

SAUDI TOP FOR TRADING COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
TOGETHER
WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT**

SAUDI TOP 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
Saudi Top Trading Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed financial statements of Saudi Top for Trading Company (The "Company") - a Saudi Joint Stock Company which comprises the interim condensed statement of financial position as of 30 June 2023 and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended including a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope Of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Emphasis of matter – comparative information

We draw attention to note 19 of the accompanying interims condensed financial statements of the Company which indicates that the comparative information presented as at 31 December 2022 and for the six-month period ended 30 June 2022 has been restated. Our conclusion is not modified in respect of this matter.

Other matter related to comparative information

The interim condensed financial statements of the Company as of and for the six-month period ended 30 June 2022 were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed financial statements on 30 August 2022.

The financial statements of the Company as of and for the year ended 31 December 2022 were audited by the same another auditor who expressed a qualified opinion on those financial statements on 22 March 2023 related to the accounting treatment of costs amounted to SR 9.1 million incurred in relation to Company's listing on Nomu (Saudi Exchange's parallel equity market). Refer note 19 to the accompanying interim condensed financial statements.



الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

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P.O. Box 8736, Riyadh 11492
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To the shareholders of Saudi Top Trading Company (A Saudi Joint Stock Company)
As of 30 June 2023 - (continued)

Other matter related to comparative information (Continued)

As part of the review of the interim condensed financial statements as of and for the six month period ended 30 June 2023, we reviewed the adjustments described in note 19 that were applied to restate the comparative information presented for the six month period ended 30 June 2022 and as at 31 December 2022. We were not engaged to audit, review or apply any procedures to the interim condensed financial statements for the six month period ended 30 June 2022 or to the statement of financial position as at 31 December 2022, other than with respect to the adjustments described in note 19 to the accompanying interim condensed financial statements. Accordingly, we do not express an opinion, conclusion or other form of assurance on those respective interim condensed financial statements taken as a whole. However, in our conclusion, the adjustments described in note 19 are appropriate and have been properly applied.

For Dr. Mohamed Al-Amri & Co.

Maher Taha Alkhatieb
Certified Public Accountant
Registration No. 514

Date: 22 Muharram 1445 (H)
Corresponding to: 9 August 2023 (G)



SAUDI TOP FOR TRADING COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023
(Expressed in Saudi Riyals)

	Note	30 June 2023 (Unaudited)	31 December 2022 (Restated note 19)
Assets			
Non-current assets			
Property, plant and equipment	4	31,837,306	26,293,872
Right-of-use assets	5	12,380,093	7,511,948
Total non-current assets		44,217,399	33,805,820
Current assets			
Inventory		37,992,353	40,634,824
Trade and other receivables	6	19,655,803	16,225,666
Due from a shareholder	19	-	4,743,801
Cash and cash equivalents		19,845,139	34,166,771
Total current assets		77,493,295	95,771,062
Total assets		121,710,694	129,576,882
Equity and liabilities			
Equity			
Share capital		40,000,000	40,000,000
Statutory reserve		5,290,027	5,290,027
Retained earnings		28,880,380	40,124,090
Total equity		74,170,407	85,414,117
Liabilities			
Non-current liabilities			
Employees' benefits obligations	7	1,264,739	1,184,881
Lease liabilities	5	10,496,847	5,217,742
Total non-current liabilities		11,761,586	6,402,623
Current liabilities			
Trade and other payables	8	26,239,592	34,716,330
Lease liabilities	5	1,480,500	1,428,000
Short-term loans	9	7,482,165	-
Zakat provision	10	576,444	1,615,812
Total current liabilities		35,778,701	37,760,142
Total liabilities		47,540,287	44,162,765
Total equity and liabilities		121,710,694	129,576,882



Chairman

Mr. Abdullah Mohammed Al-Ajmi

CEO

Mr. Wail Majid AL-Jaaidi

Chief Financial Officer

Mr. EL-Sayed Marouf EL-Nagar

The accompanying notes from (1) to (21) form an integral part of these unaudited interim condensed financial statements.

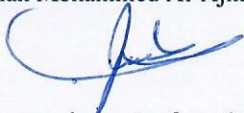
SAUDI TOP FOR TRADING COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**
(Expressed in Saudi Riyals)

		30 June 2023	30 June 2022
	Note	(Unaudited)	(Restated note 19) (Unaudited)
Revenue	11	67,655,164	105,795,004
Cost of revenue	12	(57,126,483)	(71,333,397)
Gross profit		10,528,681	34,461,607
Selling and distribution expenses	13	(4,641,139)	(8,286,799)
General and administrative expenses	14	(2,093,804)	(2,050,855)
Operating profit		3,793,738	24,123,953
Other income		106,889	92,800
Finance cost		(167,893)	(144,775)
Profit before Zakat		3,732,734	24,071,978
Zakat expense	10	(576,444)	(671,580)
Net profit for the period		3,156,290	23,400,398
Other comprehensive income		-	-
Total comprehensive income for the period		3,156,290	23,400,398
Earnings per share			
Basic and diluted earnings per share	15	0.79	5.85

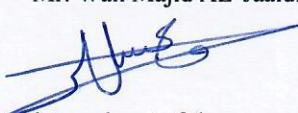
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Chief Financial Officer

Mr. EL-Sayed Marouf EL-Nagar



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Saudi Top for Trading Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023
(Expressed in Saudi Riyals)

	<u>Note</u>	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
For the six-months period ended 30 June 2023 (unaudited)					
Balance at 1 January 2023		40,000,000	5 290 027	40 124 090	85 414 117
Net profit for the period		-	-	3,156,290	3,156,290
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	3,156,290	3,156,290
Dividend	16	-	-	(14,400,000)	(14,400,000)
Balance at 30 June 2023		40,000,000	5,290,027	28,880,380	74,170,407
For the six-months period ended 30 June 2022 (unaudited and restated note 19)					
Balance at 1 January 2022		40,000,000	2,012,518	16,699,586	58,712,104
Net profit for the period - restated	19	-	-	23,400,398	23,400,398
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	23,400,398	23,400,398
Dividend	16	-	-	(6,000,000)	(6,000,000)
Balance at 30 June 2022 – restated		40,000,000	2,012,518	34,099,984	76,112,502

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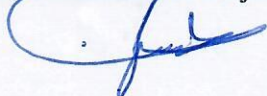
**INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

	30 June 2023	30 June 2022 Restated note 19
	(Unaudited)	(Unaudited)
<u>Cash flows from operating activities:</u>		
Net profit before Zakat	3,732,734	24,071,978
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	1,547,857	1,435,171
Depreciation on right-of-use assets	738,067	323,705
Provision for employees' benefits obligations	148,336	140,133
Finance cost	167,893	144,775
Gains on disposal of property, plant and equipment	-	(7,348)
	6,334,887	26,108,414
<u>Change in operating assets and liabilities</u>		
Inventory	2,642,471	(4,928,429)
Trade and other receivables	(3,430,137)	(568,981)
Due from a shareholder	4,743,801	-
Trade and other payables	(8,476,738)	(4,368,366)
Finance cost paid	-	(100,000)
Employees' benefits obligations paid	(68,478)	(148,904)
Zakat paid	(1,615,812)	(919,289)
	129,994	15,074,445
<u>Net cash generated from operating activities</u>		
<u>Cash flows from investing activities</u>		
Purchases of property, plant and equipment	(7,091,291)	(606,644)
Proceeds from disposal of property, plant and equipment	-	23,000
<u>Net cash (used in) investing activities</u>		
	(7,091,291)	(583,644)
<u>Cash flows from financing activities</u>		
Proceeds / (payment) of short-term loans	7,482,165	(2,579,658)
Repayment of term loans	-	(10,000,000)
Payment of lease liabilities	(442,500)	(250,000)
Dividend paid	(14,400,000)	(6,000,000)
	(7,360,335)	(18,829,658)
<u>Net cash (used in) / generated from financing activities</u>		
<u>Net change in cash and cash equivalents during the period</u>		
	(14,321,632)	(4,338,857)
Cash and cash equivalents at beginning of the period	34,166,771	25,795,443
<u>Cash and cash equivalents at end of the period</u>		
	19,845,139	21,456,586

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SAUDI TOP FOR TRADING COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

(Expressed in Saudi Riyals)

1. CORPORATE INFORMATION

Saudi Top for Trading Company is a Saudi Joint Stock Company (the “Company”), registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration number 1010237601 dated 23 Shawwal 1433H (corresponding to 10 September 2012). The Company is engaged in the activities of wholesale of primary plastic materials, rubber and synthetic fibers and sale of tools and plastic materials, including bags.

On 16 Jumada Al-Awwal 1443 H (corresponding to 20 December 2021), the Company was converted from a limited liability Company to a closed joint stock Company and the Company’s share capital was increased to SR 40,000,000, divided into 4,000,000 ordinary shares of SR 10 each, all of which are fully paid-up shares. The increase of SR 39,000,000 was fulfilled by Mr.: Abdullah Muhammad Obaid Al-Ajmi who provided a property at the fair market value of SR 9,957,839 according to the licensed and approved valuer’s report as in-kind share in the Company’s share capital. An amount of SR 29,042,161 was transferred from the retained earnings account as on 31 December 2020. The Company was registered in the joint stock companies’ registry under Ministerial Resolution No. (775) dated 16 Jumada Al-Awwal 1443 H (corresponding to 20 December 2021) and Ministerial Resolution No. (784) dated 19 Jumada Al-Awwal 1443 H (corresponding to 23 December 2021). The decision of the Board of the Capital Market Authority was issued on 30 Safar 1444 H ,(corresponding to 26 September 2022), approving the registration and offering of 880,000 shares representing 22% of the Company’s shares in the parallel market. Tadawul Saudi Arabia announced the listing and commencement of trading of the Company’s shares in the parallel (Nomu) as of 28 Jumada Al-Awwal 1444 H (corresponding to 22 December, 2022) and it was registered under No. 9552 in the Tadawul.

The company's fiscal year begins on January 1 and ends on December 31 of each calendar year.

The Head Office is located at the following address:
3886, Eastern Ring Road (New Al-Kharj Road)6199,
Al Noor district, Zip Code 14321 Riyadh, Kingdom
of Saudi Arabia

The Company has three branches as follows. The assets, liabilities and financial results of these branches are included in these interim condensed financial statements.

Branch	CR No.	Date of issue
Saudi Top Factory for the Production of Plastic Granules	1010241089	23 Dhual-Qa’dah 1428H
Saudi Top for Contracting Company	1010715191	23 Shawwal 1438H
Specialty polymers for plastics factory	1011143685	18 Muharram 1442H

2. BASIS OF PREPARATION

a. Statement of compliance

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

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and therefore, should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2022.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023
(Expressed in Saudi Riyals)

a. Statement of compliance (continued)

In addition, results for the interim period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

b. Basis of measurement

These interim condensed financial statements have been prepared on a historical cost and on accrual basis except for measurement of employees' benefits obligations that are measured at present value using projected unit credit method. The carrying amount of financial assets and financial liabilities are a reasonable approximation of their fair values as of 30 June 2023 and 31 December 2022.

c. Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyal ("SR") which is also the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICES, JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The significant judgments made by the management in applying the key sources of estimation uncertainty were the same as those described in the annual financial statements of the Company for the year ended 31 December 2022.

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2022, except for the following amendments which apply for the first time in 2023. However, not all are expected to impact the Company as these are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

The following new standards and amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors); and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes).

Impact of accounting standards to be applied in future periods

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning on or after 1 January 2024 that the Company has decided not to adopt early. The Company does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

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(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023
(Expressed in Saudi Riyals)

4. PROPERTY, PLANT, AND EQUIPMENT

	Motor vehicles	Furniture and office equipment	Plant and equipment	Tools and instruments	Buildings and buildings improvements	Capital work in progress	Total
<u>Cost</u>							
As at January 1, 2023 (Audited)	1,149,795	3,817,225	10,139,210	58,866	18,847,162	-	34,012,258
Additions during the period	77,501	44,295	828,352	-	6,000,000	141,143	7,091,291
Transferred from capital work in progress	-	-	-	-	141,143	(141,143)	-
As at 30 June 2023 (Unaudited)	1,227,296	3,861,520	10,967,562	58,866	24,988,305	-	41,103,549
<u>Accumulated depreciation</u>							
As at January 1, 2023 (Audited)	890,934	1,804,409	2,747,027	26,304	2,249,712	-	7,718,386
Depreciation during the period	71,512	281,639	507,280	2,954	684,472	-	1,547,857
As at 30 June 2023 (Unaudited)	962,446	2,086,048	3,254,307	29,258	2,934,184	-	9,266,243
<u>Net carrying amounts</u>							
30 June 2023 (Unaudited)	264,850	1,775,472	7,713,255	29,608	22,054,121	-	31,837,306
31 December 2022 (Audited)	258,861	2,012,816	7,392,183	32,562	16,597,450	-	26,293,872

The depreciation charge has been allocated as follows:

	<u>30 June 2023 (Unaudited)</u>	<u>30 June 2022 (Unaudited)</u>
Cost of sales (note 12)	1,172,328	597,305
Selling and distribution expenses (note 13)	67,255	71,304
General and administrative expenses (note 14)	308,274	766,562
	1,547,857	1,435,171

SAUDI TOP FOR TRADING COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

5. RIGHT OF USE ASSETS

The interim condensed statement of financial position shows the following amounts relating to right of use assets and leases:

	Right-of-use asset
Balance at 1 January 2022 (Audited)	1,776,984
Additions during the year	6,602,507
Adjustments during the year	(71,484)
Depreciation charge during the year	(796,059)
Balance at 31 December 2022 (Audited)	7,511,948
Additions during the period	5,606,212
Depreciation charge during the period	(738,067)
Balance at 30 June 2023 (Unaudited)	12,380,093
	Lease liability
Balance at 1 January 2022 (Audited)	1,520,822
Additions during the year	6,602,507
Adjustments during the year	(71,484)
Interest expense for the year	124,397
Less: lease payments during the year	(1,530,500)
Balance at 31 December 2022 (Audited)	6,645,742
Additions during the period	5,606,212
Interest expense for the period	167,893
Less: lease payments during the period	(442,500)
Balance as at 30 June 2023 (Unaudited)	11,977,347

Amounts recognized in the interim condensed statement of financial position:

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
Current portion of lease liabilities	1,480,500	1,428,000
Non-current portion of lease liabilities	10,496,847	5,217,742
Total lease liabilities	11,977,347	6,645,742

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

6. TRADE AND OTHER RECEIVABLES

	<u>30 June 2023</u>	<u>31 December 2022</u>
	(Unaudited)	(Audited)
Trade receivables	8,224,008	8,879,595
Less: Expected credit loss	(959,705)	(959,705)
Trade receivables, net	7,264,303	7,919,890
Advances to suppliers	6,801,664	5,166,647
Value added tax	2,158,155	672,860
Margin against LCs	2,000,000	2,000,000
Employees' advances	164,186	156,828
Others	1,267,495	309,441
	19,655,803	16,225,666

Movements in the expected credit loss allowance are as follows:

	<u>30 June 2023</u>	<u>31 December 2022</u>
	(Unaudited)	(Audited)
Balance at beginning of the period / year	959,705	702,197
Provided during the period / year	-	257,508
Balance at the end of the period / year	959,705	959,705

The aging analysis for trade receivable is as follows: -

	<u>30 June 2023</u>	<u>31 December 2022</u>
	(Unaudited)	(Audited)
Not past due	5,244,157	6,018,996
From 31 to 60 days	85,714	798,238
From 61 to 90 days	647,148	275,194
From 91 Days to 180 days	766,371	381,804
From 181 to 365 days	183,733	413,993
More than 365 days	1,296,885	991,370
	8,224,008	8,879,595

7. EMPLOYEES' BENEFITS OBLIGATIONS

Balance at 1 Jan 2022 (Audited)	918,088
Charge for the year	260,043
Remeasurement loss	73,074
Payments	(66,324)
Balance at 31 December 2022 (Audited)	1,184,881
Charge for the year	148,336
Payments	(68,478)
Balance at 30 June 2023 (Unaudited)	1,264,739

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

8. TRADE AND OTHER PAYABLES

	<u>30 June 2023</u>	<u>31 December 2022</u>
	(Unaudited)	Restated note 19 (Audited)
Trade payables (note 8.1)	23,059,849	25,782,828
Advances from customers	1,702,125	1,726,686
Sales commission	799,037	1,185,121
Vacations and air tickets	575,899	596,058
Accruals (note 19)	-	4,743,801
Others	102,682	681,836
	<u>26,239,592</u>	<u>34,716,330</u>

8.1 The balance of trade payables include a balance due to related party i.e, Yafel Plastic Factory Company amounted to SR 3,801,487 (December 31, 2022: SR 4,479,939 related to the purchase and operation process. (Note 18)

9. SHORT-TERM LOANS

	<u>30 June 2023</u>	<u>31 December 2022</u>
	(Unaudited)	(Audited)
Loans against letter of credits payments	7,482,165	-
	<u>7,482,165</u>	<u>-</u>

On 18 May 2023, the Company entered into Murabaha facilities agreement with a local bank with a total amount of SR 10 million to meet its working capital requirements. The said facilities are subject to financing cost at 5.29% per annum. The financing was classified under current liabilities due to the fact that it is due for repayment within 12 months.

10. ZAKAT**- Movement in Zakat provision**

	<u>30 June 2023</u>	<u>31 December 2022</u>
	(Unaudited)	(Audited)
Balance at beginning of the period / year	1,615,812	909,024
Zakat charge for the period / year	576,444	1,615,812
Prior year adjustments	-	10,265
Zakat paid during the period / year	(1,615,812)	(919,289)
Balance at end of the period / year	<u>576,444</u>	<u>1,615,812</u>

- Status of zakat

The Company has submitted its zakat and withholding tax returns for all years ended up to 31 December 2022 to the Zakat, Tax and Customs Authority (ZATCA) and obtained the final ZAKAT Certificates.

11. REVENUE

	<u>For the six-month period ended</u>	
	<u>30 June 2023</u>	<u>30 June 2022</u>
	(Unaudited)	(Unaudited)
Revenue from trading activities	16,293,078	19,595,949
Revenue from industrial activities	51,362,086	86,199,055
	<u>67,655,164</u>	<u>105,795,004</u>

All Company's revenue is recognized at a point of time

SAUDI TOP FOR TRADING COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

(Expressed in Saudi Riyals)

12. COST OF REVENUE

	For the six-month period ended	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
Cost of revenue from trading activities	14,333,111	14,156,877
Cost of revenue from industrial activities	42,793,372	57,176,520
	57,126,483	71,333,397

The break-up of cost of revenue is as follows:

	For the six-month period ended	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
Cost of raw materials	48,350,580	63,328,537
Transportation fees and shipping cost	2,555,637	2,445,310
Salaries and wages	2,165,079	1,698,515
Packing and packaging	505,404	1,392,099
Granulating, crushing and cleaning of materials	601,165	980,775
Depreciation of property, plant and equipment	1,172,328	597,305
Depreciation of right-of-use assets	548,914	122,684
Other	1,227,376	768,172
	57,127,483	71,333,397

13. SELLING AND DISTRIBUTION EXPENSES

	For the six-month period ended	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
Shipping expenses	2,426,142	5,458,949
Sales commissions	744,647	1,255,687
Salaries and wages	1,074,031	1,102,226
Depreciation of right-of-use assets	167,670	179,538
Depreciation of property, plant and equipment	67,255	71,304
Others	161,394	219,095
	4,641,139	8,286,799

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14. GENERAL AND ADMINISTRATIVE EXPENSES

	For the six-month period ended	
	30 June 2023	30 June 2022 Restated note 19
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	308,274	766,562
Salaries and wages	981,986	712,348
Electricity, water, telephone and mail	47,729	51,076
Consultants and professional charges	156,500	45,804
Business trips	37,757	36,463
Depreciation on right-of-use assets	21,483	21,483
Other	540,075	417,119
	2,093,804	2,050,855

15. EARNINGS PER SHARE

Basic earnings per share have been calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are the same as basic earnings per share, as the Company has no dilutive instruments.

	For the six-month period ended	
	30 June 2023	30 June 2022 Restated note 19
	(Unaudited)	(Unaudited)
Net profit for the period	3,156,290	23,400,398
Weighted average number of shares	4,000,000	4,000,000
Basic and diluted earnings per share	0.79	5.85

16. DIVIDEND

On Rajab 9, 1444 corresponding 31 Jan 2023, the shareholders in their Extraordinary General Assembly Meeting, approved Board of Directors' recommendation to distribute cash dividend amounted to SR 14,400,000 to the shareholders (except for one shareholder who waived his dividend) for the financial year 2022.

On 27 June 2022, the shareholders in their General Assembly Meeting, resolved to distribute cash dividend amounted to SR 6,000,000 to the shareholders.

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17. SEGMENT INFORMATION

The Company's activities are mainly represented in two sectors which are as follows:

Trading:

Trading is represented by the activities of wholesale of primary plastic materials, rubber and synthetic fibers, and sale of tools and plastic materials.

Industrial:

Industrial sector is represented mainly by semi-manufactured plastics, producing paraffin wax, manufacturing industrial candles, industrial thread, painting and coloring material and industrial solvents.

- A) Financial information for revenue and profits related to the sectors for the six-month period ended 30 June 2023 and 30 June 2022 is as follows:

As at 30 June 2023 (Unaudited)

	Trading	Industrial	Total
Revenue	16,293,078	51,362,086	67,655,164
Cost of revenue	(14,333,111)	(42,793,372)	(57,126,483)
Gross profit	1,959,967	8,568,714	10,528,681

As at 30 June 2022 (Unaudited)

	Trading	Industrial	Total
Revenue	19,595,949	86,199,055	105,795,004
Cost of revenue	(14,156,877)	(57,176,520)	(71,333,397)
Gross profit	5,439,072	29,022,535	34,461,607

- B) Financial information for assets and liabilities related to the sectors for the six-month period ended 30 June 2023 and for the year ended 31 December 2022 is as follows:

As at 30 June 2023 (Unaudited)

	Trading	Industrial	Total
Total assets	44,433,345	77,277,349	121,710,694
Total liabilities	17,729,036	29,811,251	47,540,287

As at 31 December 2022 (Audited and restated note 19)

	Trading	Industrial	Total
Total assets	60,130,780	69,446,102	129,576,882
Total liabilities	10,579,569	33,583,196	44,162,765

The results of all operating segments are reviewed regularly by the Company's management to take decisions on the allotted resources to segments, evaluate its performance, and ensure availability of specific financial resources for each segment.

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Geographic information

	For the six-month period ended	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
Indian Subcontinent (India, Pakistan, Bangladesh, Sri Lanka)	24,907,117	33,385,546
Europe	4,820,821	17,484,057
North Africa	7,474,007	15,147,300
Middle East (and Turkey)	9,054,786	10,084,941
Southeast Asia	4,065,089	5,573,067
China	1,040,266	2,930,686
Local sales – Kingdom of Saudi Arabia	16,293,078	19,595,949
Others	-	1,593,458
	67,655,164	105,795,004

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties represent purchases and payment of expenses on behalf made during the period / year between the Company and the subsidiaries of the shareholders as well as the shareholders. These transactions take place in the normal course of the Company's activity. Significant transactions with related parties and the resulting balances are as follows:

a) Related party transactions

Name	Nature of relationship	Nature of transactions	Amount of transactions	
			30 June 2023	30 June 2022
			(Unaudited)	(Unaudited)
Yafel Plastic Factory	A Company owned by shareholders	Transfers and payment	2,196,000	4,511,249
		Purchases and operation process	(1,517,549)	(3,930,043)
Mr. Abdullah Muhammad Al-Ajmi	Shareholder	Withdrawals, payments and salaries	-	(5,536,329)
		Salaries and Wages	-	-
Mrs. Nouf Munif Al-Qahtani	Shareholder	Withdrawals and payments	-	240,000
		Salaries and Wages	-	-
Mr. Muhammad Abdullah Al-Ajmi	Shareholder	Withdrawals and payments	-	240,000

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b). Due to related party balance is disclosed in note 8 to these interim condensed financial statements.

c) Transactions with key management personal

	<u>30 June 2023</u> (Unaudited)	<u>30 June 2022</u> (Unaudited)
Salaries and other benefits	713,668	512,425
Employees' benefits obligations	35,625	28,753
Remunerations of audit committee	-	6,250
	<u>749,293</u>	<u>547,428</u>

19. RESTATEMENT OF PRIOR YEAR / PERIOD FIGURES

As disclosed in note 1 to these interim condensed financial statements, the Company's shares got listed on Nomu (Saudi Exchange's parallel equity market) during the year 2022. The total amount of SR 9.1 million was incurred related to the process of offering / selling of part of existing shareholder's shares to the new shareholders in the market as well as listing of Company's shares on Nomu. The shareholders of the Company agreed to reimburse this cost pursuant to a separate agreement. The Company did not record any amount in its books of account till 31 December 2022.

In 2023, the management has carried out a detailed assessment of the said IPO cost in the light of IFRS requirements and clarification issued by the SOCPA. The said assessment has resulted in a restatement of the statement of financial position, statement of profit and loss and other comprehensive income and statement of cash flows in accordance with IAS (8) – "Accounting Policies, Change in Accounting Estimates and Errors". As a result of the said assessment, an amount of SR 45,000 incurred till 30 June 2022 related to listing of Company's shares in Nomu was recorded in the profit or loss for the period ended 30 June 2022 whereas an amount of SR 4,743,801 related to the selling cost / offering cost of shares payable by the Company on behalf of the shareholder as at 31 December 2022 was accrued against due from a shareholder. The said amount was reimbursed by the shareholder in 2023. These restatements are reflected below:

31 December 2022	<u>Previously reported</u>	Restatement	<u>Restated</u>
Statement of financial position			
Due from a shareholder	-	4,743,801	4,743,801
Trade and other payables	(29,972,529)	(4,743,801)	(34,716,330)
 30 June 2022	 <u>Previously reported</u>	 Restatement	 <u>Restated</u>
Interim condensed statement of profit or loss and other comprehensive income			
General and administrative expenses	(2,005,855)	(45,000)	(2,050,855)
Interim condensed statement of cash flows			
Net profit for the period before zakat	24,116,978	(45,000)	24,071,978
Trade and other receivables	(613,980)	45,000	(568,980)

Basic and diluted earnings per share for the six-month period ended 30 June 2022 has been decreased by SR 0.01 per share due to the said restatements.

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20. SUBSEQUENT EVENTS

The Board of Directors of the company, in its meeting held on Muharram 21, 1445 AH (corresponding to August 8, 2022 AD), approved the distribution of cash dividends to shareholders in the amount of 7,200,000 Saudi riyals, for 1,200,000 shares, with the exception of the shareholder Abdullah Muhammad Al-Ajmi, who waived his profits for the year 2023.

21. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorized for issue by the Board of Directors of the Company On Muharram 21, 1445 AH (corresponding to August 8, 2022 AD).
