

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

There have been no transactions involving ordinary shares between the date of the interim condensed consolidated financial information and the date of authorisation of this interim condensed consolidated financial information which would require the restatement of basic and diluted earnings per share.

9. Segment reporting

For management purposes, the Group is organised into three major business segments. The principal activities and services under these segments are as follows:

- Commercial: Production and sale of nurseries and ornamental plants.
- Projects: Gardening and maintenance services.
- Investments: Investment in an associate, term deposits and shares.

	30 September 2023				
	Commercial services	**Projects**	**Investment**	**Unallocated**	**Total**
	KD	KD	KD	KD	KD
Total assets	3,999,632	1,268,234	1,559,233	-	6,827,099
Total liabilities	848,299	456,268	10,594	3,734	1,318,895
Revenues	1,955,023	1,008,703	222,978	-	3,186,704
Expenses	(2,152,972)	(858,633)	(23,728)	-	(3,035,333)
Segments (loss) / profit	(197,949)	150,070	199,250	-	151,371
Other disclosures:					
Depreciation of property and equipment	160,536	35,381	-	-	195,917
Depreciation of right-of-use assets	41,465	3,150	-	-	44,615
Capital expenditure	245,797	198,605	-	-	444,402

9. Segment reporting (Continued)

	30 September 2022				
	Commercial services	**Projects**	**Investment**	**Unallocated**	**Total**
	KD	KD	KD	KD	KD
Total assets	4,916,046	1,336,272	221,479	-	6,473,797
Total liabilities	944,952	289,131	-	5,398	1,239,481
Revenues	1,912,246	362,239	356,688	-	2,631,173
Expenses	(1,928,275)	(300,499)	(264,854)	-	(2,493,628)
Segments (loss) / profit	(16,029)	61,740	91,834	-	137,545
Other disclosures:					
Depreciation of property and equipment	148,394	3,895	-	-	152,289
Depreciation of right-of-use assets	33,200	3,270	-	-	36,470
Capital expenditure	30,883	8,315	-	-	39,198

10. Annual General Assembly

The Group's consolidated financial statements for the year ended 31 December 2022 were approved in the Shareholders' Annual General Assembly meeting held on 30 August 2023. The Parent Company did not announce dividends.

11. Financial risk management

The interim condensed consolidated financial statements do not include all the information of the financial risks and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

Credit risk

The Group continues to have a robust collection and credit process. Further enhancement and development to strength the processes and credit controls have resulted in an efficient receivables management. Hence, despite the uncertain economic conditions, the Group continued to have a robust collection through the period. Also, the measures taken above have contributed to minimise the impact on the default risk of receivables during the period. However, the Group continuously monitors the impact on receivables using expected credit losses ("ECL") model, supplemented with Post Model Adjustments.

12. Fair value measurement

The fair value represents 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.

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information / consolidated 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.

As at 30 September 2023, the fair values of financial instruments approximate their carrying amounts. The management of the Group has assessed that fair value of financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these financial instruments.

13. Legal claims

There are certain lawsuits raised by / against the Group, the results of which cannot be assessed till being finally cleared by the competent court. In the opinion of the Group's external Legal counsel, there will be no material adverse impact on the Group's interim condensed consolidated financial information. Hence, no provisions related to those lawsuits were recorded in the Group's records as of the date of the accompanying interim condensed consolidated financial information.