

**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY  
(A Saudi Joint Stock Company)  
INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

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## INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To The Shareholders

**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **FILLING AND PACKING MATERIALS MANUFACTURING COMPANY (A SAUDI JOINT STOCK COMPANY)** (the "Company") and its subsidiary together ( the "Group" ) as at March 31, 2023 G and the related interim condensed consolidated statements of comprehensive income, changes in shareholder equity and cash flows for the three-month period ended .

A summary of significant accounting policies and other notes. The Company's management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated 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 Auditors of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries primarily to 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 such 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 statements as at March 31, 2023 G. are not prepared, in all material respects, in accordance with International Accounting Standard No. 34 endorsed in the Kingdom of Saudi Arabia.

### Other Matter

The Company's interim condensed consolidated financial statements of the period of three month ended March 31, 2022 G have been reviewed by another auditor who expressed unmodified conclusion on the report on Ramadan 18, 1443 H, April 19, 2022 G.

For Al-Kharashi & Co.



Abdullah S. Al Msned  
License No. (456)

Riyadh:  
May 10, 2023G  
Shawwal 20, 1444H





**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**As of March 31, 2023**  
**(All amounts in Saudi Riyal unless otherwise stated)**

	<u>Note</u>	<u>March</u> <u>31, 2023</u> <u>(Unaudited)</u>	<u>December</u> <u>31, 2022</u> <u>(Audited)</u>
<b><u>ASSETS</u></b>			
<b><u>Non- current assets</u></b>			
Property, plant and equipment (net)	4	147,346,333	149,023,423
Right of use assets (net)	5-A	6,325,904	6,449,941
<b>Total non- current assets</b>		<b>153,672,237</b>	<b>155,473,364</b>
<b><u>Current assets</u></b>			
Inventories (net)	6	57,359,410	62,189,455
Trade receivables (net)	7	47,326,732	46,238,319
Prepayments and other receivables	8	15,334,115	14,579,374
Investments in equity at fair value through profit or loss	9	-	5,784,363
Cash and cash equivalents	10	25,645,765	2,892,135
<b>Total current assets</b>		<b>145,666,022</b>	<b>131,683,646</b>
<b>Total assets</b>		<b>299,338,259</b>	<b>287,157,010</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>EQUITY</u></b>			
Share capital	11	115,000,000	115,000,000
Statutory reserve	12	17,388,320	17,388,320
Effect of non-controlling interests acquisition	17	(25,358,702)	(25,358,702)
Retained earnings		26,545,942	25,004,258
<b>Total equity</b>		<b>133,575,560</b>	<b>132,033,876</b>
<b><u>LIABILITIES</u></b>			
<b><u>Non-current liabilities</u></b>			
Non-current portion long-term loans	13-A	34,689,044	44,024,701
Lease liabilities	5-B	6,479,202	6,913,549
Employees' end of service benefits		12,372,641	12,203,726
Deferred liability against non-controlling interests acquisition	17	15,905,115	15,612,000
<b>Total non-current liabilities</b>		<b>69,446,002</b>	<b>78,753,976</b>
<b><u>Current liabilities</u></b>			
Current portion of (long-term loans)	13-B	26,931,161	19,555,213
Short-term loans and Bank facilities	13-C	24,737,854	5,712,567
Trade payables		20,805,243	31,164,824
Lease liabilities	5-B	434,347	413,663
Accrued expenses and other payables	14	19,321,556	16,426,355
Provision for zakat	16	4,086,536	3,096,536
<b>Total current liabilities</b>		<b>96,316,697</b>	<b>76,369,158</b>
<b>Total liabilities</b>		<b>165,762,699</b>	<b>155,123,134</b>
<b>Total equity and liabilities</b>		<b>299,338,259</b>	<b>287,157,010</b>

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME (UNAUDITED).**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**  
**(All amounts in Saudi Riyal unless otherwise stated)**

		<b>FOR THE THREE MONTHS</b>	
		<b>ENDED MARCH 31</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue		63,891,490	60,549,636
Cost of revenues		(53,148,666)	(51,851,960)
<b>Gross profit</b>		<b>10,742,824</b>	<b>8,697,676</b>
Selling and distribution expenses		(2,958,190)	(2,994,421)
General and administrative expenses		(4,610,632)	(4,294,437)
Expected credit losses	7	(192,022)	(761,178)
Other income, net		837,467	59,594
<b>Operating profit</b>		<b>3,819,447</b>	<b>707,234</b>
Finance costs		(1,304,733)	(922,439)
Gain of investments at fair value through profit or loss	9	16,970	1,571,667
<b>Profit before zakat</b>		<b>2,531,684</b>	<b>1,356,462</b>
Zakat	16	(990,000)	(990,000)
<b>Profit for the period</b>		<b>1,541,684</b>	<b>366,462</b>
<b><u>Other comprehensive income for the period:</u></b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>1,541,684</b>	<b>366,462</b>
<b>Profit per basic &amp; diluted share based on profit for the period</b>			
	15	0.13	0.03

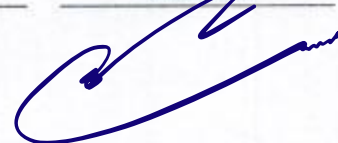
Chief Financial Officer



Chief Executive Officer



Chairman



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FILLING AND PACKING MATERIALS MANUFACTURING COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023  
(All amounts in Saudi Riyal unless otherwise stated)

	<u>Share Capital</u>	<u>Statutory Reserve</u>	<u>Deferred liability against non-controlling interests acquisition</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as at January 01, 2022 (Audited)	115,000,000	16,408,804	(25,358,702)	14,037,893	120,087,995
Net Profit for the period	-	-	-	366,462	366,462
Other comprehensive income for the period	-	-	-	-	-
Total Comprehensive loss for the period(unaudited)	-	-	-	366,462	366,462
Balance as of March 31, 2022( Unaudited)	115,000,000	16,408,804	(25,358,702)	14,404,355	120,454,457
Balance as at January 01, 2023 (Audited)	115,000,000	17,388,320	(25,358,702)	25,004,258	132,033,876
Net Profit for the period	-	-	-	1,541,684	1,541,684
Other comprehensive income for the period	-	-	-	-	-
Total Comprehensive loss for the period(unaudited)	-	-	-	1,541,684	1,541,684
Balance as of March 31, 2023 (Unaudited)	115,000,000	17,388,320	(25,358,702)	26,545,942	133,575,560

Chief Financial Officer



Chief Executive Officer



Chairman



The accompanying notes are an integral part of these interim condensed consolidated financial statements.

**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**  
**(All amounts in Saudi Riyal unless otherwise stated)**

	<u>For the three months period ended</u>	
	<u>March 31, 2023</u>	<u>March 31,</u>
	<u>(Unaudited)</u>	<u>2022</u>
		<u>(Unaudited)</u>
<b><u>Cash flows from operating activities</u></b>		
Profit before zakat	2,531,684	1,356,462
<b><u>Adjustments:</u></b>		
Depreciation of property, plant and equipment	2,154,978	1,932,934
Amortization of right-of-use assets	124,037	124,037
Provision for slow moving inventory, no longer required	-	(869,331)
Additions of expected credit losses	192,022	761,178
Gain from disposal property, plant and equipment	(7,826)	-
Current service cost of employees' end of service benefits	445,648	784,152
Gain of investments at fair value through profit or loss	(16,970)	(1,571,667)
Finance costs	1,304,733	922,439
	<b>6,728,306</b>	<b>3,440,204</b>
<b><u>Changes in working capital:</u></b>		
Inventories	4,830,045	3,647,861
Trade receivables	(1,280,435)	(8,701,902)
Prepayments and other receivables	(754,741)	(5,029,226)
Trade payables	(10,359,581)	(4,049,273)
Accrued expenses and other payables	2,895,201	(518,261)
<b>Cash flows from / (used in) operating activities</b>	<b>2,058,795</b>	<b>(11,210,597)</b>
Employees' end of service benefits paid	(416,232)	(234,380)
Zakat paid	-	(4,045)
<b>Net cash flows from / (used in) operating activities</b>	<b>1,642,563</b>	<b>(11,449,022)</b>
<b><u>Cash flows from investing activities</u></b>		
Payment of purchase property, plant and equipment	(477,889)	(5,532,701)
Proceeds from disposal property, plant & equipment	7,826	-
Proceeds from sale of investments at fair value through profit or	5,801,333	3,116,373
Payment of purchase investments at fair value through profit or	-	(846,464)
<b>Net cash flows from / (used in) investing activities</b>	<b>5,331,270</b>	<b>(3,262,792)</b>
<b><u>Cash flows from financing activities</u></b>		
Proceeds from loans and facilities	23,188,000	15,634,331
Payments of loans and facilities	(6,257,377)	(7,956,980)
Payments of lease liabilities	(413,663)	(393,965)
Finance costs paid	(737,163)	(566,752)
<b>Cash flows from financing activities</b>	<b>15,779,797</b>	<b>6,716,634</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>22,753,630</b>	<b>(7,995,180)</b>
Cash and cash equivalents at the beginning of the period	2,892,135	12,133,800
<b>Cash and cash equivalents at end of the period</b>	<b>25,645,765</b>	<b>4,138,620</b>

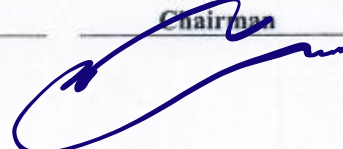
Chief Financial Officer



Chief Executive Officer



Chairman



The accompanying notes are an integral part of these interim condensed consolidated financial statements.



**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2023**  
**(All amounts in Saudi Riyal unless otherwise stated)**

**1. GENERAL INFORMATION**

1-1 Filling and Packing Materials Manufacturing Company ("the Company") is a Saudi Joint Stock Company, registered in Kingdom of Saudi Arabia under commercial Registration numbered 1010084155 is issued from Riyadh city dated on Dhul Hijjah 04, 1411 H corresponding to June 17, 1991. The Company was established according to Ministerial Decision No. 851 dated Shawwal 17, 1411 H corresponding to May 02, 1991 and Ministerial Decision No.953 dated Dhul-Qa'dah 29, 1411 corresponding to June 12, 1991.

**1-2 The Company's activity:**

The Company's activity is represented in the following activities

- Weaving fabric from artificial threads such as nylon.
- Cutting and custom-made the machine's cover and goods.
- Manufacture the plastic in its primary forms.
- Manufacture artificial threads, which includes (nylon, polyester, etc.).
- Manufacture the containers from plastic.
- Manufacture the small bags from the plastic pursuant to an Industrial license No. 1001009549 which issued dated Safar 29, 1441 H corresponding to September 29, 2019.

**The Company conducts its activities through the following branches:**

<b><u>Branch name</u></b>	<b><u>Branch Commercial Registration No.</u></b>	<b><u>Date and location of issuance</u></b>	<b><u>Activity</u></b>
Branch of a company Filling and Packing Materials Manufacturing Company	1010608121	Sha'aban 11, 1438 H Riyadh.	Weaving textiles from industrial yarns such as nylon, making bags from plastics
Branch of a company Filling and Packing Materials Manufacturing Company	1010675111	Jumada I 05, 1442 H Riyadh.	Manufacture of plastics (plastics) in their primary forms, isolation and preparation of vegetable fibers such as hemp and kenaf.

1-3 The Financial year for the entity begins on the first of January of each year and ends on December 31 of the same year.

1-4 The head office of the Company is located at 7305, Phase - New Industrial City- Unit No. 7306 , PO Box 14335 ,Riyadh-2483.

**1-5 The Group's Information**

The accompanying interim condensed consolidated statements include the financial statements for Filling and Packing Materials Manufacturing Company ("Company") or ("The Parent Company") and its domestic subsidiary Company (collectively referred to as "the Group") where doing the Group as collectively to produce and marketing the bags which are woven from liner polypropylene inside and outside the kingdom of Saudi Arabia and unlined from polyethylene is diluted the density and the big size bags and strapping bands and the plastic fillers and woven bags these are used for packing vegetables and fruits and rolls woven from polypropylene and the liners of polyethylene and the recycling of plastic waste, construction and building contracting, in addition to the production and marketing of technical fabrics covered with materials of polyvinyl chloride, polytetrafluoroethylene, polyurethane, silicone and acrylic in different dimensions and sizes.



**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2023**  
**(All amounts in Saudi Riyal unless otherwise stated)**

**1. GENERAL INFORMATION (CONTINUED)**

<u>Company name</u>	<u>Country of incorporation</u>	<u>Percentage of ownership</u>		
		<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
FPC Co. for Industry Factory	Kingdom of Saudi Arabia	100%	100%	100%

**The subsidiary Company also carries out its activities through the following branches from inside and outside Riyadh :**

The subsidiary company is engaged in its activity of cutting and detailing tents and sails, cutting and detailing car covers and furniture, cutting and detailing machine and goods covers, manufacturing bags, flags, banners, sun umbrellas and bonds ... etc. made of cloth according to the main commercial registration number 1010468446 issued from the city of Riyadh on Jumad Al-Thani 02, 1438 H corresponding to March 01, 2017 G.

<u>Branch name</u>	<u>Branch Commercial Registration No.</u>	<u>Date and location of issuance</u>	<u>Activity</u>
FPC Co. for Industry Factory	1010468794	Jumada II 13, 1438 H Riyadh	Manufacture of ready-made textiles except for apparel - activity code 1392
Makamen Supply Company for Trade and Contracting	1010499598	Rabia II 11, 1440 H Riyadh	Retail sale of textiles and fabrics of all kinds (other than clothing) including curtains, retailing of tents
West Makamen Co. for Tents Sole partnership	4030381209	Ramadan 27, 1441 H Jeddah	Retail sale of textiles and fabrics of all kinds (other than clothing) including curtains, retailing of tents
Dammam Makamen Co. for Tents	2050143023	Rajab 17, 1442 H Dammam	Retail sale of all kinds of wearable textiles and fabrics, retail sale of textiles and all kinds of fabrics (other than clothing) including curtains, retailing of tents
Al-Qassim Makamen Co. for Tents	1131311975	Rajab 17, 1442 H Buraydah	Retail sale of all kinds of wearable textiles and fabrics, retail sale of textiles and all kinds of fabrics (other than clothing) including curtains, retailing of tents
Zilal Al Dana Co. for Tents Sole partnership	1010822409	Safar 01, 1444 H Riyadh	Blacksmithing workshop
FPC Industries Company, Dubai Branch	811440	Shawal 27, 1442 H Dubai	Management office

**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2023**  
**(All amounts in Saudi Riyal unless otherwise stated)**

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**2. BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**2-1 Accounting standards applied**

- These interim condensed consolidated financial statements have been prepared in accordance with IAS (34) Interim Financial Reporting which is endorsed in The Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") These interim condensed consolidated financial statements must be read with the Group's prior year consolidated financial statements as of December 31, 2022 G.
- These interim condensed consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements, however, accounting policies and selected notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements that has been issued at December 31, 2022 G. In addition, the results for the three month period ended March 31, 2023 G are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2023 G.

**2-2 Basis of measurement**

These interim condensed consolidated financial statements have been prepared using the accrual basis of accounting and the concept of going concern on the historical cost basis except for the following material items in the Consolidated Statement of financial position:

- The defined benefit obligation is recognized at the present value of future obligations using the Projected Unit Credit Method.
- Investment in equity at Fair Value through Profit or Loss ("FVTPL").

**2-3 Functional and presentation currency**

These interim condensed consolidated financial statements are presented in Saudi Riyals (SR) which is the Group's functional currency, unless otherwise indicated.

**2-4 Basis for consolidating the interim condensed consolidated financial statements**

The interim condensed consolidated financial statements include the interim condensed consolidated statement of financial position, the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow statement as well as the notes to the Group's interim condensed consolidated financial statements, where It includes the assets, liabilities, and results of the company's business and its subsidiary, as shown in Note (1). The Company and its subsidiary are collectively referred to as the Group.

Subsidiaries are companies controlled by a Group. The Group controls the Company when it has the right to variable revenues as a result of its participation in the Company and its ability to influence these revenues through its control of the Company. Subsidiaries are consolidated from the date on which the Group controls them and until they cease to exercise that control.

The non-controlling interest is measured by the proportion of its share of the net assets of the controlling interest at the date of the acquisition. The share in profit or loss and net assets not owned by the Group is presented as a separate line item in the interim condensed consolidated statement of profit or loss and within equity in the interim condensed consolidated statement of financial position.

Both transactions as well as balances and unrealized profits and losses arising from intra-group transactions are eliminated. Accounting policies of subsidiaries are modified when necessary to ensure consistency with the policies adopted by the Group. The Company and its subsidiary prepare their financial statements for the same period.



**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2023**  
**(All amounts in Saudi Riyal unless otherwise stated)**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3-1 Accounting Policies Applied**

The accounting policies used in preparing the interim condensed consolidated financial statements are in line with those used in preparing the annual consolidated financial statements of the Group for the financial year ended December 31, 2022 G.

**3-2 SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application accounting policies and affect on the amounts of revenues, expenses, assets and liabilities disclosed and disclosure of contingent liabilities as at the reporting date. Uncertainty about these assumptions and estimates may result in results that may require a material adjustment to the carrying amount of the assets or liabilities that will be affected in future periods. These estimates and assumptions are based on experience and other factors that are believed to be reasonable under the circumstances and are used to judge the carrying amounts of assets and liabilities that are difficult to obtain from other sources. Core estimates and assumptions are reviewed on an on-going basis. An audit of the accounting estimates is recorded in the period in which the estimates are revised or in the period of the revision and future periods if the revised estimates affect current and future periods .

**Significant accounting judgments, estimates and assumptions have been made which have a material impact on the financial statements as following:**

**Judgments:**

**Compliance with performance obligations**

The Group has to assess each of its contracts with customers to determine whether performance obligations have been met over time or at a point of time in order to determine the appropriate method of income recognition. The Group assessed this based on the sales and purchase agreements it had entered into with the customers and the provisions of the relevant laws and regulations .

**Determine transaction prices**

The Group is required to determine transaction prices in relation to each of its contracts with customers. In making such a judgment, the Group evaluates the impact of any variable price in the contract as a result of discounts or fines, the presence of any significant financing component in the contract and any non-monetary price in the contract.

**Estimates and assumptions**

**Defined Benefit Programs**

The cost of defined benefit programs and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making many different assumptions that differ from actual developments in the future. This includes setting discount rates, future salary increases, mortality, and employee turnover. Due to the complexities of the valuation process and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the reporting date. The measurement criteria most subject to change are the discount rate and future salary increase. In determining the appropriate discount rate, management relies on the market yield on quality corporate bonds. Future salary increases are dependent on future rates of inflation, seniority, promotion, and supply and demand in the employment market. The mortality rate is based on available country specific mortality tables. Extrapolations of mortality tables may change over time in response to population changes.

**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2023**  
**(All amounts in Saudi Riyal unless otherwise stated)**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Group operates a defined benefit plan (as defined in IAS 19) that provides a bonus when an employee leaves the company, in line with the current labor law in the Kingdom of Saudi Arabia. The amount of the entitlement is calculated according to the labor laws in the Kingdom, and this is based on the years of service and the salary on the date of departure. The plan and its obligations are therefore more sensitive to changes in future salary increases, future withdrawal rates, and the discount rate used in evaluating the obligations.

The company is not required to fund the plan, so the company has chosen to honor the payment of benefits at the due date.

**Expected credit losses**

Expected credit losses are measured as financial assets measured at amortized cost and requires the use of complex models and significant assumptions about future economic conditions and credit behavior. There are a number of significant judgements required in the application of accounting standards to measure the expected credit losses:

- 1- Define criteria for substantial increase in credit risk;
- 2- Selecting appropriate formats and assumptions to measure expected credit losses;
- 3- Determine the number and relative weight of future assumptions for each type of product and market.
- 4- Create a group of potential financial assets to measure expected credit losses.

The Group recognizes an provision for expected credit losses for financial instruments that are measured at amortized cost.

The Group measures the loss provision at an amount equal to the expected credit losses over the useful life of the financial instrument, except for:

- The following financial instruments for which the provision for expected credit losses is measured over a 12-month period.
- Financial assets with low credit risk at the reporting date and financial instruments in which credit risk has not increased significantly since its initial recognition.

**Useful life of property, plant and equipment**

The Group determines the estimated useful lives of property, plant and equipment and for depreciation. This estimate is determined after taking into account the expected period of use of the asset and the natural damage. The management examines the estimated useful lives and the method of depreciation periodically to ensure that the method and duration of depreciation are consistent with the expected model of the economic benefits of these assets and changes in depreciation expense are adjusted in current and future periods, if any.

**Impairment of non-financial assets**

The Group assesses at each reporting date whether there are indications of impairment of the non-financial assets at each reporting date. Non-financial assets are selected to determine impairment in the event of indications that the carrying amounts cannot be recovered .

When the value in use is calculated, the management estimates the future cash flows of the asset or unit of cash and selects the appropriate discount rate to calculate the present value of these cash flows.



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**4- PROPERTY, PLANT & EQUIPMENT (net)**

	Buildings & Construction on Leased land	Machinery & Equipment	Leasehold Improvements	Vehicles	Furniture, Fixtures & Office Equipment	Tools	Capital Works in Progress*	Total
<b>Cost:</b>								
as at January 1, 2023	36,904,448	269,640,156	11,838,077	3,619,168	9,501,732	780,669	1,066,301	333,350,551
Additions during the period	-	155,789	-	311,400	10,700	-	-	477,889
Disposals during the period	-	-	-	(48,000)	-	-	-	(48,000)
<b>AS At MARCH 31, 2023</b>	<b>36,904,448</b>	<b>269,795,945</b>	<b>11,838,077</b>	<b>3,882,568</b>	<b>9,512,432</b>	<b>780,669</b>	<b>1,066,301</b>	<b>333,780,440</b>
<b>Accumulated Depreciation:</b>								
as at January 1, 2023	29,272,074	141,443,173	1,239,615	3,436,406	8,729,884	205,976	-	184,327,128
Depreciation for the period	288,048	1,621,383	88,798	60,516	75,502	20,731	-	2,154,978
Accumulated depreciation of disposals	-	-	-	(47,999)	-	-	-	(47,999)
<b>AS At MARCH 31, 2023</b>	<b>29,560,122</b>	<b>143,064,556</b>	<b>1,328,413</b>	<b>3,448,923</b>	<b>8,805,386</b>	<b>226,707</b>	<b>-</b>	<b>186,434,107</b>
<b>Net carrying value:</b>								
<b>AS AT MARCH 31, 2023</b>	<b>7,344,326</b>	<b>126,731,389</b>	<b>10,509,664</b>	<b>433,645</b>	<b>707,046</b>	<b>553,962</b>	<b>1,066,301</b>	<b>147,346,333</b>
<b>AS AT DECEMBER 31, 2022</b>	<b>7,632,374</b>	<b>128,196,983</b>	<b>10,598,462</b>	<b>182,762</b>	<b>771,848</b>	<b>574,693</b>	<b>1,066,301</b>	<b>149,023,423</b>

- Major of property , plant, and equipment are pledged to The Saudi Industrial Development Fund (SIDF) opposite the loans that granted by the bank (Note 13).
- Property , Plant, and Equipment as of March 31, 2023 G includes assets which fully depreciated and still work, with cost amounting to 78,577,008 SAR ( 77,213,889 SAR as of December 31,2022 G ).

\*Capital works in progress are represented in the following:

	<b><u>March 31, 2023</u></b> <b><u>(Unaudited)</u></b>	<b><u>December 31, 2022</u></b> <b><u>(Audited)</u></b>
Machinery and Equipment	185,051	185,051
Programs and Computer's system	881,250	881,250
	<b><u>1,066,301</u></b>	<b><u>1,066,301</u></b>

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**5- RIGHT OF USE ASSETS AND LEASE LIABILITIES, NET**

**A- Right of use assets (net)**

The Group leases two Lands from the Saudi Authority for Industrial Cities and Technology Zones, "Modon" in the second industrial city in Riyadh, one of them is the Company's factory and its subsidiary, and other which is a residential building in the city. Contracts end on Rajab 27, 1457 H corresponding to September 06, 2035. Contracts are renewable after the approvals of the parties.

	<u>March 31,</u> <u>2023</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2022</u> <u>(Audited)</u>
<b><u>Cost:</u></b>		
Balance at the beginning of the period/year	9,426,841	9,426,841
Balance at the ending of the period/year	<u>9,426,841</u>	<u>9,426,841</u>
<b><u>Accumulated amortization:</u></b>		
Balance at the beginning of the period/year	2,976,900	2,480,750
Amortization of the period/year – (Included in the cost of revenue)	124,037	496,150
Balance at the ending of the period/year	<u>3,100,934</u>	<u>2,976,900</u>
<b>Net Book value at the end of the period /Year</b>	<u>6,325,907</u>	<u>6,449,941</u>

**B- The deferred lease liabilities and financing expenses resulting from these contracts are as follows:**

	<u>March 31, 2023 (Unaudited)</u>		
	<u>Current</u>	<u>Non-current</u>	<u>Total</u>
Liabilities from lease contracts	780,024	8,580,264	9,360,288
Deferred financing expenses	(345,677)	(2,101,062)	(2,446,739)
<b>Balance at the ending of the period/year</b>	<u>434,347</u>	<u>6,479,202</u>	<u>6,913,549</u>

	<u>December 31, 2022 (Audited)</u>		
	<u>Current</u>	<u>Non-current</u>	<u>Total</u>
Liabilities from lease contracts	780,023	9,360,288	10,140,311
Deferred financing expenses	(366,360)	(2,446,739)	(2,813,099)
<b>Balance at the ending of the period/year</b>	<u>413,663</u>	<u>6,913,549</u>	<u>7,327,212</u>

- The minimum future lease payments (liabilities from lease contract ) as at the date of the consolidated financial position, in total, are as follows:

<u>Year</u>	<u>March 31, 2023</u> <u>(Unaudited)</u>	<u>December 31, 2022</u> <u>(Audited)</u>
2023	-	780,024
2024	780,024	780,024
2025	780,024	780,024
2026	780,024	780,024
After that	7,020,216	7,020,215
	<u>9,360,288</u>	<u>10,140,311</u>



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**6- INVENTORIES, Net**

	<u>March 31,</u> <u>2023</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2022</u> <u>(Audited)</u>
Raw material	21,643,229	23,381,526
Work In Progress	12,442,096	12,050,521
Finished goods	13,040,222	15,107,524
Spare parts	6,175,663	6,272,202
Materials and other supplies	3,941,586	3,636,130
Goods in Transit	116,614	1,741,552
	<u>57,359,410</u>	<u>62,189,455</u>
Less: Provision for slow moving inventory	-	-
	<u>57,359,410</u>	<u>62,189,455</u>

**6-1 The movement of the provision for slow moving inventory is as follows:**

	<u>March 31,</u> <u>2023</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2022</u> <u>(Audited)</u>
Balance at the beginning of the period/year	-	3,749,919
Utilized during the year	-	(3,749,919)
	<u>-</u>	<u>-</u>

**7- TRADE RECEIVABLES, Net**

	<u>March 31, 2023</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2022</u> <u>(Audited)</u>
Trade receivables	49,554,921	48,274,486
<b>Less :</b>		
Expected credit losses	(2,228,189)	(2,036,167)
	<u>47,326,732</u>	<u>46,238,319</u>

7-1 The fair value of the financial assets listed above approximates the book value. There are no penalties for late payments The trade receivables disclosed above include amounts past due on the invoice date (aging analysis of overdue trade receivables below). At the end of the reporting period, the Group did not make any additional provisions for doubtful debts because there were no significant changes in the credit quality of the debtors.

7-2 The movement of the expected credit losses is as follows:

	<u>March 31, 2023</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2022</u> <u>(Audited)</u>
Balance at the beginning of the period/year	2,036,167	6,805,495
Additions during the period/year	192,022	1,703,160
Utilized during the period/year	-	(6,472,488)
	<u>2,228,189</u>	<u>2,036,167</u>

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**7- TRADE RECEIVABLES, Net (Continued)**

7-3 The aging of trade receivables as at the date of the financial statements were as follows:

	<u><b>March 31,</b></u> <u><b>2023</b></u> <u><b>(Unaudited)</b></u>	<u><b>December 31,</b></u> <u><b>2022</b></u> <u><b>(Audited)</b></u>
Not due	34,184,782	26,610,453
from 0 to 60 days - After the due date	4,893,017	11,512,268
from 60 to 90 days - After the due date	5,733,364	5,259,852
from 90 to 365 days - After the due date	3,553,097	3,877,734
More than 365 days - After the due date	1,190,661	1,014,179
	<u><b>49,554,921</b></u>	<u><b>48,274,486</b></u>

**8- PREPAYMENTS AND OTHER RECEIVABLES**

	<u><b>March 31,</b></u> <u><b>2023</b></u> <u><b>(Unaudited)</b></u>	<u><b>December 31,</b></u> <u><b>2022</b></u> <u><b>(Audited)</b></u>
Advance payments to suppliers	3,637,500	3,878,670
Accrued bonus from suppliers	8,543,021	7,150,348
Prepaid expenses	1,625,793	1,802,238
Value added tax for the Parent Company	-	17,338
Staff receivables	634,144	596,889
Letters of credit	327,782	339,632
Other debit receivables	565,875	794,259
	<u><b>15,334,115</b></u>	<u><b>14,579,374</b></u>

**9- INVESTMENTS IN EQUITY AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<u><b>March 31,</b></u> <u><b>2023</b></u> <u><b>(Unaudited)</b></u>	<u><b>December 31,</b></u> <u><b>2022</b></u> <u><b>(Audited)</b></u>
Balance at the beginning of the period /year	5,784,363	6,513,192
Additions for the period /year	-	846,463
Disposals for the period /year	(5,801,333)	(3,738,463)
Gain of Investments at fair value through Profit or Loss	16,970	2,163,171
	<u><b>-</b></u>	<u><b>5,784,363</b></u>

The group sold investments during the first quarter at 2023 and achieved a profit 16,970 SR from selling during the financial period ending on March 31, 2023 , which was presented within the profits from financial investments at fair value in the statement of profit or loss.



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**10- CASH AND CASH EQUIVALENTS:**

	<u>March 31,</u> <u>2023</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2022</u> <u>(Audited)</u>
Cash on hand	997,424	224,779
Cash at banks – current accounts	2,434,440	2,667,356
Bank Deposits – short term	22,213,901	-
	<u>25,645,765</u>	<u>2,892,135</u>

**11- SHARE CAPITAL:**

On March 31, 2023 G The Company's capital was determined at SR 115,000.000 (2022: SR 115,000,000), divided into 11,500,000 shares (2021: 11 500 000 shares), the value of each is SR 10, fully paid.

**12- STATUTORY RESERVE:**

In accordance with the Regulations for the Kingdom of Saudi Arabia and the Company's Articles of Association, the Company shall transfer 10 % of the net profit for the year to statutory reserve until such reserve reaches 30 % of its capital.

The statutory reserve in the consolidated financial statements is related to the parent Company. This reserve is not available for distribution to shareholders.

**13- LOANS:**

**The following information reflects the contractual terms of the Group's loans, which are measured at amortized cost:**

	<u>Note</u>	<u>March 31,</u> <u>2023</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2022</u> <u>(Audited)</u>
Saudi Industrial Development Fund Loan	(13-1)	39,254,871	38,681,916
Bank loans & facilities	(13-2)	47,103,188	30,610,565
		<u>86,358,059</u>	<u>69,292,481</u>

**13-1 Saudi Industrial Development Fund Loan:**

During 2008, the Parent Company signed an agreement with the Saudi Industrial Development Fund, in total amounting SR 38.3 million to finance the expansion of the factory, through the purchase of production lines for the manufacturing of plastic cement bags and the expansion of the large bags division and container liner manufacturing machines. During 2021, the Parent Company signed an agreement with the Saudi Industrial Development Fund, in total amounting SR 15.1 million to finance the Purchasing new machines to raise production capacity. During 2022, the Parent Company signed an agreement with the Saudi Industrial Development Fund, in total amounting SR 5.78 million to finance the working capital.

During 2018, the subsidiary Company signed an agreement with the Saudi Industrial Development Fund, in total amounting SR 35.3 million.

**Guarantees :** the mortgage of the Property, Plant & Equipment - Note 4- in order to finance the development of the factory's production lines, and the details of loan is as follows:

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**13-LOANS (CONTINUED)**

**13-1 Saudi Industrial Development Fund Loan ( Continued ):**

	<u>March 31,</u> <u>2023</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2022</u> <u>(Audited)</u>
Total granted loan and facilities	92,325,000	88,137,000
Paid from the loan	(51,857,000)	(48,107,000)
<b>Granted loan at the end of the period/year</b>	<b>40,468,000</b>	<b>40,030,000</b>
Prepaid administrative fees	(1,213,129)	(1,348,084)
<b>Balance at the end of the period/year</b>	<b>39,254,871</b>	<b>38,681,916</b>
Current portion	14,691,302	12,304,601
Non-current portion	24,563,569	26,377,315
	<b>39,254,871</b>	<b>38,681,916</b>

The administrative fees paid in advance represent amounts of administrative fees paid on the loan granted by the Saudi Industrial Development Fund and are amortized over the periods of the loan repayment. The amortization expense charged to the statement of comprehensive income during the period ending on March 31, 2023 G amounted to 134,955 SAR (March 31,2022 G: 131,602 SAR).

- The Company bears additional expenses by the Saudi Industrial Development Fund during the term of the loan, which are project follow-up expenses, and it is charged to the statement of comprehensive income on an accrual basis. Expenses charged to statement of comprehensive income during the period ended March 31, 2023 G amounted to 88,000 SAR (March 31, 2022 G: 101,200 SAR).

**13-2 Bank Loans:**

**Riyadh Bank**

At April 9, 2017 G, the Group signed an Islamic finance agreement with Riyadh Bank, amounting to SR 49 million, for the purpose of partial finance of a project to produce one of the manufacturing products of the subsidiary that was established during 2017 for this purpose. At March 28, 2018 G, the Islamic finance agreement was renewed and the finance limit increased to SR 72 million, in July 19, 2018 G, the Group reduced the value of the financing by canceling the short-term temporary loan SR 21 million, to be the finance limit to SR 51 million. At March 10, 2019 G, the group raised the value of the finance by increasing the long-term facilities by SR 15 million and amending the credit limits for short-term facilities to bring the total of the short-term facilities to SR 25 million, and the finance limit is SR 66 million, On May 15, 2022 G, the group renewed the facilities and it expired on April 13, 2024 G , and the credit limit became 77.24 million Saudi riyals .**Guarantees :** financing is secured by signing a promissory note from the group for the total amount of financing.

**Albilad Bank**

On September 16, 2018 G, the Group signed a Islamic-compliant credit facility contract with Bank Albilad in the amount of 30 million Saudi riyals, for the purpose of obtaining a short-term Murabaha to finance the working capital of the company and its subsidiary. The group renewed the facility contract on April 18, 2022 G, and the credit limit became 18.90 million Saudi riyals.**Guarantees :** financing is secured by signing a promissory note from the group for the total amount of financing.



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**13- LOANS (CONTINUED)**

**Saudi EXIM Bank**

On October 13, 2022, the Group signed a Islamic-compliant credit facility contract with Saudi EXIM Bank in the amount of 19 million Saudi riyals, for the purpose of obtaining a short-term Murabaha to finance the working capital of the export activities of the company and its subsidiary. **Guarantees :** financing is secured by signing a promissory note from the group for the total amount of financing.

**- Loans classification in the statement of financial position:**

		<b><u>March 31,</u></b> <b><u>2023</u></b>	<b><u>December 31,</u></b> <b><u>2022</u></b>
		<b><u>(Unaudited)</u></b>	<b><u>(Audited)</u></b>
<b><u>8-A Non-current portion of long-term loans</u></b>	<b><u>Note</u></b>		
Saudi Industrial Development Fund	(13-1)	24,563,569	26,377,315
Other Bank Loans	(13-2)	10,125,475	17,647,386
		<b>34,689,044</b>	<b>44,024,701</b>
<b><u>8-B Current portion of long-term loans</u></b>			
Saudi Industrial Development Fund	(13-1)	8,953,448	6,592,034
Other Bank Loans	(13-2)	17,977,713	12,963,179
		<b>26,931,161</b>	<b>19,555,213</b>
<b><u>8-C Short term loans and bank facilities</u></b>			
Saudi Industrial Development Fund Loan	(13-1)	5,737,854	5,712,567
Other Bank Loans	(13-2)	19,000,000	-
		<b>24,737,854</b>	<b>5,712,567</b>
		<b>86,358,059</b>	<b>69,292,481</b>

**14- ACCRUED AND OTHER LIABILITIES:**

	<b><u>March 31,</u></b> <b><u>2023</u></b>	<b><u>December 31,</u></b> <b><u>2022</u></b>
	<b><u>(Unaudited)</u></b>	<b><u>(Audited)</u></b>
Accrued expenses	9,626,880	9,103,523
Advanced payment from receivables	3,861,693	1,756,201
Accrued dividends*	5,149,274	5,149,274
Value added tax on the Group	446,298	287,822
Other payables	237,411	129,535
	<b>19,321,556</b>	<b>16,426,355</b>

\* The dividends not claimed by the shareholders for the years from 2003 to 2007 amounted to SR 5,149,274 as at March 31, 2023 (December 31, 2022: SR 5,149,274).

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**15- EARNING PER SHARE :**

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Net profit for the period attributable to the shareholders of the parent Company	1,541,684	366,462
Weighted average of shares	11,500,000	11,500,000
<b>Basic share profit from net profit for the period</b>	<b>0,13</b>	<b>0,03</b>

There is no liability convertible to equity instruments, so the diluted profit per share is not different from the basic profit per share.

**16- PROVISION FOR ZAKAT:**

**16-1 Zakat provision movements:**

	<u>March 31, 2023 (Unaudited)</u>	<u>December 31, 2022 (Audited)</u>
Opening balance period/year	3,096,536	2,671,120
Charged during the period /year	990,000	3,096,536
Adjustments	-	32,239
Paid during the period/year	-	(2,703,359)
Balance at the end of the period/year	<b>4,086,536</b>	<b>3,096,536</b>

**16-2 Zakat Status:**

**Group consolidated Zakat declaration**

The Group submitted the zakat declaration for 2021 and obtained a certificate valid till April ,30 2023.

**Filling and Packaging Material Manufacturing Company (Parent Company)**

**Years from 2013 to 2018**

Zakat, Tax and Customs Authority issued the Zakat assessment for the years from 2013 G to 2018 G, resulting zakat differences due from the Company, amounting to SR 390,976, and the Company paid it.

**Years from 2019 to 2020**

Zakat, Tax and customs Authority issued a zakat assessment, which resulted in zakat differences due on the company on the group for the year 2019 G and the year 2020 G amounted SR 718,022. The company paid it .

**FPC (Subsidiary)**

**Years till 2019**

The Company submitted the zakat declaration for this years and obtained a certificate, During the year 2022 G, Zakat, Tax and Customs Authority issued a zakat assessment, resulting zakat differences due for payment for the year 2019 G amounting to SR 4,730.

**17- THE ACQUISITION OF SUBSIDIARY**

The parent company acquired the full shares in FPC for Industry (the subsidiary company). During the month of March 2020G, the company signed an agreement requiring the partner to waive his full 20% shares in FPC for Industry with its rights and obligations in favor of the parent company, in exchange for obtaining On the percentage of 20% of the net accounting profit according to the audited financial statements at the end of each fiscal year for a period of ten years only (the period of validity of the agreement) until the end of the fiscal year ending on December 31, 2029 G, and accordingly, the company prepared a study of the contingent liability was calculated according to For the best estimate in light of the available data, as this potential liability as on March 31, 2023 G amounted to 15,905,115 SR (December 31, 2022 G: 15,612,000 Saudi riyals), it has been classified under the non-current liabilities in the financial position list, and this potential liability will be re-assessed Periodically, throughout the term of the agreement, this acquisition resulted in an amount of 25,358,702 Saudi riyals, which represents the difference in the purchase of the rights of the non-controlling interest, which has been classified under the equity clause. The following is a statement of the deferred liability movement and the non-controlling interest purchase difference as on March 31, 2023 G and December 31, 2022 G .



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**17-1 deferred Liability against Non-Controlling Interests Acquisition**

	<b>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Opening balance period/year	15,612,000	19,564,865
Change in liability during the period /year	-	(5,375,613)
Interest expense during the period/year	293,115	1,422,748
<b>Balance at the ending of the period/year</b>	<b>15,905,115</b>	<b>15,612,000</b>

**18- CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

- As of March 31, 2023 G, the amount of the contingent liabilities related to the banks' letters of guarantee and letters of credit which issues by domestic banks on behalf of the group amounted to 10,045,143 SR (December 31, 2022 G: SR 4,130,051).
- As of March 31, 2023 G the capital commitments for the group amounted to 7,633 SR (December 31, 2022 G: SR 7,633).

**19- SEGMENTS REPORTS**

The segments reports are related to the activities and business of the group which adopted by the management as a basis for preparing the financial data their own and they are in line with the reporting methods of the inside.

The Group practices its business through two operating segments present in the production and sale of packing materials for the parent Company and Technical textiles for the subsidiary.

An operating segment is a component of the Group that engages in business activities from which

The segment represents the group's activities for the period as follows:

**March 31, 2023 (Unaudited)**

	<b>Packing &amp; Packaging Sector</b>	<b>Technical Textiles Sector</b>	<b>Intercompany transactions</b>	<b>Total</b>
Revenues	43,305,941	20,585,549	-	63,891,490
Cost of revenues	(35,221,475)	(17,989,901)	62,710	(53,148,666)
<b>Gross profit</b>	<b>8,084,466</b>	<b>2,595,648</b>	<b>62,710</b>	<b>10,742,824</b>

**March 31, 2022 (Unaudited)**

	<b>Packing &amp; Packaging Sector</b>	<b>Technical Textiles Sector</b>	<b>Intercompany transactions</b>	<b>Total</b>
Revenues	49,430,514	11,119,122	-	60,549,636
Cost of revenues	(41,108,945)	(10,805,725)	62,710	(51,851,960)
<b>Gross profit</b>	<b>8,321,569</b>	<b>313,397</b>	<b>62,710</b>	<b>8,697,676</b>

The details of using the assets of the group before the segments and liabilities for the relevant represents as follows:

**March 31, 2023 (Unaudited)**

	<b>Packing &amp; Packaging Sector</b>	<b>Technical Textiles Sector</b>	<b>Intercompany transactions</b>	<b>Total</b>
Non-current assets	121,603,843	81,995,885	(49,927,491)	153,672,237
Total assets	284,348,496	130,480,811	(115,491,048)	299,338,259
Total liabilities	123,916,428	107,409,806	(65,563,535)	165,762,699

**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)**  
**FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2023**

(All amounts in Saudi Riyal unless otherwise stated)

**19- SEGMENTS REPORTS( CONTINUED)**

	<b>December 31,2022 (Audited)</b>			
	<b><u>Packing &amp; Packaging Sector</u></b>	<b><u>Technical Textiles Sector</u></b>	<b><u>Intercompany transactions</u></b>	<b><u>Total</u></b>
Non-current assets	131,093,535	82,487,688	(58,107,859)	<b>155,473,364</b>
Total assets	280,151,857	128,133,251	(121,128,098)	<b>287,157,010</b>
Total liabilities	114,641,617	103,501,747	(63,020,230)	<b>155,123,134</b>

**Geographical segment**

A geographic sector is a group of assets, operations, or companies that carry out revenue-generating activities in a specific economic environment that are subject to risks and returns that are different from those operating in other economic environments. The group's operations are mainly conducted in the Kingdom of Saudi Arabia. The financial information presented, which represents revenue during the period, is classified according to geographical sectors as follows:

	<b>For the three months period ended</b>			
	<b><u>March 31, 2023</u></b>	<b><u>%</u></b>	<b><u>March 31, 2022</u></b>	<b><u>%</u></b>
	<b><u>(Unaudited)</u></b>		<b><u>(Unaudited)</u></b>	
Kingdom of Saudi Arabia	42,186,986	66.03	43,991,818	72.65
Other countries	21,704,504	33.97	16,557,818	27.35
	<b>63,891,490</b>		<b>60,549,636</b>	

**20- THE TRANSACTIONS WITH RELATED PARTIES**

The related parties represented in the shareholders and the members of the board of directors and senior management personnel in the Company and the institutions which own or manage by these actors or individuals as well the institutions which practice on these actors/individuals collectively or individually common control and significant influence.

Benefits, rewards, and compensation for key management personnel represent in as follows:

	<b>March 31, 2023 (Unaudited)</b>			
	<b><u>Members of boards of directors</u></b>	<b><u>Key management personnel and senior executives</u></b>	<b><u>Members of the committees emanating from the Board of Directors</u></b>	<b><u>Total</u></b>
Salaries and wages	-	718,524	-	<b>718,524</b>
Allowances	48,000	253,559	6,000	<b>307,559</b>
Bonus	180,000	-	62,500	<b>242,500</b>
	<b>March 31, 2022 (Unaudited)</b>			
	<b><u>Members of boards of directors</u></b>	<b><u>Key management personnel and senior executives</u></b>	<b><u>Members of the committees emanating from the Board of Directors</u></b>	<b><u>Total</u></b>
Salaries and wages	-	695,514	-	<b>695,514</b>
Allowances	52,500	243,015	6,000	<b>301,515</b>
Bonus	180,000	-	62,500	<b>242,500</b>



**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY**  
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**(All amounts in Saudi Riyal unless otherwise stated)**

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**21- SIGNIFICANT EVENTS:**

The company submitted a file for approval to increase the company's capital by offering priority rights shares to the Capital Market Authority on August 9, 2022 G, through the financial advisor appointed for this purpose (Capital Brokerage), and the company announced this on the Saudi Stock Exchange website (Tadawul) on August 10, 2022 G, the approval of the Capital Market Authority has been received on November 29, 2022 G, The extraordinary general assembly was called for on April 13, 2023 G, but not convene due to lack of a quorum. The extraordinary general assembly was called for the third time on May 09, 2023 G , Which included the disapproval of company's capital increase .

**22- RECLASSIFICATION OF COMPARATIVE FIGURE**

Comparative figures have been reclassified to conform to the current period's presentation . This had no effect on group results .

**23- INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS APPROVAL**

The interim condensed consolidated Financial Statements have been approved by Board of Directors on May 9, 2023 G corresponding to Shawwal 20, 1444 H .