

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

**INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024
TOGETHER
WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT**

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

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024
TOGETHER WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT

Index	Pages
Independent auditor's report on review of interim condensed financial statements	2
Interim condensed statement of financial position	3
Interim condensed statement of profit or loss and other comprehensive income	4
Interim condensed statement of changes in equity	5
Interim condensed statement of cash flows	6
Notes to the interim condensed financial statements	7 – 16



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

To the shareholders of
Saudi Top for 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 2024 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 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 condensed 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 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.

For Dr. Mohamed Al-Amri & Co.

Ahmed Al-Jumah
Certified Public Accountant
License No. 621



Riyadh, on: 8 Safar 1446 (H)
Corresponding to: 12 August 2024 (G)

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024
(Expressed in Saudi Riyals)

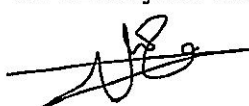
	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	4	40,616,466	38,977,458
Right-of-use assets	5	10,748,482	11,645,768
Total non-current assets		51,364,948	50,623,226
Current assets			
Inventories		52,037,364	40,456,254
Trade and other receivables	6	15,793,581	17,827,546
Investments at fair value through profit or loss (FVTPL)		127,584	-
Cash and cash equivalents		22,020,040	24,385,073
Total current assets		89,978,569	82,668,873
Total assets		141,343,517	133,292,099
Equity and liabilities			
Equity			
Share capital		40,000,000	40,000,000
Statutory reserve		5,717,534	5,717,534
Retained earnings		25,301,925	22,391,702
Total equity		71,019,459	68,109,236
Liabilities			
Non-current liabilities			
Employees' benefits obligations	7	1,337,621	1,438,102
Lease liabilities	5	9,096,952	9,136,595
Total non-current liabilities		10,434,573	10,574,697
Current liabilities			
Trade and other payables	8	43,123,656	34,088,547
Lease liabilities	5	1,492,457	2,087,456
Short-term loans	9	14,849,393	17,562,114
Zakat provision	10	423,979	870,049
Total current liabilities		59,889,485	54,608,166
Total liabilities		70,324,058	65,182,863
Total equity and liabilities		141,343,517	133,292,099

The accompanying notes from (1) to (20) form an integral part of these unaudited interim condensed financial statements.

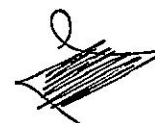
Chairman
Mr. Abdullah Mohammed Al-Ajmi



Chief Executive Officer
Mr. Wail Majid Al-Jaaidi



Finance Manager
Abdelaziz Ezzat Abougendia



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

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**
(Expressed in Saudi Riyals)

	Note	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Revenue	11	73,982,878	67,655,164
Cost of revenue	12	(63,182,613)	(57,126,483)
Gross profit		10,800,265	10,528,681
Selling and distribution expenses	13	(4,683,001)	(4,641,139)
General and administrative expenses	14	(2,280,529)	(2,093,804)
Operating profit		3,836,735	3,793,738
Finance cost		(692,530)	(167,893)
Fair value gain on investments at fair value through profit or loss (FVTPL)		29,312	-
Other income		160,685	106,889
Profit before Zakat		3,334,202	3,732,734
Zakat expense	10	(423,979)	(576,444)
Net profit for the period		2,910,223	3,156,290
Other comprehensive income		-	-
Total comprehensive income for the period		2,910,223	3,156,290
Earnings per share			(Restated)
Basic and diluted earnings per share	15	0.07	0.08

The accompanying notes from (1) to (20) form an integral part of these unaudited interim condensed financial statements.

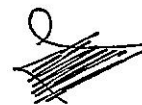
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SAUDI TOP FOR TRADING COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024
(Expressed in Saudi Riyals)

	Note	Share capital	Statutory reserve	Retained earnings	Total equity
For the six month period ended 30 June 2024 (unaudited)					
Balance at 1 January 2024		40,000,000	5,717,534	22,391,702	68,109,236
Net profit for the period		-	-	2,910,223	2,910,223
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	2,910,223	2,910,223
Balance at 30 June 2024		40,000,000	5,717,534	25,301,925	71,019,459
For the six month 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

The accompanying notes from (1) to (20) form an integral part of these unaudited interim condensed financial statements.

Chairman
Mr. Abdullah Mohammed Al-Ajmi

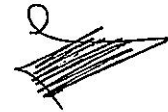


Chief Executive Officer
Mr. Wail Majid Al-Jaaidi



5

Finance Manager
Abdelaziz Ezzat Abougendia



SAUDI TOP FOR TRADING COMPANY
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INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024
(Expressed in Saudi Riyals)

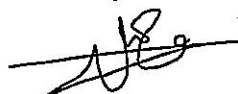
		30 June 2024	30 June 2023
	Note	(Unaudited)	(Unaudited)
<u>Cash flows from operating activities:</u>			
Profit before Zakat		3,334,202	3,732,734
Adjustments for:			
Depreciation of property, plant and equipment	4	2,398,285	1,547,857
Depreciation on right-of-use assets	5	897,286	738,067
Provision for employees' benefits obligations	7	161,405	148,336
Finance cost		692,530	167,893
Gains on disposal of property, plant and equipment		(370)	-
Fair value gain on investments at FVTPL		(29,312)	-
		<u>7,454,026</u>	<u>6,334,887</u>
<u>Change in operating assets and liabilities</u>			
Inventories		(11,581,110)	2,642,471
Trade and other receivables		2,033,965	(3,430,137)
Due from a shareholder		-	4,743,801
Trade and other payables		9,035,109	(8,476,738)
Finance cost paid		(432,172)	-
Employees' benefits obligations paid	7	(261,886)	(68,478)
Zakat paid	10	(870,049)	(1,615,812)
		<u>5,377,883</u>	<u>129,994</u>
<u>Net cash generated from operating activities</u>			
<u>Cash flows from investing activities</u>			
Purchases of property, plant and equipment	4	(4,037,793)	(7,091,291)
Proceeds from disposal of property, plant and equipment		870	-
Purchases of investments at FVTPL		(98,272)	-
		<u>(4,135,195)</u>	<u>(7,091,291)</u>
<u>Net cash used in investing activities</u>			
<u>Cash flows from financing activities</u>			
Proceeds / (repayment) of short-term loans - net		(2,712,721)	7,482,165
Repayment of lease liabilities	5	(895,000)	(442,500)
Dividend paid	16	-	(14,400,000)
		<u>(3,607,721)</u>	<u>(7,360,335)</u>
<u>Net cash used in financing activities</u>			
Net change in cash and cash equivalents during the period		(2,365,033)	(14,321,632)
Cash and cash equivalents at beginning of the period		<u>24,385,073</u>	<u>34,166,771</u>
Cash and cash equivalents at end of the period		<u>22,020,040</u>	<u>19,845,139</u>

The accompanying notes from (1) to (20) form an integral part of these unaudited interim condensed financial statements.

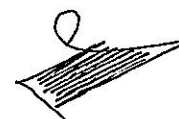
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SAUDI TOP FOR TRADING COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(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 from SR 1,000,000 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. The remaining amount of SR 29,042,161 was transferred from the Company’s retained earnings as of 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 (Nomu). Tadawul Saudi Arabia announced the listing and commencement of trading of the Company’s shares in the parallel market (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 financial year begins on 1st January and ends on 31 December. The head office of the Company 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 following branches. 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
West Coast Factory	4602115274	5 Safar 1445H

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 2023.

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

SAUDI TOP FOR TRADING COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Expressed in Saudi Riyals)

2. BASIS OF PREPARATION (CONTINUED)

b. Basis of measurement

These interim condensed financial statements have been prepared using the accrual basis of accounting under the historical cost convention except for remeasurement of employees' benefits obligations that are measured at present value using "Projected Unit Credit Method" and the investments at FVTPL which are measured at fair values. Investments at FVTPL are determined at level 1 of the fair value hierarchy. The carrying amount of other financial assets and financial liabilities are a reasonable approximation of their fair values as of 30 June 2024 and 31 December 2023 because of their short-term nature.

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. MATERIAL ACCOUNTING POLICES, SIGNIFICANT 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 2023.

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 2023, except for the following amendments which apply for the first time in 2024. However, that are not expected to impact the Company's interim condensed financial statements 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 2024:

- Amendment – Liability in a Sale and Leaseback (IFRS 16);
- Amendment – Classification of Liabilities as Current or Non-current (IAS 1);
- Amendment – Non-current Liabilities with Covenants (IAS 1); and
- Supplier Finance Arrangements (IAS 7 and IFRS 7).

Impact of accounting standards and interpretations not yet effective

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2024 (the date of the Company's next annual financial statements) 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 MONTH PERIOD ENDED 30 JUNE 2024

(Expressed in Saudi Riyals)

4. PROPERTY, PLANT, AND EQUIPMENT

	<u>Motor vehicles</u>	<u>Furniture and office equipment</u>	<u>Plant and equipment</u>	<u>Tools and instruments</u>	<u>Buildings and leasehold improvements</u>	<u>Capital work in progress</u>	<u>Total</u>
<u>Cost</u>							
As at 01 January 2023 (Audited)	1,149,795	3,817,225	10,139,210	58,866	18,847,162	-	34,012,258
Additions	77,500	79,391	9,166,276	34,061	6,584,197	277,410	16,218,835
As at 31 December 2023 (Audited)	1,227,295	3,896,616	19,305,486	92,927	25,431,359	277,410	50,231,093
Additions	-	53,722	3,628,011	3,086	-	352,974	4,037,793
Transferred from capital work in progress	-	-	-	-	80,424	(80,424)	-
Disposals	-	-	(21,750)	-	-	-	(21,750)
As at 30 June 2024 (Unaudited)	1,227,295	3,950,338	22,911,747	96,013	25,511,783	549,960	54,247,136
<u>Accumulated depreciation</u>							
As at 01 January 2023 (Audited)	890,934	1,804,409	2,747,027	26,304	2,249,712	-	7,718,386
Charge during the year	134,489	570,590	1,189,042	6,043	1,635,085	-	3,535,249
As at 31 December 2023 (Audited)	1,025,423	2,374,999	3,936,069	32,347	3,884,797	-	11,253,635
Charge during the period	57,826	288,004	1,094,426	5,692	952,337	-	2,398,285
Disposals	-	-	(21,250)	-	-	-	(21,250)
As at 30 June 2024 (Unaudited)	1,083,249	2,663,003	5,009,245	38,039	4,837,134	-	13,630,670
<u>Net carrying amounts</u>							
30 June 2024 (Unaudited)	144,046	1,287,335	17,902,502	57,974	20,674,649	549,960	40,616,466
31 December 2023 (Audited)	201,872	1,521,617	15,369,417	60,580	21,546,562	277,410	38,977,458

The depreciation charge has been allocated as follows:

	<u>30 June 2024 (Unaudited)</u>	<u>30 June 2023 (Unaudited)</u>
Cost of sales (note 12)	2,030,027	1,172,328
Selling and distribution expenses (note 13)	49,051	67,255
General and administrative expenses (note 14)	319,207	308,274
	2,398,285	1,547,857

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024
(Expressed in Saudi Riyals)

5. RIGHT OF USE ASSETS AND LEASE LIABILITIES

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

	Right-of-use assets
Balance at 1 January 2023 (Audited)	7,511,948
Additions during the year	5,754,982
Depreciation charge during the year	(1,621,162)
Balance at 31 December 2023 (Audited)	11,645,768
Depreciation charge during the period	(897,286)
Balance at 30 June 2024 (Unaudited)	10,748,482
	Lease liabilities
Balance at 1 January 2023 (Audited)	6,645,742
Additions during the year	5,754,982
Interest expense for the year	458,910
Less: lease payments during the year	(1,635,583)
Balance at 31 December 2023 (Audited)	11,224,051
Interest expense for the period	260,358
Less: lease payments during the period	(895,000)
Balance as at 30 June 2024 (Unaudited)	10,589,409

Amounts recognized in the interim condensed statement of financial position:

	30 June 2024	31 December 2023
	(Unaudited)	(Audited)
Current portion of lease liabilities	1,492,457	2,087,456
Non-current portion of lease liabilities	9,096,952	9,136,595
Total lease liabilities	10,589,409	11,224,051

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024
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6. TRADE AND OTHER RECEIVABLES

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Unaudited)	(Audited)
Trade receivables	9,524,888	7,358,356
Less: Expected credit loss	(1,180,380)	(1,180,380)
Trade receivables, net	8,344,508	6,177,976
Advances to suppliers	3,040,275	5,890,741
LG margin	2,000,000	4,000,000
Value added tax	1,149,174	1,275,804
Employees' advances	171,181	172,862
Others	1,088,443	310,163
	<u>15,793,581</u>	<u>17,827,546</u>

The aging analysis of trade receivables is as follows: -

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Unaudited)	(Audited)
Not past due	7,108,016	5,318,008
From 31 to 60 days	179,207	45,576
From 61 to 90 days	420,979	87,395
From 91 Days to 180 days	476,210	689,977
From 181 to 365 days	180,392	216,081
More than 365 days	1,160,084	1,001,319
	<u>9,524,888</u>	<u>7,358,356</u>

7. EMPLOYEES' BENEFITS OBLIGATIONS

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	1,438,102	1,184,881
Statement of profit or loss		
Current service cost	161,405	288,388
Interest cost	-	57,392
	161,405	345,780
Other comprehensive income		
Remeasurement gain	-	(20,054)
Benefits paid during the period / year	(261,886)	(72,505)
Balance at the end of the period / year	<u>1,337,621</u>	<u>1,438,102</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Expressed in Saudi Riyals)

8. TRADE AND OTHER PAYABLES

	<u>30 June 2024</u> (Unaudited)	<u>31 December 2023</u> (Audited)
Trade payables (note 8.1)	36,322,414	28,826,369
Advances from customers	4,360,950	2,722,633
Sales commission	885,575	896,276
Vacations and air tickets	933,348	783,689
Others	621,369	859,580
	<u>43,123,656</u>	<u>34,088,547</u>

8.1. Trade payables include a balance due to a related party i.e., “Yafel Plastic Factory Company” amounted to SR 4,128,824 (31 December 2023: SR 4,967,774) related to operating expenses. Refer note 18.

9. SHORT-TERM LOANS

	<u>30 June 2024</u> (Unaudited)	<u>31 December 2023</u> (Audited)
Loans against letter of credits payments	14,849,393	17,562,114
	<u>14,849,393</u>	<u>17,562,114</u>

- On 28 Shawwal, 1445, corresponding to 18 May, 2023, the Company entered into a Murabaha facility agreement with a local bank for working capital requirements with a total amount of SR 10 million. This facility was subject to a financing cost of 5.29% per annum. On 26 November, 2023, this agreement was renewed and the annual financing cost was adjusted to 5.12%.
- The Company has also entered into various other Murabaha and Tawarruq facilities agreements with local banks for working capital requirements with a total facility amount of SR 55 million. These facilities are subject to a finance cost (Sibor + 2%) per annum.
- These facilities are classified under current liabilities as they fall due within 12 months from the period ended 30 June 2024.

10. ZAKAT

- **Movement in Zakat provision**

	<u>30 June 2024</u> (Unaudited)	<u>31 December 2023</u> (Audited)
Balance at the beginning of the period / year	870,049	1,615,812
Zakat charge for the period / year	423,979	870,049
Zakat paid during the period / year	(870,049)	(1,615,812)
Balance at the end of the period / year	<u>423,979</u>	<u>870,049</u>

- **Status of Zakat**

The Company has submitted its Zakat and withholding tax returns to the Zakat, Tax and Customs Authority (ZATCA) for all years ended up to 31 December 2023 and obtained the Zakat certificates.

11. REVENUE

	<u>For the six month period ended</u>	
	<u>30 June 2024</u> (Unaudited)	<u>30 June 2023</u> (Unaudited)
Revenue from trading activities – local sales	26,588,519	16,293,078
Revenue from industrial activities – export sales	47,394,359	51,362,086
	<u>73,982,878</u>	<u>67,655,164</u>

All Company’s revenue is recognized at point in time.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024
(Expressed in Saudi Riyals)

12. COST OF REVENUE

	<u>For the six month period ended</u>	
	30 June 2024	30 June 2023
	(Unaudited)	(Unaudited)
Cost of revenue from trading activities	23,175,454	14,333,111
Cost of revenue from industrial activities	40,007,159	42,793,372
	63,182,613	57,126,483

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

	<u>For the six month period ended</u>	
	30 June 2024	30 June 2023
	(Unaudited)	(Unaudited)
Cost of raw materials – net of inventory movements	52,077,974	48,350,580
Transportation fees and shipping cost	3,021,447	2,555,637
Salaries and wages	2,564,591	2,165,079
Packing and packaging	882,880	505,404
Granulating, crushing and cleaning of materials	635,697	601,165
Depreciation of property, plant and equipment (note 4)	2,030,027	1,172,328
Depreciation of right-of-use assets	708,132	548,914
Other	1,261,865	1,227,376
	63,182,613	57,126,483

13. SELLING AND DISTRIBUTION EXPENSES

	<u>For the six month period ended</u>	
	30 June 2024	30 June 2023
	(Unaudited)	(Unaudited)
Shipping expenses	2,518,909	2,426,142
Sales commissions	548,649	744,647
Salaries and wages	1,152,860	1,074,031
Depreciation of right-of-use assets	167,671	167,670
Depreciation of property, plant and equipment (note 4)	49,051	67,255
Others	245,861	161,394
	4,683,001	4,641,139

14. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>For the six month period ended</u>	
	30 June 2024	30 June 2023
	(Unaudited)	(Unaudited)
Salaries and wages	1,201,841	981,986
Depreciation of property, plant and equipment (note 4)	319,207	308,274
Utilities	77,274	47,729
Legal and professional	176,000	156,500
Travelling	42,955	37,757
Depreciation on right-of-use assets	21,483	21,483
Others	441,769	540,075
	2,280,529	2,093,804

SAUDI TOP FOR TRADING COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**

(Expressed in Saudi Riyals)

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 2024	30 June 2023
	(Unaudited)	(Unaudited and restated)
Net profit for the period	2,910,223	3,156,290
Weighted average number of shares	40,000,000	40,000,000
Basic and diluted earnings per share	0.07	0.08

On 23 Rabi' al-Awwal, 1445 (corresponding to 08 October, 2023), the shareholders, in their Extraordinary General Assembly Meeting, approved the splitting of shares as per which nominal value per share has been reduced from SR 10 per share to SR 1 per share and number of shares have been increased from 4,000,000 to 40,000,000. However, there is no change in the Company's total capital amount before and after the said share split. Accordingly, earnings per share for the six-month period ended 30 June 2023 have been restated by adjusting the weighted average number of outstanding shares to reflect the effect of share split from 4 million to 40 million shares.

16. DIVIDEND

On 31 January 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. The said dividend was paid during the period ended 30 June 2023.

On 24 June 2024, the Board of Directors recommended to the General Assembly of the Company to distribute cash dividend amounted to SR 7,200,000 to the Company's shareholders (except for one shareholder who waived his dividend) for the second half of the fiscal year 2023. The said General Assembly meeting is not being held yet.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024
(Expressed in Saudi Riyals)

17. SEGMENT INFORMATION

The Company's activities are mainly represented in two segments 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 for each segment for the six month period ended 30 June 2024 and 30 June 2023 is as follows:*

30 June 2024 (Unaudited)

	Trading	Industrial	Total
Revenue	26,588,519	47,394,359	73,982,878
Cost of revenue	(23,175,454)	(40,007,159)	(63,182,613)
Gross profit	3,413,065	7,387,200	10,800,265

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

B) *Financial information for assets and liabilities for each segment as at 30 June 2024 and 31 December 2023 is as follows:*

30 June 2024 (Unaudited)

	Trading	Industrial	Total
Total assets	49,369,669	91,973,848	141,343,517
Total liabilities	30,254,023	40,070,035	70,324,058

31 December 2023 (Audited)

	Trading	Industrial	Total
Total assets	45,978,230	87,313,869	133,292,099
Total liabilities	29,568,070	35,614,793	65,182,863

Geographic information

	For the six month period ended	
	30 June 2024	30 June 2023
	(Unaudited)	(Unaudited)
Indian Subcontinent (India, Pakistan, Bangladesh, Sri Lanka)	25,072,153	24,907,117
Europe	8,042,144	4,820,821
North Africa	6,496,887	7,474,007
Middle East (and Turkey)	4,155,671	9,054,786
Southeast Asia	3,299,932	4,065,089
China	210,947	1,040,266
Local sales – Kingdom of Saudi Arabia	26,588,519	16,293,078
Others	116,625	-
	73,982,878	67,655,164

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**

(Expressed in Saudi Riyals)

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties represent services and payment made during the period / year between the Company and the companies owned by the shareholders. These transactions took place in the normal course of the Company's activities. Significant transactions with related parties and the resulting balances are as follows:

a) Related party transactions

<u>Name</u>	<u>Nature of relationship</u>	<u>Nature of transactions</u>	<u>For the six month period ended</u>	
			<u>30 June 2024</u>	<u>30 June 2023</u>
			(Unaudited)	(Unaudited)
Yafel Plastic Factory	A Company owned by shareholders	Transfers and payment operating expenses	1,570,000 (731,051)	2,196,000 (1,517,549)

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

c) Transactions with key management personal

	<u>For the six month period ended</u>	
	<u>30 June 2024</u> (Unaudited)	<u>30 June 2023</u> (Unaudited)
Salaries and other benefits	951,099	713,668
Employees' benefits obligations	49,096	35,625
	1,000,195	749,293

19. SUBSEQUENT EVENTS

In the opinion of the management, there were no significant events subsequent to 30 June 2024 that are expected to have a significant impact on these interim condensed financial statements.

20. 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 4 Safar 1446 AH (corresponding to 8 August 2024 AD).