



RSM

شركة ار اس ام المحاسبون المتحدون للإستشارات المهنية
RSM Allied Accountants Professional Services Co.

**AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)**

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

AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED IN 30 JUNE 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To: The shareholders
Agaseem Factory For Chmical And Plastic Industry
(Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Agaseem Factory For Chmical And Plastic Industry Company, a Saudi Joint Stock Company (the "Company")** as at 30 June 2023 and the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (34), "Interim Financial Reporting" that is 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 International Standard on Review Engagements (2410), "Review of interim condensed consolidated financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements 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, as 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.

Other Matter

The financial statements of the Company for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements dated 8 Ramadan 1444 H (corresponding to 30 Mar 2023). Also, the interim condensed financial information of the Company for the six-month period ended 30 June 2022 was reviewed by the same auditor, who issued an unmodified conclusion on that interim condensed financial information dated 13 Muharram 1444 H (corresponding to 11 Aug 2023).

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia.

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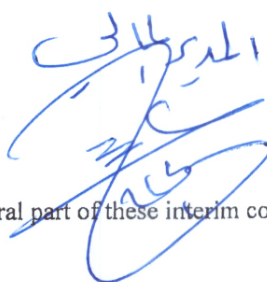
Mohammed Bin Farhan Bin Nader
License No. 435
Riyadh, Saudi Arabia
26 Muharram 1445 H (corresponding to 13 Aug 2023)



AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENCED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	30 Jun 2023 (Unaudited) SAR	31 Dec 2022 (Audited) SAR
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment, net	5	9,286,404	12,459,084
Right of use assets, net		1,696,505	2,182,338
Intangible Assets	6	6,000,000	6,000,000
TOTAL NON-CURRENT ASSETS		16,982,909	20,641,422
CURRENT ASSETS			
Inventories, net	7	16,445,917	16,578,887
Accounts receivable, prepayments and other assets, net	8	74,745,100	51,582,915
Due from related parties	9	4,515,762	2,823,879
Cash and cash equivalents		5,147,432	5,528,367
TOTAL CURRENT ASSETS		100,854,211	76,514,048
TOTAL ASSETS		117,837,120	97,155,470
EQUITY AND LIABILITIES			
EQUITY			
Capital	1	25,000,000	25,000,000
Statutory Reserve	10	2,230,947	2,230,947
Reserve for re-measurement of employee benefits		(191,104)	(191,104)
Retained Earnings		24,500,474	18,728,532
TOTAL EQUITY		51,540,317	45,768,375
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term loan - non-current	12	-	1,411,331
Lease liabilities - non-current		1,008,948	1,723,784
Sukuk Ijara - non-current	11	6,930,000	-
Employees benefits liabilities		1,650,707	1,470,393
TOTAL NON-CURRENT LIABILITIES		9,589,655	4,605,507
CURRENT LIABILITIES			
Accounts payable, accruals and other liabilities	14	35,956,902	33,352,266
Short-term murabaha	13	4,502,262	6,740,006
Long term loan - current portion	12	11,453,830	3,975,229
Lease liabilities - current portion		1,218,144	1,704,562
Sukuk Ijara -current	11	3,070,000	-
Zakat provision	15	506,010	1,009,525
TOTAL CURRENT LIABILITIES		56,707,148	46,781,588
TOTAL LIABILITIES		66,296,803	51,387,095
TOTAL EQUITY AND LIABILITIES		117,837,120	97,155,470

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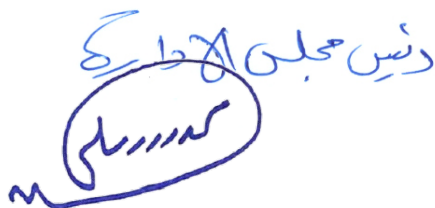

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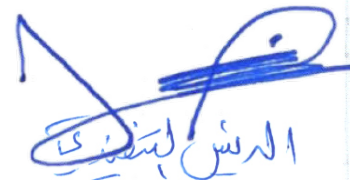

The accompanying notes from (1) to (22) are an integral part of these interim condensed consolidated financial statements.

AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENCED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED IN 30 JUNE 2023

	Note	30 Jun 2023 (Unaudited) SAR	30 Jun 2022 (Unaudited) SAR
Sales		74,619,698	61,237,374
Cost of sales		(56,810,416)	(48,972,699)
GROSS PROFIT		17,809,282	12,264,675
Selling and marketing expenses		(7,516,677)	(7,252,338)
General and administrative expenses		(3,344,991)	(2,291,243)
OPERATING PROFIT		6,947,614	2,721,094
Finance costs		(733,563)	(540,767)
Amortization of the right to use the assets		(485,832)	(482,156)
Other income		523,765	386,821
NET PROFIT BEFORE ZAKAT		6,251,984	2,084,992
Zakat	15	(480,042)	(372,471)
NET PROFIT FOR THE PERIOD		5,771,942	1,712,521
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		5,771,942	1,712,521
EARNINGS PER SHARE	16		
Basic and diluted earnings per share		2.3	0.69

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دیس مجلس الإدارة


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The accompanying notes from (1) to (22) are an integral part of these interim condensed consolidated financial statements.

AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENCED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED IN 30 JUNE 2023

	Capital SAR	Statutory Reserve SAR	Retained Earnings SAR	Reserve for re- measuremen t of employee benefits SAR	Total Equity SAR
Balance as at 1 Jan 2022 (Audited)					
Proceed to Increase capital	25,000,000	1,628,973	13,310,761	-	39,939,734
Net profit for the period	-	-	1,712,521	-	1,712,521
Balance as at 30 Jun 2022 (Unaudited)	<u>25,000,000</u>	<u>1,628,973</u>	<u>15,023,282</u>	<u>-</u>	<u>41,652,255</u>
Balance as at 1 Jan 2023 (Audited)	25,000,000	2,230,947	18,728,532	(191,104)	45,768,375
Net profit for the period	-	-	5,771,942	-	5,771,942
Balance as at 30 Jun 2023 (Unaudited)	<u>25,000,000</u>	<u>2,230,947</u>	<u>24,500,474</u>	<u>(191,104)</u>	<u>51,540,317</u>

رئيس مجلس الادارة


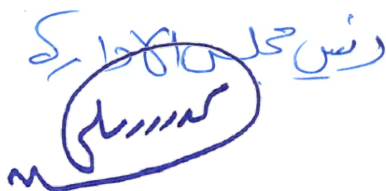
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The accompanying notes from (1) to (22) are an integral part of these interim condensed consolidated financial statements.

AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENCED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED IN 30 JUNE 2023

	30 Jun 2023 (Unaudited) SAR	30 Jun 2022 (Unaudited) SAR
OPERATING ACTIVITIES		
Profit for period before zakat	6,251,984	2,084,992
Adjustments to reconcile profit before zakat:		
Depreciation of property, plant and equipment	906,386	946,035
Right of use asset depreciation	485,832	482,156
Employee benefits	180,314	(68,035)
Finance costs	-	71,726
	<u>7,824,516</u>	<u>3,516,874</u>
Changes at Assets and liabilities		
Inventories	132,970	(1,562,486)
Accounts receivable, prepayments and other assets	(23,162,185)	(2,783,865)
Due from related parties	(1,691,883)	(2,823,879)
Accounts payable, accruals and other liabilities	2,604,636	6,976,971
Employee benefits liabilities paid	-	-
Cash generated / (used in) from operations	<u>(14,291,946)</u>	<u>3,323,615</u>
Zakat Paid	(983,557)	(691,626)
Net cash generated / (used in) from operating activities	<u>(15,275,503)</u>	<u>2,631,989</u>
INVESTING ACTIVITIES		
Acquisition and transfers of property, plant and equipment	(484,061)	(484,671)
Change in Assets under construction	2,750,355	(142,286)
Net cash (used in) / generated from investing activities	<u>2,266,294</u>	<u>(626,957)</u>
FINANCING ACTIVITIES		
Received from Sukuk loan	10,000,000	-
Change in loans	3,829,526	(2,744,522)
Payments of lease liabilities	(1,201,252)	(646,551)
Net cash generated from / (used in) financing activities	<u>12,628,274</u>	<u>(3,391,073)</u>
Net change in cash and cash equivalents	<u>(380,935)</u>	<u>(1,386,041)</u>
Cash and cash equivalents at the beginning of the period	<u>5,528,367</u>	<u>3,241,315</u>
Cash and cash equivalents at the end of the period	<u>5,147,432</u>	<u>1,855,274</u>

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The accompanying notes from (1) to (22) are an integral part of these interim condensed consolidated financial statements.

AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENCED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED IN 30 JUNE 2023

1-COMPOSITION AND ACTIVITY:

A- Agasim Factory for the manufacture of chemicals and plastics a (Saudi joint stock company) "the Company" - conducts its business under Commercial No. 1010264660 dated Rabi' al-Awwal 24, 1430 AH corresponding to March 31, 2009, registered in the city of Riyadh, activity activityThe company is in the production of lubricating oils for equipment and engines, HIDOR 225 oils, greases, oils, plastic packages, disinfectants and sterilizers.Chemical solutions, battery acid, solvents, transmission oils, asphalt citric acid lubricants, oils, cutters, medical cleaners Industrial License No. 3325 dated 4/17/1433 corresponding to 3/10/2012.

B- On the date of Ramadan 10, 1443, corresponding to April 11, 2022, the company obtained the approval of the Capital Market Authority to list its shares in the parallel market (Nomu) in accordance with the decision of the Authority's Board dated 18 Shaban 1443, corresponding to March 21, 2022, which included approval of the company's request to register its shares for the purpose of direct listing in the parallel market (Nomu).

C- The company's capital amounted 25,000,000 distributed over 2,500,000 shares, with a nominal value of 10 Saudi riyals each share, as of June 30, 2023 (25,000,000 Saudi Riyals as of December 31, 2022).

D- financial shares on the main center accounts and branch accountsthe company has branches and records as follows:

Branch	Commercial Registration No.	Release Date	Release city
Aqaseem Trading	1010439473	18/02/1437	Riyadh

2- BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements ("Interim Financial Statements") have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA"), and should be read in conjunction with the Company's last annual financial statements as at and for the year ended 31 December 2022 ("Last Annual Financial Statements"). They do not include all of the information required for a complete set of IFRS financial statements.

2.2 Preparation of interim condensed consolidated financial statements

The interim condensed consolidated financial statements have been prepared on a historical cost convention except when IFRS requires the use of another measurement basis, as indicated in the applied accounting policies (Note 4), and in accordance with the accrual principle and going concern.

2.3 Functional and presentation currency

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

3- NEW AND REVISED STANDARDS ON THE CONDENSED INTERIM FINANCHEAL STATEMENTS:

3-1 New Standards

these amendments did not have an impact on the condensed interim financial statement of the Company.

3-2 New Companies Law

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023). Management is currently assessing the impact of new Companies regulations.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended 31 December 2022.

AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENCED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED IN 30 JUNE 2023

5- PROPERTY, PLANT AND EQUIPMENT, NET

	<u>Buildings</u>	<u>Furniture and fixtures</u>	<u>Cars*</u>	<u>Machinery and Equipment</u>	<u>Electrical devices</u>	<u>capital works Under implementation</u>	<u>Total</u>
Cost							
At 1 January 2023	5,329,863	415,628	6,791,410	6,146,599	1,076,080	-	19,759,580
Additions	7,826	13,071	299,217	86,324	77,623	-	484,061
At 30 Jun 2023	5,337,689	428,699	7,090,627	6,232,923	1,153,703	-	20,243,641
At 1 January 2023	2,032,845	225,406	4,495,146	2,474,782	822,672	-	10,050,851
Charged on the period *	132,321	38,047	369,943	306,492	59,583	-	906,386
At 30 Jun 2023	2,165,166	263,453	4,865,089	2,781,274	882,255	-	10,957,237
Net book value							
At 30 Jun 2023	3,172,523	165,246	2,225,538	3,451,649	271,448	-	9,286,404
	<u>Buildings</u>	<u>Furniture and fixtures</u>	<u>Cars*</u>	<u>Machinery and Equipment</u>	<u>Electrical devices</u>	<u>capital works Under implementation</u>	<u>Total</u>
At 1 Jan 2022	5,302,823	397,688	5,490,751	6,039,904	987,529	2,454,591	20,672,986
Charged on the year *	27,040	17,940	1,400,459	106,695	88,551	295,764	1,936,449
Disposals	-	-	(99,500)	-	-	-	(99,500)
At 31 Dec 2022	5,329,863	415,628	6,791,710	6,146,599	1,076,080	2,750,355	22,509,935
At 1 Jan 2022	1,761,799	148,795	3,795,762	1,867,003	693,931	-	8,267,290
Additions	271,046	76,611	798,884	607,779	128,741	-	1,883,061
Disposal	-	-	(99,500)	-	-	-	(99,500)
At 31 Dec 2022	2,032,845	225,406	4,495,146	2,474,782	822,672	-	10,050,851
Net book value							
At 31 Dec 2022	3,297,018	190,222	2,296,264	3,671,817	253,408	2,750,355	12,459,084

* The cars item includes rented cars ending in ownership at a cost of 2,637,359 Saudi riyals.

* Depreciation was distributed is as follows:

	<u>30 Jun 2023</u> <u>(Unaudited)</u> <u>SAR</u>	<u>31 Dec 2022</u> <u>(Audited)</u> <u>SAR</u>
Sales cost	519,215	988,817
Selling and marketing expenses	271,616	699,087
General and administrative expenses	115,555	195,157
	<u>906,386</u>	<u>1,883,061</u>

AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENCED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED IN 30 JUNE 2023

6- Intingiable asstes

	30 Jun 2023 (Unaudited) SAR	31 Dec 2022 (Audited) SAR
Goodwill	<u>6,000,000</u>	<u>6,000,000</u>
	<u>6,000,000</u>	<u>6,000,000</u>

On January 31, 2014, the partner / Mohammed bin Mishnan bin Sulaiman Al-Dosari and the partner / Faisal bin Hatim Al-Zahrani acquired all the assets and liabilities of Agasim Factory for the manufacture of chemicals and plastics for SAR 16 million, where a goodwill resulting from the acquisition of SAR 6 million was recorded against of the location and name of the acquired company. On August 23, 2014, the above-mentioned partners established Agasim Factory for the manufacture of chemicals and plastics (limited liability company) and during 2017, it was merged with the company, where Agasim Factory for the manufacture of chemicals and plastics became a branch of the company. Determining whether goodwill has impairment requires an estimate of the refunds of goodwill-related cash generating units. to assess the impact of impairment of goodwill as at 31 December 2022. the company engaged with evaluation consultant, who issued its report on December 31, 2022, and considering that the company as a single cash generating unit, where the consultant applied the valuation approach using the use value of the impairment in goodwill based on the detailed five-year business plan, and the consultant estimated the expected cash flows from non-current assets as cash-generating units, where cash flows were estimated based on estimated budget events, and forecasts approved by management, and for periods exceeding the specified forecasts, Estimate cash flows by inference by applying a fixed growth rate that does not exceed the average short-term growth rate of the previous three years for the company. the consultant used 5% as the rate of development of the company's cash flows during the baseline forecast period (the first five years of the financial forecast). according this study, the redemption value of the acquired company's goodwill-related assets on the date of its last measurement as at December 31, 2022 is greater than the book value of goodwill at the reporting date, and accordingly the company did not recognize any impairment losses to goodwill until the date of the report.

7- INVENTORIES, NET

	30 Jun 2023 (Unaudited) SAR	31 Dec 2022 (Audited) SAR
full production	<u>10,471,029</u>	12,398,403
Raw materials	<u>3,942,560</u>	3,028,304
In-progress stock	<u>1,698,391</u>	1,028,451
Consumables	<u>316,342</u>	123,729
Customer gift stock	<u>17,595</u>	-
Total	<u>16,445,917</u>	<u>16,578,887</u>

8- ACCOUNTS RECEIVABLE, PREPAID EXPENSES AND OTHER ASSETS, NET

	30 Jun 2023 (Unaudited) SAR	31 Dec 2022 (Audited) SAR
Trade Receivable	<u>44,956,178</u>	30,213,668
Provision for expected credit losses	<u>(2,233,452)</u>	(2,233,452)
Trade Receivable net	<u>42,722,726</u>	27,980,216
Principal payments for the purchase of assets	<u>12,343,320</u>	-
Advances to employees	<u>9,492,905</u>	9,587,594
Prepayments	<u>5,130,458</u>	739,779
Advances to suppliers	<u>3,942,665</u>	11,645,250
Documentary Credits	<u>682,500</u>	1,069,639
Checks under collection	<u>303,000</u>	-
Miscellaneous debtors	<u>106,082</u>	222,154
Others	<u>21,444</u>	338,283
Total	<u>74,745,100</u>	<u>51,582,915</u>

The ppprincipal payments for the purchase of assets are an amount paid against an agreement to acquire the assets of Al-Awal Oil Manufacturing LLC in the Emirate of Ajman, United Arab Emirates.

AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENCED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED IN 30 JUNE 2023

9- RELATED PARTY TRANSACTIONS

THE BALANCES DUE FROM RELATED PARTY IS AS FOLLOWS:

	30 Jun 2023 (Unaudited) SAR	31 Dec 2022 (Audited) SAR
LeaderXpress Company	<u>4,515,762</u>	<u>2,823,879</u>
	<u>4,515,762</u>	<u>2,823,879</u>

10- STATUTORY RESERVES

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to transfer 10% of the net income for the year to a statutory reserve until it equals 30% of its share capital. This reserve is not available for distribution as dividends to stockholders.

11- SUKUK IJARAH

	30 Jun 2023 (Unaudited) SAR	31 Dec 2022 (Audited) SAR
Long term loans - non-current	<u>6,930,000</u>	<u>-</u>
Long-term loans - current	<u>3,070,000</u>	<u>-</u>
	<u>10,000,000</u>	<u>-</u>

A- The balance of sukuk Ijarah as of 30 June 2023 amounted to **10,000,000** Saudi riyals (December 31, 2022, nothing in Saudi riyals).

B- During the years 2023, the company established an entity that it fully owned under the name of “Murabaha Sukuk 3893-2305”, which is an entity with a special purpose. Its business is managed through a trustee (Sukuk Capital Company “Limited Liability Company”) whereby the company obtained a permit to do so from the Authority CMA according to Decision No. (4-123-2017) under the rules governing special-purpose establishments issued by the Board of CMA

The purpose of which is to obtain financing through the issuance of debt instruments “Ijarah sukuk”, issuance of shares for the purpose of incorporation of these the shares are in the name of the trustee of the company (Sukuk Capital Company). The entity was established and its shares of 1,000 shares were registered without a nominal value of share. The trustee is not considered is an owner of it and is not allowed to dispose of it and/or change the structure of the establishment except after the Authority’s approval of that. The fiscal year of the establishment begins with the date of the record prepared by Authority and ends on 31 December 2023

C- The promissory note was signed as a guarantee to trustee (Sukuk Capital Company a limited liability company) that organized the issuance of Sukuk Ijarah with a value of **11,500,000** Saudi riyals.

12-LONG TERM LOANS

LONG TERM LOAN BALANCES IS AS FOLLOWS:

	30 Jun 2023 (Unaudited) SAR	31 Dec 2022 (Audited) SAR
Long term loans - current	<u>11,453,830</u>	<u>3,975,229</u>
Long-term loans - non- current	<u>-</u>	<u>1,411,331</u>
	<u>11,453,830</u>	<u>5,386,560</u>

A- In the year 2021, the company signed an agreement with Ajel Financial Services Company, for the purpose of financing the sale and purchase of securitization commodities in the amount of 10 million riyals. This agreement expires in April 2024.

B- In the year 2023, the company signed an agreement with Al-Rajhi Bank, for the purpose of financing the sale and purchase of commodities for an amount of 7.8 million riyals. The agreement is in May 2024.

AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENCED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED IN 30 JUNE 2023

13- SHORT-TERM MURABAHA FINANCING

	30 Jun 2023 (Unaudited) SAR	31 Dec 2022 (Audited) SAR
Short-term Murabaha financing	<u>4,502,262</u>	<u>6,740,006</u>
	<u>4,502,262</u>	<u>6,740,006</u>

The item of Islamic Murabaha financing granted to the company by local commercial banks is represented by a maximum amount of 30 million riyals for financing various operations.

14- ACCOUNTS PAYABLE, ACCRUALS AND OTHER LIABILITIES

	30 Jun 2023 (Unaudited) SAR	31 Dec 2022 (Audited) SAR
Trade Payables	<u>29,545,317</u>	<u>30,058,797</u>
Accrued financing expenses	<u>4,461,281</u>	-
advance Payments to costumers	<u>1,061,573</u>	<u>1,240,619</u>
Payable employees	<u>289,113</u>	<u>492,326</u>
Accrued expenses	<u>166,281</u>	<u>869,955</u>
VAT	<u>141,849</u>	<u>440,952</u>
Other	<u>291,488</u>	<u>249,617</u>
	<u>35,956,902</u>	<u>33,352,266</u>

15 -ZAKAT PROVISION :

	30 Jun 2023 (Unaudited) SAR	31 Dec 2022 (Audited) SAR
Opening balance	<u>1,009,525</u>	<u>714,382</u>
component during the period	<u>480,042</u>	<u>986,769</u>
payer	<u>(983,557)</u>	<u>(691,626)</u>
balance	<u>506,010</u>	<u>1,009,525</u>

16- EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the income attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period 2,500,000 shares as of 30 June 2023 (2,500,000 shares as of 30 June 2022)

AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)
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17- FINANCIAL RISK MANAGEMENT

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company also monitors the levels of expected cash inflows on trade and other receivables together with the expected cash outflows on trade and other payables.

A- The following is a statement of the maturity of assets and liabilities as of 30 June 2023 (unaudited):

	3 months or less SAR	More than 3 months to a year SAR	More than a year to 10 years SAR	It is no history specific maturity SAR	Total
30 June 2023 AD (non-reviewed)					
Due from related parties	-	4,515,762	-	-	4,515,762
Total	-	4,515,762	-	-	4,515,762
liabilities					
Due to related parties	-	-	-	-	
leasing obligations	-	1,218,144	1,008,948		2,227,092
Employee benefit obligations	-	-	-	1,650,707	1,650,707
Accounts payable, accrued expenses and other liabilities	-	35,956,902	-	-	35,956,902
Long term loans	-	11,453,830	-	-	11,453,830
Sukuk Ijara -current	-	3,070,000	6,930,000		10,000,000
Murabaha financing	-	4,502,262	-	-	4,502,262
Zakat allowance	-	506,010	-	-	506,010
Total	-	56,707,148	7,938,948	1,650,707	66,296,803

B- The following is a statement of the maturity of assets and liabilities as of December 31, 2022 (audited):

	3 months or less SAR	More than 3 months to a year SAR	More than a year to 10 years SAR	It is no history specific maturity SAR	Total
liabilities					
leasing obligations	-	1,704,562	1,723,784	-	3,428,345
Employee benefit obligations	-	-	-	1,470,393	1,470,393
Long term loans	-	3,975,229	1,411,331		5,386,560
Murabaha financing	-	6,740,006	-	-	6,740,006
Accounts payable, accrued expenses and other liabilities	-	33,352,266		-	33,352,266
Zakat allowance	1,009,526	-	-	-	1,009,526
Total	1,009,526	45,772,062	3,135,115	1,470,393	51,387,096

AGASEEM FACTORY FOR CHMICAL AND PLASTIC INDUSTRY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENCED FINANCIAL STATEMENTS
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17- FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK

Credit risk in the non-compliance of one of the parties to the contracts of financial instruments to fulfill its contractual agreements, which leads to the company incurring financial losses.

The Company does not assume credit risk on the control of cash at banks and due from a related party as follows:

	<u>June 30,2023</u>	<u>December 31,2022</u>
Cash in banks	1,763,032	3,368,669
Receivables	44,956,178	30,213,668
	<u>46,719,210</u>	<u>33,582,337</u>

CURRENCY RISK

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to fluctuations in foreign exchange rates during its normal course of business, as it did not have any transactions in currencies other than the Saudi Riyal during the Period.

FAIR VALUE

Fair value is amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. Financial instruments consist of financial assets and financial liabilities. The management believes the fair value of the financial assets and liabilities of the Establishment approximate their carrying amounts at the reporting date.

18- TRANSACTION WITH COMPANY'S SENIOR EXECUTIVES

The company's senior executives and board members and senior's management of the company, whereby they are considered persons those who exercise authority and responsibility in planning, managing and controlling the activities of the company, directly or indirectly.

THE TRANSACTIONS IS AS FOLLOWS:

	<u>volume of transaction</u>		<u>The nature of the transaction</u>
	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>	
	<u>(unaudited)</u>	<u>(unaudited)</u>	
	<u>SAR</u>	<u>SAR</u>	
Senior management personnel and senior executive management	<u>1,242,000</u>	<u>868,500</u>	Salaries and other allowances

19- COMPARATVE

Some comparative year figures have been reclassified and classified to match the numbers for the current year.

20-GENERAL

The amounts in these financial statements are rounded to the nearest Saudi Riyal.

21- APPROVING THE FINANCIAL STATEMENTS

The condensed interim financial statements were approved by the Board of Directors on 26 Muharram 1445H (corresponding to 13 Aug 2023).

22- SUBSEQUENT EVENTS

There were no other significant events subsequent to 30 Jun 2023 that are expected to have a significant impact on these condensed interim financial statements as at 30 Jun 2023.