

**ARABIAN PLASTIC INDUSTRIAL COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL
STATEMENTS (UNAUDITED)**

**FOR THE SIX-MONTHS
PERIOD ENDED 30 JUNE 2024 AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

ARABIAN PLASTIC INDUSTRIAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT (UNAUDITED)
For the six months period ended 30 June 2024

| <i>Content</i> | Page No. |
|--|-----------------|
| Independent auditor's review report | 2 |
| Interim condensed statement of financial position | 4 |
| Interim condensed statement of profit or loss and other comprehensive income | 3 |
| Interim condensed statement of changes in equity | 5 |
| Interim condensed statement of cash flows | 6 |
| Notes to interim condensed financial statements | 7-13 |

INDEPENDENT AUDITOR'S REVIEW REPORT

**TO THE SHAREHOLDERS OF
ARABIAN PLASTIC INDUSTRIAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
Jeddah - Kingdom of Saudi Arabia**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Arabian Plastic Industrial Company - A Saudi Joint Stock Company - ("the Company") , as at 30 June 2024, and the related interim condensed statement of profit or loss and other comprehensive income for the six months period ended, interim condensed statements of changes in equity and cash flows for the six months period then ended 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"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily to the 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements not prepared, in all material respects, in accordance with International Accounting Standards (IAS) 34, that is endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.


Maher Al-Khatieb
Certified Public Accountant
License Number 514



22/08/2024(G)
18/02/1446(H)

ARABIAN PLASTIC INDUSTRIAL COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(Expressed in saudi riyals)

| | Note | As at 30 June 2024 (Unaudited) | As at 31 December 2023 (Audited) |
|---|------|--------------------------------------|--|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant, and equipment | 6 | 100,257,707 | 83,185,132 |
| Right of use assets | | 1,990,455 | 2,168,222 |
| TOTAL NON-CURRENT ASSETS | | 102,248,162 | 85,353,354 |
| CURRENT ASSETS | | | |
| Trade receivables | 7 | 48,667,339 | 47,454,547 |
| Other current assets | | 8,504,280 | 13,398,114 |
| Due from related parties | 9-2 | 1,014,277 | 176,398 |
| Inventory | | 39,946,984 | 48,704,230 |
| Cash and cash equivalent | | 5,792,993 | 1,788,424 |
| TOTAL CURRENT ASSETS | | 103,925,873 | 111,521,713 |
| TOTAL ASSETS | | 206,174,035 | 196,875,067 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 1 | 50,000,000 | 50,000,000 |
| Statutory reserve | | 7,338,799 | 7,338,799 |
| Additional capital | | 385,957 | 385,957 |
| Retained earnings | | 43,566,896 | 38,264,280 |
| TOTAL EQUITY | | 101,291,652 | 95,989,036 |
| NON-CURRENT LIABILITIES | | | |
| Lease liability - non current portion | | 2,182,273 | 1,469,182 |
| Employees defined benefits' obligations | | 3,772,907 | 3,878,713 |
| TOTAL NON-CURRENT LIABILITIES | | 5,955,180 | 5,347,895 |
| CURRENT LIABILITIES | | | |
| Loan | 8 | 71,887,398 | 55,246,507 |
| Lease liability - current portion | | 203,101 | 857,684 |
| Trade payables | | 21,870,264 | 18,347,073 |
| Due to related parties | 9-1 | 755,884 | 15,971,863 |
| Other current liabilities | | 3,228,981 | 3,898,333 |
| Zakat | 10 | 981,575 | 1,216,676 |
| TOTAL CURRENT LIABILITIES | | 98,927,203 | 95,538,136 |
| TOTAL LIABILITIES | | 104,882,383 | 100,886,031 |
| TOTAL EQUITY AND LIABILITIES | | 206,174,035 | 196,875,067 |

Member of board of director

Chief Executive Officer

Financial Manager

N/Mh

The attached notes from (1) to (16) form an integral part of these interim condensed financial statements.

ARABIAN PLASTIC INDUSTRIAL COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(Expressed in saudi riyals)

| | Note | For the six-months period ended 30 June | |
|--|------|---|---------------------|
| | | 2024 (Unaudited) | 2023 (Unaudited) |
| Revenue | 5 | 86,424,838 | 82,468,957 |
| Cost of revenue | | (71,712,034) | (68,157,846) |
| GROSS PROFIT | | 14,712,804 | 14,311,111 |
| Selling and distribution expenses | | (4,716,314) | (4,224,248) |
| General and administrative expenses | | (2,544,717) | (1,930,462) |
| profit from Operating | | 7,451,773 | 8,156,401 |
| Expected credit losses | | (300,000) | (220,000) |
| Finance expenses | | (1,627,713) | (1,082,111) |
| Other income | | 84,556 | 179,410 |
| Net Profit before Zakat | | 5,608,616 | 7,033,700 |
| Zakat expenses | 10 | (306,000) | (520,140) |
| NET PROFIT FOR THE PERIOD | | 5,302,616 | 6,513,560 |
| ITEMS OF OTHER COMPREHENSIVE INCOME: | | | |
| <i>Items that will not be reclassified as profit or loss in subsequent periods</i> | | | |
| Total other comprehensive income | | - | - |
| TOTAL COMPREHENSIVE INCOME | | 5,302,616 | 6,513,560 |
| Basic and diluted earnings per share | 11 | 1.06 | 1.30 |

Member of board of director

Chief Executive Officer

Financial Manager

NMh

The attached notes from (1) to (16) form an integral part of these interim condensed financial statements.

ARABIAN PLASTIC INDUSTRIAL COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
(Expressed in saudi riyals)

| | Share capital | Statutory reserve | Additional capital | Retained earnings | Total Equity |
|--|-------------------|-------------------|--------------------|-------------------|--------------------|
| Balance at 1 January 2023 (Audited) | 50,000,000 | 6,035,722 | 385,957 | 26,168,028 | 82,589,707 |
| Net profit for the period | - | - | - | 6,513,560 | 6,513,560 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 6,513,560 | 6,513,560 |
| Balance at 30 June 2023 (Unaudited) | 50,000,000 | 6,035,722 | 385,957 | 32,681,588 | 89,103,267 |
| Balance at 1 January 2024 (Audited) | 50,000,000 | 7,338,799 | 385,957 | 38,264,280 | 95,989,036 |
| Net profit for the period | - | - | - | 5,302,616 | 5,302,616 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 5,302,616 | 5,302,616 |
| Balance at 30 June 2024 (Unaudited) | 50,000,000 | 7,338,799 | 385,957 | 43,566,896 | 101,291,652 |



Member of board of director



Chief Executive Officer



Financial Manager

NMh

The attached notes from (1) to (16) form an integral part of these interim condensed financial statements.

ARABIAN PLASTIC INDUSTRIAL COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
(Expressed in saudi riyals)

| | For the six-months period ended 30 June | |
|--|---|---------------------|
| | 2024 (Unaudited) | 2023 (Unaudited) |
| OPERATING ACTIVITIES | | |
| Net Profit before zakat for the period | 5,608,616 | 7,033,700 |
| Adjustments to reconcile operating income: | | |
| Depreciation of property, plant and equipment | 4,997,581 | 4,574,327 |
| Amortization on right-of-use assets | 177,767 | 244,956 |
| Expected credit losses | 300,000 | 220,000 |
| Provision for employees' benefits obligations | 360,000 | 360,047 |
| Impairment of inventory provision | 261,000 | 170,000 |
| Finance expenses | 1,627,713 | 1,082,111 |
| | 13,332,677 | 13,685,141 |
| CHANGES IN OPERATING ASSETS AND LIABILITIES | | |
| Trade receivables | (1,512,791) | (3,131,012) |
| Other current assets | 4,893,834 | (705,196) |
| Inventory | 8,496,246 | 1,605,134 |
| Due from related parties | (837,879) | 88,907 |
| Trade payables | 3,523,191 | (2,976,815) |
| Other current liabilities | (669,352) | 70,016 |
| Due to related parties | (15,215,979) | (5,339,398) |
| | 12,009,947 | 3,296,777 |
| Employees' benefits paid | (465,807) | (166,142) |
| Zakat paid | (541,101) | (569,378) |
| Financing expense paid | (1,627,713) | (1,082,111) |
| Net cash generated from operating activities | 9,375,326 | 1,479,146 |
| INVESTING ACTIVITIE | | |
| Additions of projects under construction | (11,800,417) | (1,769,550) |
| Additions of Purchase of property, plant, and equipment | (10,269,739) | (143,822) |
| Net cash used in investing activities | (22,070,156) | (1,913,372) |
| FINANCING ACTIVITIES | | |
| Payments for lease liabilities | 58,508 | (381,804) |
| Net changes in loan | 16,640,891 | 1,590,980 |
| Net cash generated from financing activities | 16,699,399 | 1,209,176 |
| NET CHANGE IN CASH AND CASH EQUIVALENT | 4,004,569 | 774,950 |
| Cash and cash equivalent at the beginning of the period | 1,788,424 | 2,815,969 |
| CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD | 5,792,993 | 3,590,919 |



Member of board of director



Chief Executive Officer



Financial Manager

NMh

The attached notes from (1) to (16) form an integral part of these interim condensed financial statements.

ARABIAN PLASTIC INDUSTRIAL COMPANY (SAUDI JOINT STOCK COMPANY)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-months period ended 30 June 2024

(Expressed in Saudi Riyals)

1 CORPORATE INFORMATION

Arabian Plastic Industrial Company is a Saudi joint stock company established in accordance with the Companies Law in the Kingdom of Saudi Arabia.

The company operates under Commercial Registration No. 4030093238 issued in Jeddah on 4 Shaaban 1413 corresponding to 27 January 1993.

Address: Jeddah Industrial Zone, Phase 3.

The Company's authorized and fully paid up capital is SR 50 million (Fifty million Saudi Riyal) divided into 5 million shares equal value and paid in full and the nominal value of the share is 10 (ten) Saudi Riyal.

The company obtained the approval of the Capital Market Authority issued on 01-05-1443 (corresponding to 05-12-2021), to list one million shares representing 20% of the capital in Nomu (Parallel Market), and the approval of the Capital Market Authority on 30-11-1443 (corresponding to 29-06-2022) to register the company's shares for subscription in Nomu (Parallel Market), and the company's shares were listed and traded on 09-03-1444 (corresponding to 05-10-2022).

The company's main activity is in the manufacture of plastics (plastics) in its primary forms, the manufacture of cans and boxes from plastics, the manufacture of bottles in various forms of plastics, the manufacture of bags from plastics, the wholesale sale of primary plastics, rubber and synthetic fibers, the sale of tools and plastics (including bags), General stores that include a variety of goods. The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from private authorities, if any.

The company's financial year starts from the beginning of January of each calendar year and ends at the end of December of the same year.

The company has branches in Jeddah and Riyadh under commercial registration numbers 4030402778 and 1010793227 respectively.

2. BASIS OF PREPARATION

2.1 Statement of commitment

The interim condensed financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" "IAS 34" as endorsed in the Kingdom of Saudi Arabia.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements. It should be read in conjunction with the Company's annual financial statements as at 31 December 2023. In addition, results for the interim period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

2.2 Measurement basis

The interim condensed financial statements have been prepared on a historical cost basis except for employee benefit obligations where current actuarial value calculations are used.

2.3 Functional currency and display currency

The interim condensed financial statements are presented in Saudi Riyals ("SR"), which is the functional currency of the Company -(unless otherwise noted).

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the financial statements requires the company's management to make judgments, estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities and the disclosure of potential liabilities. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's uncertainty estimate uncertainty were similar to those described in the Company's financial statements for the year ended December 31, 2023.

4. MATERIAL ACCOUNTING POLICIES**4.1 Accounting Policies**

The accounting policies applied when preparing the initial condensed financial statements are consistent with those used in preparing the company's financial statements for the fiscal year ending on December 31, 2023.

4.2 New Standards, Amendment to Standards and Interpretations

There are a number of amendments to standards that are effective from 1 January 2024 and have been explained in the Company's annual Financial Statements, but they do not have a material impact on the Company's Condensed Interim Financial Statements.

4.3 Going Concern Assessment

The Company's management has made an assessment of the Company's ability to continue to carry out its business in accordance with the basis of going concern and the Company is convinced that it has the resources to continue its business in the foreseeable future. Also, management is not aware of any material uncertainties that may affect the Company's ability to continue its business. Accordingly, these initial condensed financial statements have been prepared on a going-concern basis.

5. SEGMENT REPORTING

The company's revenues represent sales resulting from the sale of plastic and there are no other products of the company, and the company's products are sold within the Kingdom of Saudi Arabia at one point in time.

| | 30 June 2024 (Unaudited) | 30 June 2023 (Unaudited) |
|-------------------------|--------------------------------|--------------------------------|
| Kingdom of Saudi Arabia | 85,258,161 | 82,224,792 |
| Foreign sales | 1,166,677 | 244,165 |
| | 86,424,838 | 82,468,957 |
| Client type | | |
| Corporate clients | 86,424,838 | 82,468,957 |
| | 86,424,838 | 82,468,957 |

Revenues for the Period ended 30 June 2024 from 3 key customers amounted to SR 31 million representing 36% of total sales (2023: 4 key customers amounted to SR 26.2 million representing 31.8%).

6. PROPERTY, PLANT AND EQUIPMENT

For the purpose of preparing the condensed cash flow statement, the movement of property, plant and equipment during the six-months period ended 30 June is as follows:

| | For the Six-month period ended June 30 | |
|---|--|-------------------|
| | 2024 (Unaudited) | 2023 (Audited) |
| Depreciation | 4,997,581 | 4,574,327 |
| Additions of property, plant, and equipment | (10,269,739) | (143,822) |
| Additions for projects under construction | (11,800,417) | (1,769,550) |

A. The company's buildings are built on leased land from the Saudi authority for industrial cities and technology zones in Jeddah.

B. The company mortgaged buildings and equipment as a guarantee for the Saudi Industrial Development Fund loan (note 8).

ARABIAN PLASTIC INDUSTRIAL COMPANY (SAUDI JOINT STOCK COMPANY)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-months period ended 30 June 2024

(Expressed in Saudi Riyals)

7. TRADE RECEIVABLES

| | <i>As at 30 June 2024 (Unaudited)</i> | <i>As at 31 December 2023 (Audited)</i> |
|-----------------------------------|---|---|
| Trade receivables | 49,859,160 | 49,378,594 |
| Due from related parties (Note 9) | 1,552,930 | 520,704 |
| Expected credit losses | (2,744,751) | (2,444,751) |
| | 48,667,339 | 47,454,547 |

Trade receivables do not bear interest and the company usually expects them to be received within 30 to 90 days.

8. LOANS

| | <i>As at 30 June 2024 (Unaudited)</i> | <i>As at 31 December 2023 (Audited)</i> |
|--|---|---|
| Current portion of loans | | |
| Saudi Industrial Development Fund Loan (A) | 22,195,000 | - |
| The Saudi Investment Bank (B) | 32,799,925 | 55,246,507 |
| Saudi National Bank (C) | 16,892,473 | - |
| | 71,887,398 | 55,246,507 |

(A) Saudi Industrial Development Fund

During the year 2023, the company requested credit facilities from the Saudi Industrial Development Fund to finance the planned investment expansions through establishing a factory in the Riyadh region. On January 17, 2024, the company announced the signing of a working capital financing facility that amounted to SR 23 million from the Saudi Industrial Development Fund No. (8803), while maintaining the mortgage on land instrument No. (2978) until the full payment of loan No. (8803). A facility amounting to SR 22.2 million was obtained on 13 March 2024 to be repaid in 4 quarterly installments from the date of receiving the first installment.

This loan is secured by a mortgage on all existing and future buildings at the factory located on land in the First Industrial City in Jeddah, leased from the Saudi Authority for Industrial Cities and Technology Zones, which is built on total area of 20,377 square meters plot and includes all project assets, equipment, machinery, and all related attachments or those acquired for the project.

(B) Loan from The Saudi Investment Bank

On 5 May 2019, the company signed a facility agreement with The Saudi Investment Bank in the amount of SR 42 million, with a financing limit of SR 42 million. These facilities were obtained in the form of short-term loans financed by a term sale with a profit margin estimated at the Saudi Interbank Internal Borrowing Rate plus a profit margin. During the period, an addendum to the contract was signed to increase the facility limit to SAR 45 million.

The company has issued a promissory note amounting to SR 52.6 million in addition to a guarantee provided independently by the shareholder Omar Abu Bakr Balubaid Company Ltd., the shareholder Khalid Omar Abu Bakr Balubaid, and the shareholder Ahmed Omar Abu Bakr Balubaid (covering all facilities), Note that the terms of the loan agreement dated 5 May 2019, its amendment dated 15 December 2021, and second amendment dated 8 March 2023, according to which the personal guarantees were removed and the guarantee provided by Omar Abu Bakr Balubaid Company Ltd. one person company was approved, also the agreement includes other financial commitments, including maintaining certain financial ratios.

8. LOANS (Continued)**(B) Loan from The Saudi Investment Bank (Continued)**

On 8 March 2023, the company signed a facility agreement with The Saudi Investment Bank in the amount of SR 19.8 million, with a financing limit of SR 22 million. This facility was obtained in the form of short-term loans financed by a term sale with a profit margin estimated at the Saudi Interbank Internal Borrowing Rate plus a profit margin. The facility guarantee is provided by Omar Abu Bakr Balubaid Company Ltd., with an unconditional and irrevocable guarantee for all credit facilities provided to Arabian Plastic Industrial Company.

On 8 March 2023, the company signed a facility with The Saudi Investment Bank in the amount of SR 30.1 million, with a financing limit of SR 33.5 million. This facility was obtained in the form of short-term loans financed by a term sale with a profit margin estimated according to the Saudi interbank internal borrowing rate plus a profit margin. The facility guarantee is provided by Omar Abu Bakr Balubaid Company Ltd. One Person Company with unconditional and irrevocable as a guarantee for all credit facilities provided to Arabian Plastic Industrial Company.

(C) Saudi National Bank

On 17 January 2024, the company signed a facility with The Saudi National Bank in the amount of SR 25 million, with a financing limit of SR 25 million. This facility was obtained in the form of short-term loans financed by a term sale with a profit margin estimated according to the Saudi interbank internal borrowing rate plus profit margin. The facility guarantee is provided by Omar Abu Bakr Balubaid Company Ltd. One Person Company to cover all facilities provided to Arabian Plastic Industrial Company.

The expiry date of the agreement is 31 May 2024, and the company is in the process to extend the period of the agreement.

9. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent major shareholders, board members, and key management personnel of the Company and entities controlled or significantly influenced by such parties. The Company's related parties are described as follows:

9.1 Due to related parties

| | Nature of the transaction | As at 30 June 2024 (Unaudited) | As at 31 December 2023 (Audited) |
|--|------------------------------|--------------------------------------|--|
| Saudi Finance House Company Ltd | Payments on behalf | 148,278 | 148,278 |
| Arabian Plant For Lubricants and Greases | Payments on behalf | 434,692 | - |
| Hijaz Mall Trading Company | Payments on behalf | 81,000 | 81,000 |
| Omar Abu Bakr Balubaid Company Ltd * | Transfers | 91,914 | 15,742,585 |
| | | 755,884 | 15,971,863 |

* Money transfers consist of the payment of expenses, purchases, and obligations of the company.

9.2 Due from related parties

| | Nature of the transaction | 30 June 2024 (Unaudited) | 31 December 2023 (Audited) |
|--------------------------------------|------------------------------|--------------------------------|----------------------------------|
| Balubaid Group Holding Companies Ltd | Payments on behalf | 224,382 | 141,398 |
| Awtad Arabian Industrial Company | Payments on behalf | 35,000 | 35,000 |
| Omar Abu Bakr Balubaid Company Ltd | Transfers | 754,895 | - |
| | | 1,014,277 | 176,398 |

ARABIAN PLASTIC INDUSTRIAL COMPANY (SAUDI JOINT STOCK COMPANY)
 NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
 For the six-months period ended 30 June 2024
 (Expressed in Saudi Riyals)

9. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

9.3 Amounts due from a related party (receivables) are as follows:

| | 30 June 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|---|---|
| Arabian Plant For Lubricants and Greases (Note 7) | 1,552,930 | 520,704 |
| | 1,552,930 | 520,704 |

9.4 Board of Directors and key management's allowances and remunerations

The compensation of senior executive management and the Board of Directors during the period is as follows:

| | For the six-month period ended 30 June | |
|---|---|-----------------------------|
| | 2024 (Unaudited) | 2023 (Unaudited) |
| Salaries and other benefits | 262,200 | 250,800 |
| End of service benefits | 23,598 | 20,898 |
| Rewards and allowances for attending the meetings | 81,000 | 76,000 |
| | 366,798 | 347,698 |

10. ZAKAT

Movement in zakat provision as follows:

| | 30 June 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|---|---|
| Balance at the beginning of the period /year | 1,216,676 | 1,085,915 |
| Charge during the period /year | 306,000 | 700,139 |
| Paid during the period /year | (541,101) | (569,378) |
| Balance at the end of the period /year | 981,575 | 1,216,676 |

Zakat was calculated for the period ending on 30 June 2024 according to management's estimates, which may not represent an accurate indication of Zakat for the year ending 31 December 2024.

The company submitted a group Zakat return through Balubaid Group Holding Companies under a notice from the Zakat, Tax, and Customs Authority, and the due was paid by Omar Abu Bakr Balubaid Company Ltd. (the shareholder) without obligation on the company for the year 2021 and the years before 2021 except for assessment in the years 2015 and 2016.

During the year 2022, the company submitted a request to submit an independent Zakat return and it was approved by the Zakat, Tax and Customs Authority.

The company submitted Zakat returns to Zakat, Tax and Customs Authority (the Authority) until the year ending on 31 December 2023, and the Authority did not issue any Zakat assessment for the years from 2019 to 2023.

Zakat assessment was issued to the company for the years 2015 and 2016 with a difference of SR 283,583 and SR 60,151 respectively, the company paid SR 60,151 for the final assessment differences for the year 2016. Objection and escalation were made to the General Secretariat of the Tax Committees for Zakat assessment for the year 2015 and a decision was issued by the Committee with Zakat differences of SR 137,044.68, which was paid.

ARABIAN PLASTIC INDUSTRIAL COMPANY (SAUDI JOINT STOCK COMPANY)
 NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
 For the six-months period ended 30 June 2024
 (Expressed in Saudi Riyals)

11. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated based on the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding

| | For the six-month period ended 30 June | |
|---|---|-----------|
| | 2024 | 2023 |
| Net profit for the period | 5,302,616 | 6,513,560 |
| Average number of shares for the period | 5,000,000 | 5,000,000 |
| Basic and diluted earnings per share | 1,06 | 1,30 |

There was no reduction element affecting the weighted average number of shares.

12. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's financial assets consist of Cash and cash equivalent, Trade receivables and other current assets, and due from related parties, while its financial liabilities consist of trade payables and Accrued expenses and other current liabilities, term loans, obligation under finance leases, and due to related parties, as below:

12.1 Financial assets

| | As at 30 June, 2024 (Unaudited) | As at 31 December, 2023 (Audited) |
|--------------------------|---------------------------------------|---|
| Amortized cost | | |
| Trade receivables | 48,667,339 | 47,454,547 |
| Other current assets | 8,504,280 | 13,398,114 |
| Due from related parties | 1,014,277 | 176,398 |
| Cash and cash equivalent | 5,792,993 | 1,788,424 |
| | 63,978,889 | 62,817,483 |

12.2 Financial liability

| | As at 30 June, 2024 (Unaudited) | As at 31 December, 2023 (Audited) |
|---------------------------|---------------------------------------|---|
| Amortized cost | | |
| Trade payables | 21,870,264 | 18,347,073 |
| Due to related parties | 755,884 | 15,971,863 |
| Other current liabilities | 3,228,981 | 3,898,333 |
| Loan | 71,887,398 | 55,246,507 |
| Lease liability | 203,101 | 857,684 |
| | 97,945,628 | 94,321,460 |

The fair value of trade receivables as of June 30, 2024, is the book value because the balances of these receivables are short-term in nature.

13. TRANSACTIONS WITH A MAJOR SUPPLIER

Purchases for the Period ended 30 June 2024 from Saudi Basic Industries Corporation (SABIC) amounted to SR 39.6 million, representing 86% of total purchases (2023: SR 43.5 million, representing 87.9% of total purchases).

14. SUBSEQUENT EVENTS

There are no events that occurred after the date of the statement of financial position that require an amendment or disclosure in the interim condensed financial statements.

15. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The company has contingent obligations consisting of letter of credits.

| | As at 30 June 2024 (Unaudited) | As at 31 December 2023 (Audited) |
|-------------------|--------------------------------------|--|
| Letter of credits | 2,300,449 | 7,525,191 |
| | <u>2,300,449</u> | <u>7,525,191</u> |

The company has capital contractual commitments under existing contracts for the supply of fixed assets, the details of the capital commitments are as follows:

| | As at 30 June 2024 (Unaudited) | As at 31 December 2023 (Audited) |
|--|--------------------------------------|--|
| Total Capital Contracts | 38,906,550 | 35,141,160 |
| (Less) advance payments for the purchase of Property, plant, and equipment/projects under construction | (36,606,101) | (27,615,969) |
| | <u>2,300,449</u> | <u>7,525,191</u> |

16. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements for the period ended 30 June 2024, were approved by the Board of Directors on 11/02/1446H (15/08/2024G).