

**ZAHRAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH – KINGDOM OF SAUDI ARABIA**

**INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024**

ZAH RAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**To the Shareholders of
Zahrat Al Waha For Trading Company
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying Interim condensed financial statements of **Zahrat Al Waha For Trading Company** (A Saudi Joint Stock Company) (the "Company"), which comprise the interim condensed statement of financial position as at 30 June 2024, the interim condensed statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024, the interim condensed statement of changes in equity, and Interim condensed statement of cash flows for the six-month period then ended. 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") that is 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statement 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 IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

Other matter

The interim condensed financial statements of the Company for the three-month and six-month periods ended 30 June 2023 were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed financial statements on 12 Muharram 1445H corresponding to 30 July 2023. In addition, the financial statements of the Company as at and for the year ended 31 December 2023 were audited by the same auditor who expressed an unmodified opinion on those financial statements on 23 Sha'ban 1445H corresponding to 4 March 2024.

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader

License 435

Riyadh, Kingdom of Saudi Arabia

26 Muharram 1446AH (corresponding to 1 August 2024)



ZAH RAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024
(Saudi Riyals)

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	223,339,125	232,359,045
Investment properties	6	1,674,000	1,674,000
Intangible assets	7	3,415,638	1,349,188
Total Non-current assets		228,428,763	235,382,233
Current assets			
Inventories, net	8	88,145,723	119,553,308
Investments at fair value through profit or loss (FVTPL)	9	24,387,346	23,350,382
Trade receivables	10	216,396,092	175,029,007
Prepayments and other receivables		4,838,146	47,324,851
Cash and cash equivalents		4,464,148	6,793,011
Total current assets		338,231,455	372,050,559
Total Assets		566,660,218	607,432,792
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	225,000,000	225,000,000
Statutory reserve		29,291,002	29,291,002
Retained earnings		33,161,164	61,370,049
Other reserves		570,732	434,347
Total equity		288,022,898	316,095,398
Non-current Liabilities			
Long-term loans	12	17,005,561	28,030,406
Employees' end of service benefits		2,814,123	2,697,157
Total Non-current liabilities		19,819,684	30,727,563
Current liabilities			
Short-term loans	12	181,731,046	201,430,263
Long-term loans – current portion	12	31,835,017	21,461,515
Trade payables		31,690,296	23,721,093
Accrued expenses and other payables		11,000,809	6,667,106
Zakat Provision	13	2,397,814	7,167,200
Dividend payables		162,654	162,654
Total current liabilities		258,817,636	260,609,831
Total liabilities		278,637,320	291,337,394
Total equity and liabilities		566,660,218	607,432,792

The accompanying notes from (1) to (23) form an integral part of these Interim condensed financial statements and to be read therewith.

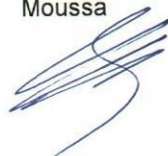
Chairman

Ahmed Hamoud Al-Thiab



Chief Executive Officer

George Abdul Kareem
Moussa



Chief Financial Officer

Mahmoud Mohammad Zaki



ZAH RAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024
(Saudi Riyals)

	Notes	For the three-month period ended		For the six-month period ended	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales	18	145,375,090	150,482,196	282,466,502	307,270,013
Cost of sales	18	(131,891,029)	(134,547,919)	(254,089,233)	(279,468,510)
Gross profit		13,484,061	15,934,277	28,377,269	27,801,503
Other income		276,226	40,714	322,049	322,238
Selling and distribution expenses		(4,178,317)	(3,043,706)	(7,842,780)	(5,824,988)
General and administrative expenses		(2,528,745)	(2,052,773)	(4,799,916)	(4,419,324)
Impairment on trade receivables	10	-	-	(3,158,713)	(514,286)
Operating profit		7,053,225	10,878,512	12,897,909	17,365,143
Unrealized (loss) / gains from investments at FVTPL	9	(2,037,513)	2,230,154	399,472	2,467,380
Realized gain from sale of investments at FVTPL	9	794,933	228,077	1,859,486	315,013
Dividends received	9	33,928	57,954	78,100	153,105
Finance costs		(5,108,925)	(4,627,071)	(9,690,404)	(8,750,599)
Profit before Zakat		735,648	8,767,626	5,544,563	11,550,042
Zakat		(2,273,919)	(931,489)	(3,378,448)	(1,788,980)
Profit for the period		(1,538,271)	7,836,137	2,166,115	9,761,062
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Remeasurements of employees end of service benefits		48,581	69,842	136,385	133,751
Total other comprehensive income		48,581	69,842	136,385	133,751
Total comprehensive income		(1,489,690)	7,905,979	2,302,500	9,894,813
Basic and diluted earnings per share	16	(0.07)	0.35	0.10	0.43

The accompanying notes from (1) to (23) form an integral part of these Interim condensed financial statements and to be read therewith.

Chairman

Ahmed Hamoud Al-Thiab


Chief Executive Officer

 George Abdul Kareem
Moussa


Chief Financial Officer

Mahmoud Mohammad Zaki



ZAHRAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(Saudi Riyals)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Other reserves</u>	<u>Total</u>
For the six-month period ended 30 June 2023					
Balance as at 1 January 2023 (Audited)	225,000,000	25,903,683	44,384,175	476,919	295,764,777
Profit for the period	-	-	9,761,062	-	9,761,062
Other comprehensive income for the period	-	-	-	133,751	133,751
Total comprehensive income for the period	-	-	9,761,062	133,751	9,894,813
Cash Dividends (Note 14)	-	-	(13,500,000)	-	(13,500,000)
Balance as at 30 June 2023 (Unaudited)	<u>225,000,000</u>	<u>25,903,683</u>	<u>40,645,237</u>	<u>610,670</u>	<u>292,159,590</u>
For the six-month period ended 30 June 2024					
Balance as at 1 January 2024 (Audited)	225,000,000	29,291,002	61,370,049	434,347	316,095,398
Profit for the period	-	-	2,166,115	-	2,166,115
Other comprehensive income for the period	-	-	-	136,385	136,385
Total comprehensive income for the period	-	-	2,166,115	136,385	2,302,500
Cash Dividends (Note 14)	-	-	(30,375,000)	-	(30,375,000)
Balance as at 30 June 2024 (Unaudited)	<u>225,000,000</u>	<u>29,291,002</u>	<u>33,161,164</u>	<u>570,732</u>	<u>288,022,898</u>

The accompanying notes from (1) to (23) form an integral part of these interim condensed financial statements and to be read therewith.

Chairman

Ahmed Hamoud Al-Thiab



Chief Executive Officer

George Abdul Kareem Moussa



Chief Financial Officer

Mahmoud Mohammad Zaki



ZAHRAAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024
(Saudi Riyals)

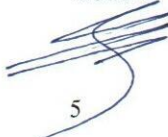
	Note	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
OPERATING ACTIVITIES			
Profit before zakat		5,544,563	11,550,042
Adjustments for:			
Depreciation and amortization		14,877,374	15,198,079
Unrealized gains on investments at fair value through profit or loss	9	(399,472)	(2,467,380)
Realized gains from sale of investments	9	(1,859,486)	(315,013)
Gains on disposal of investment property	17	-	-
Gains on disposal of property, plant and equipment	17	-	-
Employees' end of service benefits		282,764	258,354
Finance costs		9,690,404	8,750,599
Impairment of trade receivables	10	3,158,713	514,286
Changes in:			
Inventories, net		31,407,585	5,195,571
Trade receivables, net		(44,525,798)	(13,436,047)
Prepayments and other receivables, net		42,486,705	42,457,403
Trade payables		7,969,203	20,004,823
Accrued expenses and other payables		4,333,703	1,147,218
Employees' benefits Paid		(29,413)	(29,162)
Cash generated from operating activities		72,936,845	88,828,773
Finance costs paid	12	(763,658)	(315,659)
Zakat paid		(8,147,834)	(3,465,434)
Net cash flow generated from operating activities		64,025,353	85,047,680
Cash flows from investing activities			
Additions to property, plant and equipment and intangible assets		(7,923,904)	(13,888,361)
Purchase of investments at FVTPL		(13,999,080)	(10,183,111)
Proceeds from sale of investments at fair value through profit or loss		15,221,074	10,812,777
Net cash flow used in investing activities		(6,701,910)	(13,258,695)
Cash flows from financing activities			
Proceeds from loans	12	270,240,820	315,365,862
Repayments of loans	12	(299,518,126)	(358,533,612)
Dividends paid		(30,375,000)	(13,500,000)
Net cash used in from financing activities		(59,652,306)	(56,667,750)
Net change in cash and cash equivalents		(2,328,863)	15,121,235
Cash and cash equivalent at the beginning of the period		6,793,011	1,792,722
Cash and cash equivalents at end of the period		4,464,148	16,913,957

The accompanying notes from (1) to (23) form an integral part of these interim condensed financial statements and to be read therewith.

Chairman
 Ahmed Hamoud Al-Thiab



Chief Executive Officer
 George Abdul Kareem
 Moussa



Chief Financial Officer
 Mahmoud Mohammad Zaki



ZAH RAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

1- REPORTING ENTITY

Zahrat Al Waha For Trading Company ("the Company") is a Saudi Joint Stock Company established under the Regulations for Companies in the Kingdom of Saudi Arabia on 10 Sha'aban 1424H (corresponding to 6 October 2003). The Company was converted from a sole proprietorship to a Limited Liability Company with a capital of 50 million Saudi Riyals on 27 Safar 1437H (corresponding to 9 December 2015). In addition, it was converted from a Limited Liability Company to a Saudi Closed Joint Stock Company with a capital of 80 million Saudi Riyals on 3 Rabi' II 1438H (corresponding to 1 January 2017). It was converted from a Saudi Closed Joint Stock Company to a Saudi Joint Stock Company with a capital of SR 150 million on 26 Dhul-Hijjah 1438H corresponding to 17 September 2017.

The Extraordinary general assembly meeting held on 9 May 2022 (corresponding to 8 shawwal 1443 H) approved the recommendation of the company's board of directors held on 15 November 2021 (corresponding to 10 Rabie' II 1443 H) to increase the company's capital from 150 million Saudi Riyals to be 225 million Saudi Riyals divided into 22.5 million ordinary shares with a nominal value of 10 Saudi Riyals per share by granting free shares to the company's shareholders as a transfer from the retained earnings.

The Company operates under Commercial Registration No. 1010190390 issued in Riyadh on 10 Sha'aban 1424H (corresponding to 6 October 2003) in the Kingdom of Saudi Arabia.

The Saudi Capital Market Authority approved the listing of the Company in the Saudi Stock Exchange (Tadawul) on 26 Dhul-Hijjah 1438H (corresponding to 17 September 2017). Formal procedures to amend the Company's bylaws to convert it from a Saudi Closed Joint Stock Company into a Saudi Joint Stock Company were completed on 12 Rabi I 1439H (corresponding to 30 November 2017).

The principal activities of the Company include the manufacture of semi-finished products from plastics, the manufacture of cans and boxes from plastics, the manufacture of bottles of various forms from plastics, the manufacture of products from plastics using the Roto mold method, under the industrial license No. 421102107495 dated 28 Safar 1442H (corresponding to 15 October 2020).

The Company carries out its activities through its branch in Al-Kharj under Commercial Registration No. 1011014061 issued in Riyadh on 22 Jumada II 1431H (corresponding to 4 June 2010).

The Company's registered head office is located in the following address:

Zahrat Al Waha For Trading Company, 7449 Al Ihsa Street, Al Rabwa, P.O. Box 2980, Riyadh 12814 Kingdom of Saudi Arabia

2- BASIS OF PREPARATION

Statement of compliance

These interim condensed Financial Statements have been prepared in accordance with IAS 34 that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Company's financial statements for the year ended 31 December 2023 ("last annual financial statements"). These financial statements do not include all the required information to prepare a full set of financial statements in accordance with International Financial Reporting Standards "IFRS" as endorsed by SOCPA in the Kingdom of Saudi Arabia. However, certain accounting policies and selected explanatory notes are included to explain events and transactions that are significant during the period for understanding of the changes in the Company's financial position and performance since the previous year financial statements.

Further, the results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the year ended 31 December 2024.

ZAHRAAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENT (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

2- BASIS OF PREPARATION (continued)

Statement of compliance (continued)

These interim condensed financial statements have been prepared on a going concern basis and according to historical cost principal except for the employee defined benefit liabilities, which is measured at the present value of future obligations using the Projected Unit Credit Method and investments at fair value through profit or loss, which are measured at fair value.

Functional and presentation currency

These interim condensed financial statements are prepared in Saudi Riyals ("SAR") which is Company's functional and presentation currency.

3- USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

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

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

4- MATERIAL ACCOUNTING POLICIES

The accounting policies used when preparing these interim condensed financial statements are in line with what is stated in the notes to the financial statements of the Company for the year ended 31 December 2023.

The principal accounting policies have been consistently applied to all periods presented in these interim condensed financial statements.

New Standards, Amendment to Standards and Interpretations:

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023.

The application of below standards does not have any material impact on the interim condensed financial statements of the Company for the period ended 30 June 2024.

Amendments to IFRS 16 – Leases on sale and leaseback:

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendments IAS 1 – Non-current liabilities with covenants and Classification of Liabilities as Current or Non-current Amendments

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve the information an entity provides related to liabilities subject to these conditions.

Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements

Standards issued but not yet effective:

The Company has chosen not to early adopt the following new standards, which have been issued but not yet effective for the Company's accounting year beginning on or after 1 January 2024 and is currently assessing their impact:

Amendments to IAS 21 Lack of exchangeability - Amendments to IFRS 10 and IAS 28 – Sales or contribution of assets between an investor and its associates or joint venture

ZAHRAAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENT (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(Saudi Riyals)

5- PROPERTY, PLANT AND EQUIPMENT

The total cost of property, plant and equipment as of 30 June 2024, amounted to SAR 465.85 million (31 December 2023: SAR 460.16 million) and the accumulated depreciation amounted to SAR 242.51million (31 December 2023: SAR 227.80 million). During the six-month ended 30 June 2024, the company added Machinery, projects under implementation, and tools amounted to SAR 7.92 million (30 June 2023: SAR 13.86 million), mainly represented in printing lines for packaging materials, auxiliary equipment for the production process, and transportation means.

As at 30 June 2024, the loans referred to in note (12) are secured by lands, buildings and machinery, and their net book value amounted to SAR 78.34 million. (31 December 2023: SAR 85.33 million)

6- INVESTMENT PROPERTIES

Investment properties comprises plots of land in Muzahimiyah, with a total area of 12,113 square meters. The value of the investment property as of 30 June 2024 amounted to SAR 1.7 million (31 December 2023: SAR 1.7 million). The fair value of these lands as of 31 December 2023 amounted to SAR 6.68 million, the management does not expect a material difference in the fair value of the land compared to what was estimated on 31 December 2023. These properties are held for capital appreciation and will generate the cashflows independently of the other assets held by the Company.

The fair value of the real estate investment was determined at the year ended 31 December 2023 by an external real estate valuer independent from the Company.

Independent valuer	City	Qualifications	Fair value as at 31 December 2023
Tathminat Gulf Real Estate and partner	Riyadh	An approved resident from the Saudi Authority for Accredited Valuers and the Ministry of Investment (License no 1100028)	SAR 6.68 million

7- INTANGIBLE ASSETS

The total cost of intangible assets as of 30 June 2024 amounted to SAR 4.55 million (31 December 2023: SAR 2.31 million) and the accumulated amortization of intangible assets amounted to SAR 1.13 million (31 December 2023: SAR 0.96 million).). Additions to the intangibles amounted to SAR 2.23 million during the six-month ended 30 June 2024 (30 June 2023: SAR 0.03 million). Intangibles mainly comprise of computer software's.

8- INVENTORIES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Raw, packing and packaging materials	52,148,385	76,570,512
Finished goods	31,769,934	38,698,135
Spare parts, supplies and oils	4,227,404	4,284,661
	88,145,723	119,553,308
Provision for the slow moving and obsolete inventories	-	-
	88,145,723	119,553,308

ZAHRAAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENT (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(Saudi Riyals)

9- INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Investments in shares of listed companies	14,071,422	14,212,077
Investments in an investment fund	10,315,924	9,138,305
Total investments	24,387,346	23,350,382

During the previous years, the Company invested in a portfolio of investment shares that are traded in the Saudi Stock Exchange (Tadawul), represented by investing in the equity of a diversified group of companies.

The portfolio is managed by the Investment Company for Securities and Brokerage - Alistithmar Capital, in accordance with the concluded management contract.

Equity investments are valued at fair value based on the traded prices of shares on the Saudi Stock Exchange (Tadawul). This resulted in realized gains of SAR 1,859,486 (30 June 2023: SAR 315,013) and unrealized gains amounted to SAR 399,472 and dividends received during the period amounted to SAR 78,100 (30 June 2023: SAR 153,105) which were presented in the profit or loss statement. The investment movement for six-month period ended 30 June 2024 is as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cost of investment as at January 1	23,350,382	18,163,446
Purchase of investment units	13,999,080	14,171,646
Sale of invested units	(15,221,074)	(13,820,580)
Realized gains on sale of investments	1,859,486	653,925
Fair value differences for units	399,472	4,181,945
Balance as at period-end / year-end	24,387,346	23,350,382

10- TRADE RECEIVABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Trade receivables	197,239,354	150,197,455
Due from related parties (note 17)	49,843,260	52,359,361
	247,082,614	202,556,816
Less: Expected credit loss of trade receivables	(30,686,522)	(27,527,809)
	216,396,092	175,029,007

The movement in impairment of trade receivables is as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period / year	27,527,809	27,497,338
Provision during the period / year	3,158,713	2,476,521
Write off made during the period / year	-	(2,446,050)
Balance at end of the period / year	30,686,522	27,527,809

11- SHARE CAPITAL

As at 30 June 2024, the Company's authorized and fully paid-up share capital amounted to 225 million SAR (31 December 2023: SAR 225 million), divided by 22.5 million ordinary shares of SAR 10 per share (31 December 2023: SAR 10 per share).

ZHRAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENT (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(Saudi Riyals)

12- LOANS

(a) Short-term loans

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Short-term loans (*)	181,731,046	201,430,263
	181,731,046	201,430,263

*These short-term loans are mainly used to finance the working capital requirements of the Company. The Company did not use these loans to finance capital expansions (purchase of property, plant and equipment). Short term loans are obtained from commercial banks at the commercial finance cost rates.

(b) Long-term loans

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Saudi Industrial Development Funds (SIDF)	50,120,000	51,385,000
Less: deferred interests	(1,279,422)	(1,893,079)
	48,840,578	49,491,921

Presented in the statement of financial position as follows:

Non-current portion	17,005,561	28,030,406
Current portion	31,835,017	21,461,515
	48,840,578	49,491,921
Total loans	230,571,624	250,922,184

1) The Company has obtained a loan from the Saudi Industrial Development Fund dated 13 January 2021, of an amount of 12,650,000 SAR. The balance amounted to SAR 10,120,000 as of 30 June 2024. The loan is repayable in semi-annual installments over a period of 5 years. The Company has obtained loans on the prevailing market finance cost rates.

2) The Company has obtained a loan from the Saudi Industrial Development Fund dated 27 August 2023, of an amount of SAR 40,000,000, as of 30 June 2024 the loan balance amounted to SAR 40,000,000. The loan is to be repaid in equal installments where the first installment will be twelve months from the first disbursement date. Second installment after sixteen months from the first disbursement date. Third installment after twenty months from the first disbursement date. Fourth installment after twenty-four months from the first disbursement date.

3) The loan is secured by the lands, as of 30 June 2024, the buildings and machines of the Company's plant with a book value of SAR 78,342,362 (31 December 2023: SAR 85,328,918) – Note (5)

(c) Total movement in loans:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance as at 1 January	250,922,184	254,121,992
Proceeds from loans	270,240,820	674,522,627
Repayment of loans	(299,518,126)	(693,638,893)
Accrued finance costs	9,690,404	16,689,037
Finance costs paid	(763,658)	(772,579)
Balance as at period-end / year-end	230,571,624	250,922,184

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12- LOANS (continued)

(d) Bank facility agreements

The Company obtained credit facilities from local banks, long-term and short-term loans, and letters of credit with a financing ceiling of SAR 395.12 million. These facilities were obtained under Murabaha and Tawarruq agreements to finance working capital and some expansions and capital expenditure requirements and SAR 50 million to finance public investments.

As of 30 June 2024, unused facilities and open letters of credit amounted to SAR 154.44 million (31 December 2023: SAR 65.12 million). The credit facility agreements are secured by promissory notes issued by the Company. The facility agreements include covenants relating to restrictions on dividends and other matters that require a minimum net worth and certain financial ratios that must be maintained accordingly.

During the period ending on 30 June 2024, the Company renewed agreements with local banks with values up to SAR 60 million, with the aim of purchasing and importing raw materials and financing working capital.

These agreements were concluded by guaranteeing promissory notes issued by the Company.

The borrowings include certain covenants. Breach of these covenants in the future may lead to renegotiation. The management monitors covenants monthly, and in the event of a breach expected in the future, the management takes the necessary measures to ensure compliance.

All the borrowings mentioned above are borrowings that comply with the provisions of Islamic Sharia.

13- ZAKAT

- Zakat declaration was filed for the year 2012 with the Zakat, Tax and Custom Authority (ZATCA), ZATCA assessed the Company with an additional claim of SAR 118,203 for which the Company appealed and it's rejected by ZATCA. The Company appealed to the General Secretariat of Tax Committees (GSTC) and their decision is pending as at 30 June 2024 and the Company has booked the provision for the same balance.
- Zakat's declaration were filed for the years from 2013 to 2022, these years have assessed by the Zakat, Tax and Custom Authority (ZATCA) and closed.
- The Company filed the Zakat declaration for the year 2023, the Zakat payable has been paid based on this declaration. A Zakat certificate was issued for the year 2023, and it is valid until 30 April 2025.

14- DIVIDENDS

The extraordinary general assembly meeting held on 3 June 2024 (corresponding to 26 Dul-Qaeda 1445) based on the recommendation of the Company's Board of Directors held on 28 Feb 2024, (corresponding to 18 Shaban 1445) approved to distribute cash dividends of SAR 30.375 million for the financial year 2023 amounting to SAR 1.35 per share. It is due to the shareholders who own shares at the end of trading on the day of the assembly meeting and who are registered in the Company's shareholders' register with the Depository Center Company at the end of the second trading day following the due date. It was paid in full on 12 June 2024, noting that there is a balance remaining from the distributions of previous years whose beneficiaries have not yet applied for collection, in the amount of SAR 162,654.

15- CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND OTHER LIABILITIES

Contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of obligations cannot be reasonably measured. Contingent assets are not recognized but are disclosed where an inflow of economic benefits is probable.

As 30 June 2024, contingent liabilities related to uncovered letters of credit for purchasing raw materials amounted to SAR 57.82 million (31 December 2023: SAR 35.16 million).

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15- CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND OTHER LIABILITIES (continued)

As of 30 June 2024, the capital commitments related to projects under implementation amounted to SAR 1.83 million mainly represented in contracting printing lines, backing lines, injection molds, machines, equipment and buildings (31 December 2023: SAR 8.81 million).

The loans referred to in (note 12) are secured by promissory notes by the Company with the full value of the funds granted to the Company.

16- EARNING PER SHARE

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing income for the period attributable to the Company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

	For the three-month period ended		For the six-month period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Income for the year	(1,538,271)	7,836,137	2,166,115	9,761,062
No. of shares				
Weighted average number of shares	22,500,000	22,500,000	22,500,000	22,500,000
Basic and diluted earnings per share	(0.07)	0.35	0.10	0.43

The diluted earnings per share are the same as the basic earnings per share as the Company has no diluted instruments.

17- RELATED PARTY TRANSACTIONS

In the ordinary course of its activities, the Company transacts with related parties including companies owned/related to some of the Company's shareholders, its Board of directors and key management personnel. Related party transactions entered during the period/ year and related balances as included in the statement of financial position are as follows:

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Transactions:		
Sales to Hana Water Company	13,982,605	16,786,039
Salaries, allowances and remuneration of Key Management Personnel	1,697,657	2,377,385
Allowance to attend meetings of the Company's Board of Directors and Committees	164,000	73,000
Board members remuneration	130,000	265,000
	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balances		
Due from related parties included in trade receivables. (Hana Water Company) (note 10)	49,843,260	52,359,361
Key Management Personnel included in other receivables	258,891	95,924
Key Management Personnel End-of-Service Benefits	1,462,545	1,203,010
Allowance to attend meetings of the Company's Board of Directors and Committees included under accrued expense	75,000	185,000
Board of Directors and Committees remuneration included under accrued expenses	265,000	530,000

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18- SEGMENTAL INFORMATION AND REVENUE

18-1 Segmental information

Basis for segmentation

The Company has the following strategic sectors, which are its reportable segments. These segments offer different products and services and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reporting segment.

Industry Group	Nature of segment's businesses
Plastic bottles preform	The principal activity includes manufacturing and selling of plastic preforms.
Plastic caps	The principal activity includes manufacturing and selling of plastic caps.

The Company's chief executive officer reviews the internal management reports of each segment on monthly basis.

Information related to each reportable segment is set out below. Segment profit (loss) before Zakat is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries:

18-2 Information about reporting segments

	Reporting segments		
	Plastic bottles preform segment	Plastic caps segment	Total
<u>For the six-month period ended 30 June 2024 (Unaudited)</u>			
Sales	234,204,565	48,261,937	282,466,502
Cost of sales	(217,885,110)	(36,204,123)	(254,089,233)
Gross profit	16,319,455	12,057,814	28,377,269
Other income	262,992	59,057	322,049
Selling and distribution expenses	(5,794,891)	(2,047,889)	(7,842,780)
General and administrative expenses	(4,110,811)	(689,105)	(4,799,916)
Impairment of trade receivables	(2,715,694)	(443,019)	(3,158,713)
Operating profit	3,961,051	8,936,858	12,897,909
Finance costs	(8,304,648)	(1,385,756)	(9,690,404)
Profit before zakat	(4,343,597)	7,551,102	3,207,505
As at 30 June 2024 (Unaudited)			
Segments net assets	81,856,264	31,798,357	113,654,621
<u>For the six-month period ended 30 June 2023 (Unaudited)</u>			
Sales	263,814,142	43,455,871	307,270,013
Cost of sales	(244,707,858)	(34,760,652)	(279,468,510)
Gross profit	19,106,284	8,695,219	27,801,503
Other income	282,861	39,377	322,238
Selling and distribution expenses	(4,425,827)	(1,399,161)	(5,824,988)
General and administrative expenses	(3,870,211)	(549,113)	(4,419,324)
Impairment of trade receivables	(454,899)	(59,387)	(514,286)
Operating profit	10,638,208	6,726,935	17,365,143
Finance costs	(7,650,073)	(1,100,526)	(8,750,599)
Profit before zakat	2,988,135	5,626,409	8,614,544
As at 30 June 2023 (Unaudited)			
Segments net assets	78,520,246	27,717,410	106,237,656

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18- SEGMENTAL INFORMATION AND REVENUE (continued)

18-2 Information about reporting segments (continued)

Balances of the Company's customers in the local and export market are allocated as follows:

Clients balances as at	Local customers	Export customers	Total
30 June 2024 (Unaudited)	200,746,834	46,335,780	247,082,614
30 June 2023 (Unaudited)	162,978,280	39,578,536	202,556,816

18-3 The main customer and supplier

As at 30 June 2024, the Company sales to the Company's two largest customers represent 36% of the company's net sales of SAR 102.31 million (30 June 2023: 39% of the Company's net sales of SAR 119.60 million).

As at 30 June 2024, the Company purchases from the Company's largest supplier represented 82.40% of the total purchases of raw materials amounting to SAR 158.57 million (30 June 2023 79.41% with an amount of SAR 193.08 million) of the Company's total purchases.

18-4 Revenue

	For the three-month period ended		For the six-month period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Plastic bottles	120,829,544	127,293,179	234,204,565	263,814,142
Plastic caps	24,545,546	23,189,017	48,261,937	43,455,871
	145,375,090	150,482,196	282,466,502	307,270,013

Company's sales in the local market and export sales are allocated as follows:

Sales for the period ended	Local sales	Export sales	Total sales
30 June 2024 (Unaudited)	240,070,769	42,395,733	282,466,502
30 June 2023 (Unaudited)	245,737,895	61,532,118	307,270,013

Timing of revenue recognition

Revenue is recognized when customers obtain control of goods when the goods are delivered to customers and have been accepted. Invoices are generated and the revenue is recognized at a point in time.

19- FAIR VALUE

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents, investments at FVTPL and trade receivables. Financial liabilities consist of long-term loans, short term loans, trade payable, other liabilities, dividend payables and zakat payable.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

The fair values of financial instruments are not materially different from their carrying values. Fair value hierarchy for the investments at FVTPL are as follows:

	Level 1	Level 2	Level 3	Total
30 June 2024 (Unaudited)				
Investments at FVTPL	24,387,346	-	-	24,387,346
31 December 2023 (Audited)				
Investments at FVTPL	23,350,382	-	-	23,350,382

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20- SEASONAL CHANGES

The revenues of the Company are affected by seasonal factors based on the variation of consumption and demand between the seasons. The Company's management seeks to reduce the seasonal impact on the Company's revenues, and the results of the current period should not be taken as an indicator of the Company's annual results.

21- SUBSEQUENT EVENTS

Management believes that there are no significant subsequent events that require disclosure or amendments to the accompanying interim condensed financial statements.

22- Reclassification of Comparative Figures

Certain comparative figures in the statement of cash flows have been reclassified as follows:

Statement of Cash Flows	30 Jun 2023	Reclassification	30 Jun 2023
	Before Reclassification		After Reclassification
Employees' benefits	229,192	29,162	258,354
Employees' benefits Paid	-	(29,162)	(29,162)
Impairment of trade receivables	-	514,286	514,286
Trade receivables, net	(12,921,761)	(514,286)	(13,436,047)

23- APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Board of Directors on 26 Muharram 1446 corresponding to 1 August 2024.