The National Company for Glass Industries (Zoujaj)
(Saudi Joint Stock Company)

Financial Statements and Independent Auditor's Report
For the year ended December 31, 2023

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Independent Auditor's Report

To the Shareholders,

The National Company for Glass Industries (Zoujaj)

(A Saudi Joint Stock Company)

Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the National Company for Glass Industries (the "Company"), which comprise the statement of financial position as at December 31, 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, endorsed in the Kingdom of Saudi Arabia (the "Code") that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

To the Shareholders,

The National Company for Glass Industries (Zoujaj)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Revenue from sale of customized products is recognized based on the units produced output method. We have considered this as a key audit matter as application of accounting standards for revenue recognition on the units produced output method basis involves significant scope for judgement by management, which has material impact on the financial statements. Refer to critical accounting judgements in note 4 (a), note 5.14 for revenue recognition policy and note 22 for more details of revenue.	We have performed the following procedure relating to revenue recognition: - Assessed the appropriateness of the Company's revenue recognition policy. - Assessed the appropriateness of significant accounting judgements made by management to determine whether the performance obligation is being satisfied over a period of time or at a point in time. - Assessed the design and implementation of the Company's controls over the revenue recognition process. - Tested the supporting documents for a sample of the revenue transactions. - Performed analytical procedures by comparing expectation of revenue for a sample of customers with actual revenue. - Performed cut off procedures to ensure that the revenue is recorded in the correct period. - Assessed the adequacy of the disclosures in the financial statements as per the relevant International Financial Reporting Standards.

To the Shareholders,

The National Company for Glass Industries (Zoujaj)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Investments in joint ventures - classification As of the date of statement of financial position, the Company has 55% investment each in Saudi Guardian International Float Glass Company Limited and Guardian Zoujaj International Float Glass Company LLC and 50% in The Saudi National Lamps and Electricals Company Limited (collectively called as "investees"). The Company is required to make judgement whether it controls the investees by itself or jointly with other investors or has only significant influence over these investees. In performing that assessment, the Company assesses if it is exposed to variable returns from its investment in these investees and has the ability to affect those variable returns through its power over the investees. Consequence of assessment of control is the determination whether the Company is parent and hence should consolidate its investments or has significant influence or joint control and thus present the results of its investments in investees under equity method of accounting. Refer to critical accounting judgements in note 4 (a), note 5.4 for the accounting policy and note 9 for more details of these investments.	We have performed the following procedures relating to these investments: - Read the articles of association and the agreements between the Company and other investors. - Reviewed the management's assessment of the control over investee companies i.e. whether there is significant influence, joint control or control. - Evaluated the factual pattern on how the actual control is being exercised by each investor in the investee companies. - Assessed the adequacy of disclosures on key judgements involved in making the determination of control.

Other Information

Other information consists of the information included in the Company's 2023 annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

To the Shareholders,

The National Company for Glass Industries (Zoujaj)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report (Continued)

To the Shareholders,

The National Company for Glass Industries (Zoujaj)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BAKER TILLY MKM & CO.
Certified Public Accountants

Majid Muneer Alnemer
License No. 381
Riyadh on Ramadan 15, 1445 H
Corresponding to March 25, 2024

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محاسبون قانونيون
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C.R: 1010428101 :س.ت
BAKER TILLY
M K M & CO.

THE NATIONAL COMPANY FOR GLASS INDUSTRIES (ZOUJAJ)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023
(Saudi Riyals)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	6	**159,914,734**	179,741,110
Investment property	7	**5,000,000**	5,000,000
Right of use assets	8	**2,610,981**	1,663,488
Investments in joint ventures	9	**512,943,318**	532,530,044
Total non-current assets		**680,469,033**	718,934,642
Current assets			
Inventories	10	**24,399,842**	25,229,429
Prepayments and other debit balances	11	**3,335,755**	7,898,407
Contract assets	12	**13,775,545**	8,852,080
Trade receivables	13	**44,108,601**	42,381,056
Cash and cash equivalents	14	**22,353,391**	16,860,647
Total current assets		**107,973,134**	101,221,619
Total assets		**788,442,167**	820,156,261
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	**329,000,000**	329,000,000
Statutory reserve	16	**98,700,000**	98,700,000
Retained earnings		**293,911,529**	263,994,342
Total equity		**721,611,529**	691,694,342
LIABILITES			
Non-current liabilities			
Loans and borrowings	17	**3,724,822**	-
Lease liabilities	8	**2,690,944**	1,752,512
Employees' end of service benefits	18	**6,089,128**	6,609,781
Total non-current liabilities		**12,504,894**	8,362,293
Current liabilities			
Loans and borrowings	17	**8,671,412**	57,263,533
Lease liabilities	8	**215,741**	182,393
Contract liabilities	12	**376,329**	285,081
Trade payables		**9,341,664**	14,856,384
Accrued expenses and other credit balances	19	**11,261,037**	8,244,756
Zakat provision	20	**9,905,764**	8,767,990
Dividends payable	21	**14,553,797**	30,499,489
Total current liabilities		**54,325,744**	120,099,626
Total liabilities		**66,830,638**	128,461,919
Total equity and liabilities		**788,442,167**	820,156,261

CFO	**General Manager**	**Chairman of Board of Directors**
Hatem Ayedh Alfadli	**Walid Afyouni**	**Omar Riyadh Alhumaidan**

The accompanying notes form an integral part of these financial statements

THE NATIONAL COMPANY FOR GLASS INDUSTRIES (ZOUJAJ)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(Saudi Riyals)

	Notes	2023	2022
Continuing operations			
Revenue	22	**153,919,955**	112,317,021
Cost of revenue	23	**(118,725,537)**	(108,883,907)
Gross profit		**35,194,418**	3,433,114
Selling and distribution expenses	24	**(3,275,093)**	(2,876,688)
General and administrative expenses	25	**(13,276,180)**	(11,185,872)
Impairment loss on financial assets	13	**(591,583)**	(672,672)
Other income, net	26	**2,633,970**	845,219
Operating profit / (loss)		**20,685,532**	(10,456,899)
Finance cost	27	**(3,903,480)**	(3,451,984)
Share of profit from equity accounted joint ventures	9	**36,384,135**	126,780,166
Profit before zakat		**53,166,187**	112,871,283
Zakat	20	**(5,287,344)**	(2,877,115)
Profit from continuing operations		**47,878,843**	109,994,168
Loss from discontinued operations	28	**-**	(5,663,175)
Net profit for the year		**47,878,843**	104,330,993
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gain / (loss) of employees' end of service benefits	18	**193,675**	(514,531)
Share of other comprehensive loss from equity accounted joint ventures	9	**(1,705,331)**	(2,969,799)
Total other comprehensive loss		**(1,511,656)**	(3,484,330)
Total comprehensive income		**46,367,187**	100,846,663
Basic and diluted earnings per share for profit from continuing operations attributable to the shareholders of the Company	30	**1.46**	3.34
Basic and diluted earnings per share for profit attributable to the shareholders of the Company	30	**1.46**	3.17

CFO
Hatem Ayedh Alfadli

General Manager
Walid Afyouni

Chairman of Board of Directors
Omar Riyadh Alhumaidan

The accompanying notes form an integral part of these financial statements

THE NATIONAL COMPANY FOR GLASS INDUSTRIES (ZOUJAJ)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(Saudi Riyals)

	Notes	Share capital	Statutory reserve	Retained earnings	Total
Balance as at January 1, 2022		329,000,000	98,700,000	212,497,679	640,197,679
Net profit for the year		-	-	104,330,993	104,330,993
Other comprehensive loss		-	-	(3,484,330)	(3,484,330)
Total comprehensive income for the year		-	-	100,846,663	100,846,663
Dividend declared of SR 1.5 per share	21	-	-	(49,350,000)	(49,350,000)
Balance as on December 31, 2022		329,000,000	98,700,000	263,994,342	691,694,342
Net profit for the year		**-**	**-**	**47,878,843**	**47,878,843**
Other comprehensive loss		**-**	**-**	**(1,511,656)**	**(1,511,656)**
Total comprehensive income for the year		**-**	**-**	**46,367,187**	**46,367,187**
Dividend declared of SR 0.5 per share	21	**-**	**-**	**(16,450,000)**	**(16,450,000)**
Balance as at December 31, 2023		**329,000,000**	**98,700,000**	**293,911,529**	**721,611,529**

CFO	**General Manager**	**Chairman of Board of Directors**
Hatem Ayedh Alfadli	**Walid Afyouni**	**Omar Riyadh Alhumaidan**

The accompanying notes form an integral part of these financial statements

THE NATIONAL COMPANY FOR GLASS INDUSTRIES (ZOUJAJ)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Saudi Riyals)

	Notes	2023	2022
Cash flows from operating activities			
Profit before Zakat		**53,166,187**	112,871,283
Loss from discontinued operations		**-**	(5,663,175)
Adjustments for:			
Depreciation of property, plant and equipment	6	**31,256,213**	32,989,582
Depreciation of right of use assets	8	**234,104**	173,118
Property, plant and equipment written off	6	**212,141**	-
Inventories written off	10	**66,270**	2,354,441
Share of profit from equity accounted joint ventures	9	**(36,384,135)**	(126,780,166)
Gain on disposal of property, plant and equipment	26	**(7,826)**	-
Impairment loss on non-current assets held for sale	28	**-**	2,833,948
Loss on disposal of non-current assets held for sale	28	**-**	1,673,915
Impairment loss on financial assets	13	**591,583**	672,672
Finance cost		**457,368**	1,031,610
Employees' end of service benefits	18	**1,061,256**	733,549
		50,653,161	22,890,777
Changes in working capital items:			
Inventories		**763,317**	(4,139,696)
Prepayments and other debit balances		**4,562,652**	(6,403,814)
Contract assets		**(4,923,465)**	(299,930)
Trade receivables		**(2,319,128)**	(2,428,726)
Contract liabilities		**91,248**	(144,725)
Trade payables		**(5,514,720)**	(2,270,064)
Accrued expenses and other credit balances		**3,016,281**	612,632
Cash generated from operating activities		**46,329,346**	7,816,454
Employees' end of service benefits paid	18	**(1,388,234)**	(763,277)
Zakat paid	20	**(4,149,570)**	(824,878)
Net cash generated from operating activities		**40,791,542**	6,228,299
Cash flows from investing activities			
Additions to property, plant and equipment	6	**(11,641,978)**	(6,964,110)
Proceeds from disposal of property, plant and equipment		**7,826**	-
Proceeds from disposal of non-current assets held for sale		**-**	826,085
Dividend received from joint ventures	9	**54,265,530**	52,173,000
Net cash generated from investing activities		**42,631,378**	46,034,975

THE NATIONAL COMPANY FOR GLASS INDUSTRIES (ZOUJAJ)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Saudi Riyals)

	Notes	2023	2022
Cash flows from financing activities			
Payment of long-term loans and borrowings		**(14,366,445)**	(21,612,566)
Receipt of long-term loans and borrowings		**2,875,039**	-
Net movement in short-term borrowings		**(33,681,184)**	4,615,085
Principal element of lease liabilities paid		**(209,817)**	(132,771)
Interest element of lease liabilities paid		**(152,077)**	(65,095)
Dividends paid	21	**(32,395,692)**	(32,423,068)
Net cash used in financing activities		**(77,930,176)**	(49,618,415)
Net changes in cash and cash equivalents during the year		**5,492,744**	2,644,859
Cash and cash equivalents at the beginning of the year		**16,860,647**	14,215,788
Cash and cash equivalents at the end of the year	14	**22,353,391**	16,860,647
Non-cash transactions			
Dividend declared and not paid		**16,450,000**	16,926,932
Addition to right of use assets and lease liabilities	8	**1,181,597**	-
Transfer from property, plant and equipment to investment property	6	**-**	5,000,000
Transfer from property, plant and equipment to non-current assets held for sale	28	**-**	5,333,948

CFO	**General Manager**	**Chairman of Board of Directors**
Hatem Ayedh Alfadli	**Walid Afyouni**	**Omar Riyadh Alhumaidan**

The accompanying notes form an integral part of these financial statements

1. COMPANY INFORMATION AND PRINCIPAL ACTIVITIES

The National Company for Glass Industries (Zoujaj) (hereinafter "the Company") is a Saudi Joint Stock company, established under the Commercial Register No. 1010075300 dated Jumada al-Alkhirah 20, 1410 H (corresponding to January 17, 1990) in Riyadh, Kingdom of Saudi Arabia.

The registered address of the Company is building number 8317, unit number 5, Saudi Second Industrial City, PO Box 88646, Riyadh 11672, Kingdom of Saudi Arabia.

The principal activity of the Company is production and sale of returnable and non-returnable glass bottles and float glass.

The Company owned two factories in Riyadh and Dammam. Riyadh factory began its commercial production during the first quarter of 1991, while Dammam factory began its commercial production in January 1994 and was disposed off on August 14, 2022 (Note 28).

The financial statements include the Company's accounts and its following branches:

Branch name	CR number	Issuance location	Registration date	Activity
The National Factory for Glass Bottles	1010088944	Riyadh	11/05/1412 (H)	Production of returnable and non-returnable glass bottles.
Dammam Factory for Glass Bottles*	2050023369	Dammam	28/11/1412 (H)	Production of glass bottles.
The National Factory for Glass Bottles	1010756334	Riyadh	05/04/1443 (H)	Operating sand and gravel mines, including crushers.

*This CR has been cancelled during the year.

2. BASIS OF PREPARATION

a) Statement of compliance with IFRS

These financial statements of the Company for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (here and after referred to as "IFRS"). Details of the Company's material accounting policies are disclosed in note 5.

b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following:

- Defined benefit plan – measured at the present value of future obligations using the Project Unit Credit Method; and
- Investments in joint ventures – equity method of accounting

Furthermore, these financial statements are prepared using the accrual basis of accounting and the going concern basis.

c) Functional and presentation currency

These financial statements are presented in Saudi Riyals (SR), which is also the Company's functional currency and all values are rounded to the nearest Riyal (SR), except when otherwise indicated.

3. APPLICATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

3.1 New and amended IFRSs applied with no material effect on the financial statements

The accounting policies and methods of computation adopted in the preparation of the financial statements for the year ended 31 December 2023 are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2022, except for the adoption of certain amendments which became effective for annual periods starting on or after 1 January 2023.

The Company applies, for the first time, the following amendments:

- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules

These new amendments had no material impact on the financial statements of the Company.

3.2 New and amended IFRSs in issue but not yet effective and not early adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The following new and amended standards and interpretations are not expected to have a material impact on the Company's financial statements:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1: Non-current liabilities with covenants
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
- Amendments to IAS 21: Lack of exchangeability

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Company makes certain judgements, estimates and assumptions regarding the future. Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Control over investments

The management has determined that the Company does not control its investments even though the Company owns 50% or more of the issued capital of the investments. The management has determined that the Company has a joint control over these investments, as it has been contractually agreed on sharing the control of these investments, in which all decisions about the relevant activities (activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing the control.

Joint arrangement

For all joint arrangements structured in separate vehicles the Company must assess the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment requires the Company to consider whether it has rights to the joint arrangement's net assets (in which case it is classified as a joint venture), or rights to and obligations for specific assets, liabilities, expenses, and revenues (in which case it is classified as a joint operation). Factors the Company must consider include:

- Structure
- Legal form
- Contractual agreement
- Other facts and circumstances.

Upon consideration of these factors, the Company has determined that all of its joint arrangements structured through separate vehicles give it rights to the net assets and are therefore classified as joint ventures.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer.
The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, and the related revenue recognition policies.

Type of product	Nature and timing of satisfaction of performance obligation	Revenue recognition policy
Standard products	Customers obtain control of standard products when the products are made available to the customer and have been accepted.	Revenue is recognized when control of a product or service has transferred to the customer (upon delivery).
Customized products	The Company manufactures products for customers that have no alternative use and for which the Company has an enforceable right to payment for production completed to date. The Company has concluded that it has such enforceable right to payment once it receives an individual purchase order.	Revenue is recognized over time based on the units produced output method such that a portion of revenue, net of any related estimated rebates and cash discounts, excluding value added tax, will be recognized prior to the dispatch of products as the Company satisfies the contractual performance obligations for those contracts.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ended December 31, 2023, are as follows:

Useful lives of the property, plant and equipment

An estimate of the useful lives of property, plant and equipment is made to calculate depreciation expense. Such estimate is made based on the expected useful lives of relevant assets.

The useful lives of the Company's assets are determined by management based on technical evaluation at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology (refer to note 5.2).

Impairment loss on financial assets

The impairment loss on financial assets is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Zakat

Provision for zakat is made in accordance with Zakat, Tax and Customs Authority ("ZATCA") rules and regulations and is charged to the statement of profit or loss and other comprehensive income. Adjustments arising from final Zakat assessments are recorded in the period in which such assessments are made. The management establishes provision based on the expected amount to be paid to ZATCA.

Impairment of non-financial assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

Provision for slow moving and obsolete inventories

Management regularly undertakes a review of the Company's inventory to assess the likely realization proceeds, considering purchases and replacement prices, age and the physical condition of the inventory. Based on the assessment, assumptions are made as to the level of provisioning required.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Company in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

5.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification.

Assets are current when they are:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period or;
- Cash and cash equivalents unless restricted from being exchanged or used to settle any liabilities for at least twelve months after the reporting period.

All other assets are classified as "non-current".

All liabilities are determined to be current when:

- They are expected to be settled in the normal operating cycle;
- Are held primarily for the purpose of trading;
- Are due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liabilities for at least twelve months after the reporting period.

All other liabilities are classified as "non-current".

5.2 Property, plant, and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation, and any accumulated impairment loss. If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. All other repair and maintenance costs are recognized in the statement of profit or loss and other comprehensive income as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit or loss and other comprehensive income.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Capital work in progress

Capital work in progress is stated at cost and not depreciated. Depreciation on capital work in progress commences when the assets are ready for their intended use. When assets are ready for their intended use, they are transferred to property, plant and equipment or intangible assets. Finance costs on borrowings to finance the construction of qualified assets are capitalized during the period that is required to complete and prepare the asset for its intended use.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in the statement of profit or loss and other comprehensive income. Land and capital work in progress are not depreciated.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.2 Property, plant, and equipment (Continued)

Depreciation (Continued)
The estimated depreciation rates based on the useful lives of the property, plant and equipment for current and comparative periods are as follows:

Description	Depreciation rate
Buildings	3-13%
Machines and equipment	5-25%
Furniture and fixtures	3-25%
Vehicles	10-25%
Moulds	10% or units of production whichever is higher

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

5.3 Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. For all such lease arrangements, the Company recognize right of use assets and lease liabilities except for the short-term leases and leases of low-value assets as follows:

Right of use assets
The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment.

Lease liabilities
At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, or a change in the assessment to purchase the underlying asset.

Short-term leases
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.4 Investments in joint ventures and associates

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement and right to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results of the associates or joint ventures are incorporated in these financial statements using the equity method of accounting by the Company. Under the equity method, an investment in an associate or a joint venture is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate or joint venture in the statement of profit or loss and other comprehensive income. When the Company's share of losses of an associate or a joint venture exceeds the Company's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate or joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations for or made payments on behalf of the associate or joint venture.

If the associate or joint venture subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized. Investments made by the Company in the following companies is being accounted for using the equity method of accounting since the management has determined these to be joint ventures of the Company.

Investee company	Location	Share holding	Activity
Saudi Guardian International Float Glass Company Limited (Gulf Guard)	Jubail, Saudi Arabia	55%	Production of Float Glass, Pattern Glass, Mirror, and coated glass.
Guardian Zoujaj International Float Glass Company LLC (Guardian Ras Al Khaimah)	Ras-Al- Khaimah, United Arab Emirates	55%	Production of glass sheets, mirror, reflective, enameled and insulant glass.
The Saudi National Lamps and Electricals Company Limited (SNLEC)*	Al-Hofuf, Saudi Arabia	50%	Production of lighting products.

*The Company has discontinued the equity method of accounting SNLEC after its share of accumulated losses from the said joint venture exceeded the carrying value of its investment and the Company determined that there exists no further liability either legal or constructive which the Company might be liable to pay for.

5.5 Investment properties

Investment properties comprise of property held for capital appreciation, long-term rental yields or both, and are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Investment properties also include property that is being constructed or developed for future use as investment properties. In addition, land, if any held for undetermined use is classified as investment properties and is not depreciated.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognized and presented separately within other income / (expenses) - net in the statement of profit or loss and other comprehensive income.

Rent income

Revenue from investment properties is generally recognized in the accounting period in which the services are rendered, using straight-line basis, over the term of the lease contract.

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.6 Impairment testing of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets (collectively known as a cash generating unit). When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for other publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of the continuing operations, if any, are recognized in the statement of profit or loss and other comprehensive income in the year in which such impairment arises and in the expense category consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such an indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the extent so as not to cause the carrying amount of the asset to exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss and other comprehensive income.

5.7 Inventories

Inventories are included in the financial statements at the lower of cost (including raw materials, direct labor, other direct costs and related production overheads) and net realizable value with due allowance for any obsolete or slow-moving items, products and damages as per the Company's policy. The cost of raw materials, consumables, spare parts, and finished goods is determined on a weightage average cost method.

5.8 Financial instruments

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.8 Financial instruments (Continued)

Financial assets (Continued)

Subsequent measurement
The subsequent measurement of financial assets depends on their classification.

Financial assets at amortized cost
After initial measurement, financial assets at amortized cost are measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the asset is derecognized, modified or impaired.

Derecognition
A financial asset is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Other financial assets such as cash and cash equivalents have low credit risk and the impact of applying ECL is immaterial.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.8 Financial instruments (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is a current enforceable legal right to offset the recognized amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

5.9 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and cash in hand.

5.10 Employees' end of service benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plan

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses (excluding finance expense) is recognized immediately in other comprehensive income. The Company determines the net finance expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net finance expenses and other expenses related to defined benefit plans are recognized in the statement of profit or loss and other comprehensive income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in the benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of profit or loss and other comprehensive income. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.10 Employees' end of service benefits (Continued)

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to its present value and recognized as an expense in the statement of profit or loss and other comprehensive income in the period in which it arises.

5.11 Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company, and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided as a provision.

5.12 Zakat

The Company is subject to the regulations of Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat provision is calculated based on the Zakat base of the Company. Any differences between the provision and the final assessment is recorded when the final assessment is approved. Provision for Zakat is charged to statement of profit or loss and other comprehensive income.

5.13 Dividends

Dividends are recognized as a liability at the time of their approval by the General Assembly or by the Board of Directors when they have been duly authorized by the General Assembly.

5.14 Revenue recognition

The Company's products include glass bottles primarily for beverage and food markets, where demand is consumer-driven.

The Company usually enters into framework agreements with its major customers, which establish the terms under which individual orders to purchase glass bottles may be placed. As the framework agreements do not identify each party's rights regarding the glass bottles to be transferred, they do not create enforceable rights and obligations on a standalone basis. Therefore, the Company has concluded that only individual purchase orders create enforceable rights and obligations and meet the definition of a contract. The individual purchase orders have, in general, a delivery duration of less than one year and, as such, the Company does not disclose any information about remaining performance obligations under these contracts. The Company's payment terms are in line with customary business practice, which can vary by customer and region. The Company has availed of the practical expedient from considering the existence of a significant financing component as, based on past experience, the Company expects that, at contract inception, the period between when a promised product is transferred to the customer and when the customer pays for that product will be one year or less.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.14 Revenue recognition (Continued)

Revenue is recognized when control of a product or service has transferred to the customer. For certain contracts, the Company manufactures products for customers that have no alternative use and for which the Company has an enforceable right to payment for production completed to date. The Company has concluded that it has such enforceable right to payment plus a reasonable margin once it receives an individual purchase order. Therefore, for such products that have no alternative use and where an enforceable right to payment exists, the Company will recognize revenue over time based on the units produced output method such that a portion of revenue, net of any related estimated rebates and cash discounts, excluding value added tax, will be recognized prior to the dispatch of products as the Company satisfies the contractual performance obligations for those contracts. The Company has concluded that the units produced output method provides faithful depiction of the transfer of products or services as it recognizes the revenue on the basis of direct measurements of the value to the customer of the products or services transferred to date relative to the remaining products or services promised under the contract.

For all other contracts, the Company will continue to recognize revenue primarily on dispatch of the products, net of any related customer rebates and cash discounts, excluding value added taxes.

When the Company sells its products with rebates and cash discounts based on cumulative sales over a period, such rebate and cash discount consideration is only recognized when it is highly probable that it will not be subsequently reversed and is recognized using the most likely amount depending on the individual contractual terms.

The Company has assessed that, based on historical information, the impact of any future product returns is insignificant to the financial statements. The Company's contracts with its customers do not entitle customers to refunds.

5.15 Contract assets

Contract assets represent revenue recognized over time based on production completed in accordance with the Company's revenue recognition policy. A provision for impairment of a contract asset will be recognized using an allowance matrix to measure the expected credit loss, based on historical actual credit loss experiences, adjusted for forward-looking information.

5.16 Cost of revenue

Cost of revenue includes direct costs of sales, including costs of materials and overheads directly attributable to revenue.

5.17 Selling and distribution and General and administrative expenses

Selling and distribution, general and administrative expenses and other expenses include direct and indirect costs not specifically part of the cost of revenues. Allocations between cost of revenue and other operating expenses are made consistently when required.

5.18 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

(Saudi Riyals)

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machines and equipment	Furniture and fixtures	Vehicles	Moulds	Capital work in Progress	Total
Cost:								
As at January 1, 2022	5,000,000	96,136,947	407,777,632	10,203,693	1,626,589	20,371,398	642,000	541,758,259
Additions during the year	-	33,909	63,692	269,397	-	5,732,562	864,550	6,964,110
Transfers during the year	-	-	1,461,550	-	-	-	(1,461,550)	-
Disposals during the year	-	-	(1,189,529)	-	-	-	-	(1,189,529)
Transfer to non-current assets held for sale*	-	(13,793,831)	(37,921,716)	(115,918)	-	-	-	(51,831,465)
Transfer to investment property*	(5,000,000)	-	-	-	-	-	-	(5,000,000)
As at December 31, 2022	-	82,377,025	370,191,629	10,357,172	1,626,589	26,103,960	45,000	490,701,375
Additions during the year	**-**	**366,450**	**203,659**	**154,140**	**-**	**6,277,019**	**4,640,710**	**11,641,978**
Disposals during the year	**-**	**-**	**-**	**-**	**(50,200)**	**-**	**-**	**(50,200)**
Write offs during the year	**-**	**-**	**-**	**-**	**-**	**(538,226)**	**(45,000)**	**(583,226)**
As at December 31, 2023	**-**	**82,743,475**	**370,395,288**	**10,511,312**	**1,576,389**	**31,842,753**	**4,640,710**	**501,709,927**
Accumulated depreciation and impairment loss:								
As at January 1, 2022	-	48,494,592	252,123,537	8,657,346	1,626,585	14,755,669	-	325,657,729
Depreciation for the year	-	2,728,967	23,429,387	540,994	-	6,290,234	-	32,989,582
Disposals during the year	-	-	(1,189,529)	-	-	-	-	(1,189,529)
Transfer to non-current assets held for sale*	-	(11,760,301)	(34,625,000)	(112,216)	-	-	-	(46,497,517)
As at December 31, 2022	-	39,463,258	239,738,395	9,086,124	1,626,585	21,045,903	-	310,960,265
Depreciation for the year	**-**	**2,531,486**	**22,521,592**	**453,909**	**-**	**5,749,226**	**-**	**31,256,213**
Disposals during the year	**-**	**-**	**-**	**-**	**(50,200)**	**-**	**-**	**(50,200)**
Write offs during the year	**-**	**-**	**-**	**-**	**-**	**(371,085)**	**-**	**(371,085)**
As at December 31, 2023	**-**	**41,994,744**	**262,259,987**	**9,540,033**	**1,576,385**	**26,424,044**	**-**	**341,795,193**
Net book value								
As at December 31, 2023	**-**	**40,748,731**	**108,135,301**	**971,279**	**4**	**5,418,709**	**4,640,710**	**159,914,734**
As at December 31, 2022	-	42,913,767	130,453,234	1,271,048	4	5,058,057	45,000	179,741,110

- Refer to note 17 for information on property, plant and equipment pledged as security by the Company.

(Saudi Riyals)

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

* On May 18, 2022, the Company's Board of Directors resolved to sell the assets of Dammam Factory for Glass Bottles (the "Factory") except for the land ("Disposal Group"). Accordingly, the Disposal Group was classified out of property, plant and equipment and presented as non-current assets held for sale during the year (Note 28).

Furthermore, the Board of Directors also decided to use the said land for the purpose of earning rentals. Accordingly, it has been classified out of property, plant and equipment and presented as investment property in these financial statements (Note 7).

7. INVESTMENT PROPERTY

	December 31, 2023	December 31, 2022
At the beginning of the year	**5,000,000**	-
Transfer from property, plant and equipment (note 6)	**-**	5,000,000
At the end of the year	**5,000,000**	5,000,000

Amount recognized in profit or loss:

	December 31, 2023	December 31, 2022
Rental income (note 26)	**2,762,816**	460,469
Operating expenses related to generation of rental income	**-**	(82,609)

The fair market value of the land as at December 31, 2023 amounted to SR 85 million (December 31, 2022: SR 52.5 million), based on a valuation performed by Tebyan Alqima for Real Estate Valuation (2022: White Cubes Real Estate) (independent valuers accredited by Saudi Authority of Accredited Valuers).

Lease arrangement

The investment property has been leased to a tenant under operating lease with rentals payable annually. Lease income from the operating leases where the Company is a lessor is recognized as income on a straight-line basis over the lease term. Lease arrangement does not include variable lease payments that depend on an index or rate.

Minimum lease payments receivable on lease of investment property are as follows:

	December 31, 2023	December 31, 2022
Within 1 year	**2,500,000**	5,000,000
Between 1 to 2 years	**2,500,000**	2,500,000
Between 2 to 3 years	**2,625,000**	2,625,000
Between 3 to 4 years	**2,625,000**	2,625,000
Between 4 to 5 years	**2,625,000**	2,625,000
Later than 5 years	**26,067,237**	26,067,237
	38,942,237	41,442,237

8. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The right of use assets and lease liabilities consist mainly of lease agreements for two plots of land with the Saudi Authority for Industrial Cities and Technology Zones (MODON) for a long term that has been used in establishing the factory for the manufacturing of glass bottles and the administration office. The first contract is for a period of 19 years ending in 2032 AD and the second contract is for a period of 17 years ending in 2030 AD.

	December 31, 2023	December 31, 2022
Right of use assets:		
Net book value at the beginning of the year	**1,663,488**	1,836,606
Addition during the year	**1,181,597**	-
Depreciation during the year	**(234,104)**	(173,118)
Net book value at the end of the year	**2,610,981**	1,663,488

(Saudi Riyals)

8. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

	December 31, 2023	December 31, 2022
Amount recognized in profit or loss:		
Depreciation on right of use assets	**234,104**	173,118
Interest expense on lease liabilities (note 27)	**152,077**	65,095
	386,181	238,213
Lease liabilities:		
Current portion	**215,741**	182,393
Non-current portion	**2,690,944**	1,752,512
	2,906,685	1,934,905

9. INVESTMENTS IN JOINT VENTURES

The movement of investments in joint ventures during the year is as follows:

	Guardian Ras Al Khaimah	**Gulf Guard**	**SNLEC**	**Total**
As at January 1, 2022	244,026,468	216,866,208	1	460,892,677
Share of profit for the year	62,051,610	64,728,556	-	126,780,166
Share of other comprehensive loss	-	(2,969,799)	-	(2,969,799)
Dividend received during the year	(52,173,000)	-	-	(52,173,000)
As at December 31, 2022	253,905,078	278,624,965	1	532,530,044
Share of profit for the year	**40,478,864**	**(4,094,729)**	**-**	**36,384,135**
Share of other comprehensive loss	**-**	**(1,705,331)**	**-**	**(1,705,331)**
Dividend received during the year	**(54,265,530)**	**-**	**-**	**(54,265,530)**
As at December 31, 2023	**240,118,412**	**272,824,905**	**1**	**512,943,318**

The equity method of accounting for the investment in SNLEC has been discontinued as the Company's share of losses exceeded the investment's carrying value. During the year, the Board of Directors decided to liquidate SNLEC.

Guardian Ras Al Khaimah

The principal activities are manufacturing of float glass and mirrors and production of reflective, coated and insulating glass. Below is summarized financial information represents interest in Guardian Ras Al Khaimah.

	December 31, 2023	December 31, 2022
Statement of financial position:		
Total assets	**524,440,979**	571,316,076
Total liabilities	**87,862,049**	109,670,479
Statement of comprehensive income:		
Net profit for the year	**73,597,934**	112,821,110

Reconciliation of the above summarized financial information to the carrying amount of the interest in joint venture recognized in these financial statements is presented below:

	December 31, 2023	December 31, 2022
Net assets of the joint venture	**436,578,930**	461,645,597
Proportion of the Company's ownership interest	**55%**	55%
Carrying amount of the Company's interest	**240,118,412**	253,905,078

(Saudi Riyals)

9. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Gulf Guard

The principal activities are the production of float glass, pattern glass, mirrors and coated glass. Below summarized financial information represents the Company's interest in Gulf Guard.

	December 31, 2023	December 31, 2022
Statement of financial position:		
Total assets	**724,474,040**	694,061,581
Total liabilities	**245,339,970**	205,378,515
Statement of comprehensive income:		
Net (loss) / profit for the year	**(6,120,880)**	107,771,470

Reconciliation of the above summarized financial information to the carrying amount of the interest in joint venture recognized in these financial statements is presented below:

	December 31, 2023	December 31, 2022
Net assets of the joint venture	**479,134,070**	488,683,066
Income tax expense associated to other joint venturer	**16,911,211**	17,907,779
Adjusted net assets of the joint venture	**496,045,281**	506,590,845
Proportion of the Company's ownership interest	**55%**	55%
Carrying amount of the Company's interest	**272,824,905**	278,624,965

10. INVENTORIES

	December 31, 2023	December 31, 2022
Spare parts	**14,684,673**	13,254,370
Raw materials	**5,291,686**	10,593,293
Finished goods	**4,956,817**	2,891,017
Consumable items	**2,704,818**	1,527,279
Packing materials	**757,342**	958,964
Gross value of inventories	**28,395,336**	29,224,923
Provision for non-moving or slow-moving inventories	**(3,995,494)**	(3,995,494)
Net value of inventories	**24,399,842**	25,229,429

*The inventories written off during the year include finished goods valuing SR 66,270 (2022: SR 865,766) and raw materials valuing SR nil (2022: SR 1,488,675) (note 23).

11. PREPAYMENT AND OTHER DEBIT BALANCES

	December 31, 2023	December 31, 2022
Supplier advances	**1,010,993**	1,712,419
Deposits	**893,795**	5,031,049
Accrued rental income	**723,284**	460,469
Prepayments	**707,460**	694,470
Others	**223**	-
	3,335,755	7,898,407

(Saudi Riyals)

12. ASSETS AND LIABILITIES RELATED TO CONTRACT WITH CUSTOMERS

The Company has recognized the following assets and liabilities related to its contracts with customers:

	December 31, 2023	December 31, 2022
Contract assets related to sale of customized products	**13,775,545**	8,852,080
Contract liability related to advances received	**331,847**	250,796
Contract liability related to customer incentive for free products	**44,482**	34,285
Total contract liabilities	**376,329**	285,081

Contract assets increased due to the increase in quantities and prices during the current year.

13. TRADE RECEIVABLES

	December 31, 2023	December 31, 2022
Trade receivables	**51,725,953**	49,406,825
Provision for expected credit losses	**(7,617,352)**	(7,025,769)
	44,108,601	42,381,056

Movement in provision for expected credit losses is as follows:

	December 31, 2023	December 31, 2022
At the beginning of the year	**7,025,769**	6,353,097
Charge for the year	**591,583**	672,672
At the end of the year	**7,617,352**	7,025,769

14. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash with banks	**22,353,391**	16,860,647

The cash and cash equivalents disclosed above and in the statement of cash flows as of December 31, 2023 include SR 3,829,607 (December 31, 2022: SR 3,206,029) which are restricted and are therefore not available for general use by the Company.

15. SHARE CAPITAL

	December 31, 2023	December 31, 2022
Authorized & issued		
32,900,000 ordinary shares @ SR 10 each and fully paid	**329,000,000**	329,000,000

The Board of Directors of the Company has recommended splitting the nominal value of each share from SR 10 per share to SR 1 per share. However, this recommendation has not yet been approved by the General Assembly of the Company until the date of approval of these financial statements.

16. STATUTORY RESERVE

In accordance with the Company's Bylaws, the Company formed a non-distributable statutory reserve by transferring 10% of the annual net profit until the statutory reserve balance reached 30% of its share capital. As the reserve has reached the minimum amount, the management has resolved to discontinue such transfers. The new Saudi Companies law which became effective on 19 January 2023 removed the requirement of maintaining a statutory reserve which existed in the previous law. The Company is in the process of updating its Bylaws to align it with the new law.

(Saudi Riyals)

17. LOANS AND BORROWINGS

	December 31, 2023	December 31, 2022
Non-current portion of long-term loans:		
Saudi Investment Bank	**3,724,822**	-
Loans and borrowings – non-current	**3,724,822**	-
Current portion of long-term loans:		
Saudi Industrial Development Fund	**-**	12,361,589
Saudi Investment Bank	**1,699,565**	4,248,913
	1,699,565	16,610,502
Short term borrowings:		
Saudi Investment Bank	**6,971,847**	23,550,458
Banque Saudi Fransi	**-**	17,102,573
	6,971,847	40,653,031
Loans and borrowings – current	**8,671,412**	57,263,533
Total loans and borrowings	**12,396,234**	57,263,533

Loan covenants

Under the terms of the borrowing facilities, the Company is required to comply with the following financial covenants:

- the working capital ratio not to be less than 1:1;
- the financial leverage ratio not to be more than 1:1; and
- the debt service ratio not to be less than 1.1:1

The non-compliance with any of the above stated covenants causes the outstanding long-term loans to become payable on demand by the lender.

The terms of Banque Saudi Fransi borrowings are as follows:

The Company has signed a Tawaruq / Murabaha Financing letter of agreement of SR 23,000,000 (working capital facility–SR 15,000,000 and Dividend loan facility–SR 8,000,000). As of December 31, 2023, the utilized balance of this facility is nil (December 31, 2022: SR 17,102,573).

The facility for working capital is charged at SAIBOR + predetermined rate per annum on utilized balance (tenor of 270 days) under Tawaruq or Murabaha for direct payments to suppliers. As of December 31, 2023, the utilized balance of the working capital facility is nil. (December 31, 2022: SR 9,102,573). The facility for dividend payment is charged at SAIBOR + predetermined rate per annum on utilized balance (to be repaid by latest July 31, 2024) under Tawaruq. As of December 31, 2023, the utilized balance of the dividend payment facility is nil (December 31, 2022: SR 8,000,000).

The Company has issued an order note of SR 23,000,000 effective from the signing of the financing letter of agreement dated July 16,2023.

The terms of Saudi Industrial Development funds are as follow:

The Company had obtained a long-term loan of SR 108,500,000 for expanding its production capacity of glass bottles at a predetermined rate per annum and follow up charges determined by the lender based on certain evaluations.

The Company entered into a rescheduling agreement with the Saudi Industrial Development Fund whereunder the payment amounting to SR 12,400,000 originally due on March 7, 2023 was paid by the Company on December 22, 2022. The last installment amounting to SR 12,400,000 was paid during 2023.

The loan had been taken against mortgage of property, plant and equipment of the Company, except for land and issuance of an order note. The mortgage of property, plant and equipment was kept in place for a new loan facility that was signed after the end of the year.

(Saudi Riyals)

17. LOANS AND BORROWINGS (CONTINUED)

The terms of Saudi Investment Bank are as follow:

The Company has signed a Murabaha / Tawaruq facilities letter of agreement for SR 53,399,130 out of which SR 23,399,130 is for capital expenditure and SR 30,000,000 for working capital at SAIBOR + predetermined rate per annum. These facilities have carrying amounts of SR 5,424,387 as of December 31, 2023 (December 31, 2022: SR 4,248,913) for capital expenditure and SR 6,971,847 as of December 31, 2023 (December 31, 2022: SR 23,550,458) for working capital. The Company has issued an order note of SR 53,399,130 effective from the signing this facility.

The terms of Saudi EXIM Bank are as follow:

The Company has signed a new short-term Murabaha working capital facility agreement dated October 30, 2023 amounting to SAR 25,000,000 at a predetermined rate per annum. The Company had not utilized any amount from this facility as of December 31, 2023. The Company has issued an order note for SAR 25,000,000 effective from signing this facility.

18. EMPLOYEES' END OF SERVICE BENEFITS

The movement in employee's end of service benefits' during the year is as follows:

	December 31, 2023	December 31, 2022
At the beginning of the year	**6,609,781**	6,124,978
Service cost	**755,534**	631,576
Finance cost (note 27)	**305,722**	101,973
Costs recognized in profit or loss	**1,061,256**	733,549
Benefits paid to outgoing / existing members	**(1,388,234)**	(763,277)
Remeasurement loss / (gain) recognized in OCI	**(193,675)**	514,531
At the end of the year	**6,089,128**	6,609,781

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	December 31, 2023	December 31, 2022
Discount rate	**4.60%**	4.60%
Long term salary increase rate	**4.60%**	4.60%
Employees' turnover rate	**Ultra-Heavy**	Heavy

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	December 31, 2023	December 31, 2022
Discount rate +0.5%	**5,940,536**	6,471,553
Discount rate -0.5%	**6,245,536**	6,758,665
Long term Salary Increases +0.5%	**6,205,918**	6,713,907
Long term Salary Increases -0.5%	**5,977,022**	6,513,450

Analysis of remeasurement gain recognized in other comprehensive income during the year:

	December 31, 2023	December 31, 2022
Due to change in financial assumptions	**(56,025)**	154,034
Due to change in demographic assumptions	**22,943**	(73,497)
Due to change in experience adjustments	**(160,593)**	433,994
	(193,675)	514,531

(Saudi Riyals)

19. ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	December 31, 2023	December 31, 2022
Deposits from customers	**3,200,175**	2,856,170
Accrued employee benefits	**2,856,078**	1,626,683
Bonus to board of directors and other committees	**2,511,507**	1,600,000
Utilities	**888,544**	635,360
Freight	**259,840**	237,575
Value added tax payable	**159,457**	185,356
Withholding taxes payable	**-**	935
Other liabilities	**1,385,436**	1,102,677
	11,261,037	8,244,756

20. ZAKAT

Zakat calculation

	December 31, 2023	December 31, 2022
Net profit before Zakat	**53,166,187**	112,871,283
Adjustments on the net profit	**(34,731,296)**	(125,373,945)
Net adjusted profit	**18,434,891**	(12,502,662)
Additions	**732,429,439**	704,854,337
Deductions	**(658,769,571)**	(608,378,645)
Zakat base	**92,094,759**	83,973,030
Accrued Zakat for the Company	**2,373,912**	2,175,408
Accrued Zakat for Guardian Ras Al Khaimah	**2,913,432**	2,969,260
Total	**5,287,344**	5,144,668

The main elements of the Zakat base for Guardian Zoujaj International Float Glass Company LLC (Guardian Ras Al Khaimah):

	December 31, 2023	December 31, 2022
The Funds subject to Zakat	**423,088,097**	408,282,742
Funds deducted from the base	**(290,761,993)**	(310,757,936)
Zakat base	**132,326,104**	97,524,806
Adjusted profits	**75,448,058**	115,390,969
Total Zakat base	**207,774,162**	212,915,775
The Company's share in the Zakat base (55%)	**114,275,789**	117,103,676
Accrued Zakat	**2,913,432**	2,969,260

Movement during the year:

	December 31, 2023	December 31, 2022
As at the beginning of the year	**8,767,990**	6,715,753
Zakat expense for the year:		
Charge for the year	**5,287,344**	5,144,668
Adjustment of excess provision from prior year	**-**	(2,267,553)
Net zakat expense for the year	**5,287,344**	2,877,115
Payment during the year	**(4,149,570)**	(824,878)
As at the end of the year	**9,905,764**	8,767,990

(Saudi Riyals)

20. ZAKAT (CONTINUED)

Zakat status:

The Company has filed its Zakat returns with Zakat, Tax and Customs Authority ("ZATCA") and obtained Zakat certificates up to the year 2022. The Company finalized its Zakat position with ZATCA till the year ended 2018. During the year 2021, the Company received a letter of amendment of the Zakat returns from ZATCA for the years 2019 and 2020. The value of Zakat variances amounted to SR 1.8 million. During 2022, the Company appealed ZATCA's reassessments to ZATCA and escalated to the General Secretariat of Zakat, Tax and Customs Committees. The Company's management believes that the outcome of the appeal will be in its favor, however, the Company maintained a sufficient provision to settle the additional Zakat liabilities in case the appeal outcomes were not in its favor. The years 2021 and 2022 are currently under ZATCA's review.

21. DIVIDENDS

	December 31, 2023	December 31, 2022
As at the beginning of the year	**30,499,489**	13,572,557
Declared during the year	**16,450,000**	49,350,000
Payment during the year	**(32,395,692)**	(32,423,068)
As at the end of the year	**14,553,797**	30,499,489

22. REVENUE

The break-up of revenue recognized over a period of time and at a point in time is as follows:

	December 31, 2023	December 31, 2022
Over a period of time	**103,276,531**	81,359,013
At a point in time	**50,643,424**	30,958,008
	153,919,955	112,317,021

23. COST OF REVENUE

	December 31, 2023	December 31, 2022
Materials consumed	**52,131,272**	41,717,814
Depreciation of property, plant and equipment	**30,727,369**	31,186,509
Salaries and wages	**16,815,195**	16,368,783
Utility expense	**13,357,897**	12,330,921
Repair and maintenance	**4,929,086**	4,374,361
Property, plant and equipment written off	**167,140**	-
Inventories written off (note 10)	**66,270**	2,354,441
Others	**531,308**	551,078
	118,725,537	108,883,907

(Saudi Riyals)

24. SELLING AND DISTRIBUTION EXPENSES

	December 31, 2023	December 31, 2022
Transportation expense	**2,422,967**	1,705,140
Salaries and wages	**593,080**	637,289
Depreciation of property, plant and equipment	**56,037**	55,664
Other miscellaneous expense	**203,009**	478,595
	3,275,093	2,876,688

25. GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2023	December 31, 2022
Salaries and wages	**6,182,556**	4,656,596
Directors' expense	**2,842,298**	1,816,235
Repair and maintenance	**1,037,092**	631,599
Subscription and fees	**672,250**	695,316
Depreciation of property, plant and equipment	**472,806**	608,414
Utility expense	**264,574**	239,607
Other miscellaneous expense	**1,804,604**	2,538,105
	13,276,180	11,185,872

26. OTHER INCOME, NET

	December 31, 2023	December 31, 2022
Rental income (Note 7)	**2,762,816**	460,469
Scrap sales	**219,143**	108,804
Gain on disposal of property, plant and equipment	**7,826**	-
Others - net	**(355,815)**	275,946
	2,633,970	845,219

27. FINANCE COST

	December 31, 2023	December 31, 2022
Interest on loans and borrowings	**3,143,473**	3,210,102
Interest on employees' end of service benefits (note 18)	**305,722**	101,973
Foreign currency exchange loss	**302,208**	74,814
Interest on lease liabilities (note 8)	**152,077**	65,095
	3,903,480	3,451,984

28. LOSS FROM DISCONTINUED OPERATIONS

On May 18, 2022, the Company's Board of Directors resolved to sell the assets of Dammam Factory for Glass Bottles (the "Factory") except for the land ("Disposal Group"). Accordingly, the Disposal Group was classified as non-current assets held for sale during the year at its fair value as at the classification date. The remeasurement at fair value of the Disposal Group resulted in an impairment loss of SR 2.8 million. Following are the details of the impairment loss:

	Building	**Machinery and equipment**	**Furniture and fixture**	**Total**
Cost	13,793,831	37,921,716	115,918	51,831,465
Accumulated depreciation	(11,760,301)	(34,625,000)	(112,216)	(46,497,517)
Net book value	**2,033,530**	**3,296,716**	**3,702**	**5,333,948**
Fair value	953,107	1,545,157	1,736	2,500,000
Impairment loss on remeasurement	**1,080,423**	**1,751,559**	**1,966**	**2,833,948**

(Saudi Riyals)

28. LOSS FROM DISCONTINUED OPERATIONS (CONTINUED)

The disposal was completed August 14, 2022 when the assets pertaining to the Disposal Group were transferred to the buyer against the sale proceeds of SR 826,085 resulting in a loss on disposal of SR 1,673,915.

The results of the Disposal Group's operations for current and prior year have been classified as a loss from discontinued operations which comprise of the following:

	December 31, 2022
Impairment loss on remeasurement	(2,833,948)
Loss on disposal	(1,673,915)
Depreciation expense	(1,138,995)
Other expenses	(210,594)
Other income	194,277
	(5,663,175)

Below are the details of cash flows information related to discontinued operations:

	December 31, 2022
Net cash flows used in operating activities	(16,317)
Net cash flows generated from investing activities	826,085
Net changes in cash and cash equivalents from discontinued operations	809,768

29. RELATED PARTY TRANSACTIONS

Related parties include joint ventures and key management personnel of the Company. The Company in the normal course of business carries out transactions with its related parties. Related parties' transactions are carried out on an arm's length basis and conditions approved either by the Company or its board of directors.

Apart from the dividends received from joint ventures as disclosed in note 9, the transactions carried out with the related parties during the year only comprise of the remuneration and other allowances of the key management personnel. Members of the Board of Directors do not receive any remuneration for their role in managing the Company unless approved by the General Assembly. Members of the Board of Directors receive an attendance allowance for Board and Board Committee meetings. Executive Director receives fixed remuneration as a result of his direct duties and responsibilities. The top six Senior Executives, including the General Manager and the Financial Manager, receive remuneration according to the employment contracts signed with them. The following table illustrates details of remuneration and compensation of directors and key management personnel:

	December 31, 2023	December 31, 2022
Annual bonus	**2,551,507**	1,600,000
Salaries	**1,666,313**	1,668,680
Other allowances	**736,586**	688,336
Compensation for attending meetings	**366,034**	228,235
End of service benefits	**196,755**	199,693
	5,517,195	4,384,944

(Saudi Riyals)

30. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders of the Company over the weighted average number of outstanding ordinary shares during the year.

There were no diluted shares outstanding at any time during the year, therefore, the diluted earnings per share is equal to the basic earnings per share.

From continuing operations:

	December 31, 2023	December 31, 2022
Net profit attributable to the shareholders of the Company	**47,878,843**	109,994,168
Weighted average number of outstanding shares during the year	**32,900,000**	32,900,000
Basic and diluted earnings per share	**1.46**	3.34
From discontinued operations:		
Net loss attributable to the shareholders of the Company	**-**	(5,663,175)
Weighted average number of outstanding shares during the year	**-**	32,900,000
Basic and diluted earnings per share	**-**	(0.17)
Total earnings per share – basic and diluted	**1.46**	3.17

31. CONTINGENCIES & COMMITMENTS

The Company has provided letters of guarantee amounting to SR 544,524 (December 31, 2022: SR 749,025) and letters of credit amounting to SR 12,626,018 (December 31, 2022: SR 5,820,015) in relation to its operations.

The Company had capital commitments amounting to SAR 10,458,582 in respect of enhancement in the production lines (2022: nil).

32. SEGMENT INFORMATION

A segment is a separate and distinct part of the Company that engages in business activities from which it may earn revenues and incur expenses. The operating segments are disclosed on the basis of internal reports that are reviewed by the chief operating decision-maker, who is responsible for allocating resources, assessing performance and making strategic decisions about the operating segments. The operating sectors that show similar economic characteristics, products, services, and similar customer categories, whenever possible, are grouped and recorded as segments that are reported in accordance with International Financial Reporting Standard (8) "Operating Segments".

The principal activity of the Company is production and sale of glass bottles. The Company had factories situated in Riyadh and Dammam, Saudi Arabia. However, the factory in Dammam, was permanently discontinued in the financial year ended 2019 and was disposed-off on August 14, 2022.

The financial information about these reportable segments is as follows:

December 31, 2023

	Riyadh factory	**Dammam factory**	**Total**
Revenue	**153,919,955**	**-**	**153,919,955**
Depreciation on property, plant and equipment	**31,256,213**	**-**	**31,256,213**
Total assets	**788,442,167**	**-**	**788,442,167**
Total liabilities	**66,830,638**	**-**	**66,830,638**

(Saudi Riyals)

32. SEGMENT INFORMATION (CONTINUED)

December 31, 2022

	Riyadh factory	Dammam factory	Total
Revenue	112,317,021	-	112,317,021
Depreciation on property, plant and equipment	31,850,587	1,138,995	32,989,582
Total assets	814,695,792	5,460,469	820,156,261
Total liabilities	128,461,919	-	128,461,919

The following is a summary of annual revenue inside and outside the Kingdom of Saudi Arabia:

	2023	**2023**	2022	2022
	SAR	**%**	SAR	%
Inside the Kingdom of Saudi Arabia	**84,285,189**	**55%**	58,681,116	52%
Outside the Kingdom of Saudi Arabia	**69,634,766**	**45%**	53,635,905	48%
	153,919,955	**100%**	112,317,021	100%

33. FINANCIAL INSTRUMENTS

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Commission rate risk
- Currency risk; and
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Contract assets
- Trade receivables
- Cash and cash equivalents
- Trade payables
- Loans and borrowings
- Lease liabilities
- Other debit and credit balances

33. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value and fair value hierarchy

The Company measures financial instruments at fair value at each statement of financial position date wherever such measurement is required by applicable financial reporting framework or the Company has a choice and it has chosen to do so under permitted accounting policies or where the Company is required to disclose the fair value in these financial statements. 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset’s highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company determines the policies and procedures for both recurring fair value measurement and non-recurring measurement. External valuers are involved in the valuation of significant assets. The involvement of external valuers is decided by the Company after discussion with the Company’s Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with its external valuers, which valuation techniques and inputs to use for each case.

(Saudi Riyals)

33. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value and fair value hierarchy (continued)

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing with the information in the valuation computation to contracts and other relevant documents. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics, and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Financial instruments by category

Financial assets / liabilities at amortized cost:

Financial assets:

	December 31, 2023	December 31, 2022
Contract assets	**13,775,545**	8,852,080
Trade receivables	**44,108,601**	42,381,056
Cash and cash equivalents	**22,353,391**	16,860,647
Other debit balances	**1,617,079**	1,147,572
Total financial assets	**81,854,616**	69,241,355

Financial liabilities:

	December 31, 2023	December 31, 2022
Non-current:		
Loans and borrowings	**3,724,822**	-
Lease liabilities	**2,690,944**	1,752,512
Current:		
Loans and borrowings	**8,671,412**	57,263,533
Trade payables	**9,341,664**	14,856,384
Lease liabilities	**215,741**	182,393
Other credit balances	**11,101,580**	8,058,465
Total financial liabilities	**35,746,163**	82,113,287

There are no financial instruments being carried at fair value in these financial statements as at December 31, 2023 and 2022.

(Saudi Riyals)

33. FINANCIAL INSTRUMENTS (CONTINUED)

General objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports from the Company's Finance Manager through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. It is the policy of the Company, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the General Manager.

The Company determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with payment in advance.

Credit risk also arises from cash balances maintained with banks and financial institutions.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	December 31, 2023	December 31, 2022
Contract assets	**13,775,545**	8,852,080
Trade receivables	**44,108,601**	42,381,056
Cash and bank balances	**22,353,391**	16,860,647
Other debit balances	**1,617,079**	1,147,572
	81,854,616	69,241,355

The carrying amount of financial assets represents the maximum credit exposure. Credit risk on receivable and bank balances is limited as:

- Cash balances are held with banks with sound credit ratings.
- Trade receivables and contract assets are shown net of allowance for impairment of loss.

(Saudi Riyals)

33. FINANCIAL INSTRUMENTS (CONTINUED)

General objectives, policies and processes (Continued)

Credit risk (Continued)

The Company manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis. Trade receivables outstanding balance as at December 31, 2023, comprises of 57% from customers within the Kingdom of Saudi Arabia (December 31, 2022: 52%) and 43% from customers outside the Kingdom of Saudi Arabia (December 31, 2022: 48%). The ageing of trade receivables into different age brackets and corresponding expected credit losses at the year ends were as follows:

December 31, 2023

	Expected loss rate	**Gross carrying value**	**Expected credit losses**	**Net carrying value**
Neither past due nor impaired	**0.1%**	**30,247,678**	**25,925**	**30,221,753**
Past due 1-30 days	**0.4%**	**5,834,569**	**23,383**	**5,811,186**
Past due 31-90 days	**1.2%**	**4,869,179**	**59,712**	**4,809,467**
Past due 91-180 days	**11.8%**	**2,558,028**	**302,945**	**2,255,083**
Past due 181-365 days	**41.6%**	**732,375**	**304,524**	**427,851**
Past due over 365 days	**92.2%**	**7,484,124**	**6,900,863**	**583,261**
Total		**51,725,953**	**7,617,352**	**44,108,601**

December 31, 2022

	Expected loss rate	Gross carrying value	Expected credit losses	Net carrying value
Neither past due nor impaired	0.1%	26,477,614	21,491	26,456,123
Past due 1-30 days	0.4%	5,042,033	17,900	5,024,133
Past due 31-90 days	1.0%	3,567,263	37,441	3,529,822
Past due 91-180 days	6.2%	2,161,073	133,288	2,027,785
Past due 181-365 days	14.4%	3,071,880	440,965	2,630,915
Past due over 365 days	70.2%	9,086,962	6,374,684	2,712,278
Total		49,406,825	7,025,769	42,381,056

The Company monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties. For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

Commission rate risk

Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates. The Company has no significant variable commission bearing long-term assets, but has variable commission bearing liabilities as at December 31, 2023 and 2022. The Company manages its exposure to commission rate risk by continuously monitoring movements in commission rates.

33. FINANCIAL INSTRUMENTS (CONTINUED)

General objectives, policies and processes (Continued)

Currency risk

Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in the foreign exchange rates. Currency risk arises from recognized assets and liabilities which are denominated in currency that is not the Company's functional currency. The Company does not believe that it is substantially exposed to currency risk as the majority of the Company's transactions and balances are denominated in Saudi Riyals or U.S. Dollar. The Company's functional currency is pegged to U.S. Dollar. The Company's transactions in currencies other than the Saudi Riyals or U.S. Dollars are not significant.

Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet the obligations, monitoring of liquidity ratios and maintaining debt financing plans.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

December 31, 2023

	Up to 1 year	**More than 1 year and up to 5 years**	**More than 5 years**	**No fixed maturity**	**Total**
Loans and borrowings	**8,808,022**	**4,549,428**	**-**	**-**	**13,357,450**
Lease liabilities	**361,896**	**1,447,584**	**2,368,751**	**-**	**4,178,231**
Trade payables	**9,341,664**	**-**	**-**	**-**	**9,341,664**
Accrued expenses and other credit balances	**9,759,033**	**-**	**-**	**1,502,004**	**11,261,037**
Total	**28,270,615**	**5,997,012**	**2,368,751**	**1,502,004**	**38,138,382**

December 31, 2022

	Up to 1 year	More than 1 year and up to 5 years	More than 5 years	No fixed maturity	Total
Loans and borrowings	54,752,595	2,549,347	-	-	57,301,942
Lease liabilities	242,176	968,704	1,054,567	-	2,265,447
Trade payables	14,856,384	-	-	-	14,856,384
Accrued expenses and other credit balances	6,771,247	-	-	1,473,509	8,244,756
Total	76,622,402	3,518,051	1,054,567	1,473,509	82,668,529

(Saudi Riyals)

33. FINANCIAL INSTRUMENTS (CONTINUED)

General objectives, policies and processes (Continued)

Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitor the return on capital employed and the level of dividends to shareholders.

The Company's objectives when managing capital are:

i) to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
ii) to provide and adequate return to shareholders.

Consistent with the others in the industry, the Company monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity. The Company's gearing ratio as of the year end of the reporting year was as follows:

	December 31, 2023	December 31, 2022
Loans and borrowings	**12,396,234**	57,263,533
Lease liabilities	**2,906,685**	1,934,905
Less: cash and cash equivalents*	**(18,523,784)**	(13,654,618)
Net debt	**(3,220,865)**	45,543,820
Total equity	**721,611,529**	691,694,342
Gearing ratio	**-**	7%

*Cash and cash equivalents exclude the amount of restricted cash that is not available for general use by the Company (Note 14).

34. SUBSEQUENT EVENTS

Subsequent to the year end, the Board of Directors of the Company approved the distribution of cash dividends to the shareholders of the Company amounting to SR 16.45 million at SR 0.5 per share.

Furthermore, the shareholders of Guardian Zoujaj International Float Glass Company LLC announced dividends totaling SR 40.8 million, with the Company's share amounting to SR 22.44 million.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors on Ramadan 15,1445H (corresponding to March 25, 2024).