



Samtiah Arabia Company Limited
(Limited Liability Company)
Riyadh-kingdom of Saudi Arabia
Financial Statements
And Independent auditor's report
For the year ended
31 /12/ 2023 G

Index

<u>Description</u>	<u>Page</u>
Independent auditor's report	1-2
Statement of financial position as of 31/12/2023.....	3-4
Statement of comprehensive income as at 31/12/2023.....	5
Statement of change on owner equity as at 31/12/2023	6
Statement of cash flow as at 31/12/2023.....	7-8
Notes to financial statements	9-24

**Independent auditor's report (continued)****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 guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatement 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 the audit in accordance with the International Auditing Standards adopted in Saudi Arabia, we exercise professional judgment and maintain professional scepticism during the audit.


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and implement audit procedures to address those risks; and obtain adequate and appropriate audit evidence to provide a basis for our opinion. The detection risk is material misrepresentation resulting from fraud is higher than the risk of error, because fraud may involve collusion, deliberate omission, misleading statements, or overriding internal control.
- Obtain an understanding of the internal control relevant to the audit, in order to design audit procedures appropriate to the circumstances, and not to express an opinion on the effectiveness of the entity's internal control.
- To assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- To determine the appropriateness of management's application of the accounting principle of going concern and, based on the audit evidence obtained, whether there is a material uncertainty regarding events or circumstances that may raise serious doubts about the Company's ability to continue operating in accordance with the principle of going concern. If we find that there is a material uncertainty, we must draw attention in our report to the relevant disclosures in the financial statements, or if such disclosures are not sufficient, then our opinion is amended. Our findings are based on audit evidence obtained up to the date of our audit report. However, future events or circumstances may result in the Company ceasing to continue its business as a going concern.
- Assessing the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements reflect transactions and events that they represent in a manner that would fairly represent the financial statements.

We will inform governance- among other things - of the scope and timing of the audit and the significant audit results, including any significant internal control deficiencies discovered during our review.

The report on other regulatory and legal requirements:

The company's management has not complied with the Companies Law in accordance with Article (17), as the financial statements were not prepared within six months following the end of the financial year and were not submitted to the Ministry of Commerce and Investment within the prescribed deadlines.

Riyadh in: 03/12/2024 G


Chartered Accountant
Meshari Salman Alsuheim
License No. (527)

Samtiah Arabia Company Limited
Limited Liability Company

Statement of financial position

As of 31/12/2023

Description	Note	31/12/2023	31/12/2022
		SAR	SAR
Assets			
Current assets			
Cash and cash equivalents	(3)	17,965,860	9,616,048
Account Receivables, net	(4)	19,956,902	36,185,028
Inventory, net	(5)	9,477,831	15,488,860
Prepaid Expenses & Other receivables	(6)	4,336,479	3,085,588
Due from related parties	(7/A)	1,499,793	157,582
Total current assets		53,236,865	64,533,106
Non-current assets			
Investment in associates	(8)	148,470,684	131,669,505
Property, plant and equipment, net	(9)	466,871	554,852
Total non-current assets		148,937,555	132,224,357
Total Assets		202,174,420	196,757,463



The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited
Limited Liability Company

Statement of financial position (continued)

As of 31/12/2023

Description	Note	31/12/2023	31/12/2022
		SAR	SAR
Liabilities and owners' equity			
Current liabilities			
Short term loans	(10)	27,819,053	14,401,898
Accounts Payables		7,055,096	17,180,454
Due to related parties	(7/B)	1,337,420	10,560,892
Accrued expenses and other creditors	(11)	3,682,841	9,539,845
Zakat provision	(12)	311,548	366,376
Total current liabilities		40,205,958	52,049,465
Non-current liabilities			
Provision for end of service benefits	(13)	2,378,537	1,565,234
Total non-current liabilities		2,378,537	1,565,234
Total liabilities		42,584,495	53,614,699
Owners' equity			
Share capital	(14)	500,000	500,000
Statutory reserve		250,000	250,000
Re-measurement of end of service benefits provision		643,647	1,360,038
Retained earnings		158,196,278	141,032,726
Total owners' equity		159,589,925	143,142,764
Total liabilities and owners' Equity		202,174,420	196,757,463



The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited
Limited Liability Company

Statement of Comprehensive Income
For the year ended 31/12/2023

Description	Note	2023	2022
		SAR	SAR
Revenue	(15)	69,509,284	117,248,103
Cost of revenue		(53,272,322)	(92,173,649)
Gross profit		16,236,962	25,074,454
Less: Expenses			
Selling and distribution expenses	(16)	(12,485,792)	(11,545,850)
General and administrative expenses	(17)	(2,836,479)	(2,945,322)
Share in results of investment in associates		20,001,179	18,990,614
Gain on acquisition of additional shares in investment in associates		-	141,558
Financing Costs		(3,296,824)	(1,243,896)
Gain/ (Loss) from disposal of property, plant and equipment		6,078	(21,859)
Other income	(18)	7,188,889	626,484
Provision for slow moving inventory		(337,758)	-
Net Income before zakat		24,476,255	29,076,183
Zakat provision	(12)	(285,581)	(566,814)
Net Income for the year		24,190,674	28,509,369
Other Comprehensive income items			
Items will not be reclassified subsequently to profit or loss			
Re-measurement of end of service benefits provision		(829,117)	373,229
Re-measurement of end of service benefits provision of associates		112,726	496,953
Total Other Comprehensive income		(716,391)	870,182
Total Comprehensive Income		23,474,283	29,379,551



The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited
Limited Liability Company

Statement of change of owner equity

For the year ended 31/12/2023

Description	Capital	Statutory reserve	Re-measurement of end of service benefits provision	Retained earnings	Total
	SAR	SAR	SAR	SAR	SAR
Balance at 01/01/2022	500,000,	250,000	489,856	113,393,539	114,633,395
Net profit of the year	-	-	-	28,509,369	28,509,369
Adjustment during the year				(870,182)	(870,182)
Other Comprehensive Income	-	-	870,182	-	870,182
Balance at 31/12/2022	500,000,	250,000	1,360,038	141,032,726	143,142,764
Net profit of the year	-	-	-	24,190,674	24,190,674
Adjustment during the year	-	-	-	716,391	716,391
Adjustments previous years	-	-	-	(243,513)	(243,513)
Distributions	-	-	-	(7,500,000)	(7,500,000))
Other Comprehensive Income	-	-	(716,391)	-	(716,391)
Balance at 31/12/2023	500,000,	250,000	643,647	158,196,278	159,589,925



The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited
Limited Liability Company

Statement of cash flow

For the year ended 31/12/2023

Description	2023 SAR	2022 SAR
Cash flow from operating activities		
Net profit for the year	24,190,674	28,509,369
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Adjusting Retained Earnings during the year	(356,239)	(870,182)
Depreciation of property, plant and equipment	209,963	205,923
(Gain) Share in results of investment in associates	(19,888,453)	(18,493,661)
Zakat differences and adjusting	-	(141,556)
(Gain)/ Loss from disposal of property plant and equipment	(6,078)	21,859
Doubtful debts provision	-	70,326
Provision for slow moving inventory	337,758	-
Provision for Zakat	285,581	566,814
Provision for end of service benefits	1,367,169	763,410
Profit from operating before adjust working capital	6,140,375	10,632,302
Changes in the components of working capital:		
Account Receivables, net	16,228,126	(27,514,195)
Inventory, net	5,673,271	(10,048,550)
Prepaid Expenses & Other receivables	(1,250,891)	669,347
Due from related parties	(1,342,211)	(106,734)
Accounts Payables	(10,125,358)	14,783,557
Due to related parties	(9,223,472)	1,461,653
Accrued expenses and other creditors	(5,857,004)	7,520,253
Zakat (paid)	(553,866)	(252,357)
End of service benefits - (paid)	(340,409)	(285,560)
Net cash flows (used) in operating Activities	(651,439)	(3,140,284)



The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited
Limited Liability Company

Statement of cash flow (continued)

For the year ended 31/12/2023

Description	2023	2022
	SAR	SAR
Cash flows from investing activities:		
(Addition) shares in investment in associates	-	(223,500)
(Paid) in purchase of property, plant and equipment	(127,196)	(396,277)
Proceed from the sale of property, plant and equipment	11,292	3,130
Dividends received from investments	3,200,000	3,223,500
Net cash flows provided by investing activities	3,084,096	2,606,853
Cash flows from financing activities:		
Short term loans	13,417,155	7,571,977
Dividends	(7,500,000)	-
Net cash flows provided by Financing Activities	5,917,155	7,571,977
Net cash during the year	8,349,812	7,038,546
Cash and cash equivalents at the beginning of the year	9,616,048	2,577,502
Cash and cash equivalents at the end of the year	17,965,860	9,616,048



The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited

Limited Liability Company

Notes to the financial statements

For the year ended 31/12/2023

1- General Information :-

- Name** :- Samtiah Arabia Company Limited.
- Legal entity** :- Limited Liability Company .
- Commercial register** :- - The Company is registered under the commercial registration No:1010163885 issued by the city of Riyadh on 18/10/1421 H. corresponding to 13/01/2001 AD.
- Branches** :- - Two branches of the company have been registered:
- Under Commercial Registration No. 2051228065, issued in Al-Khobar on 24/02/1441H (currently under closure)
-Under Commercial Registration No. 4030297589, issued in Jeddah on 20/02/1439H.
- Activities** :- The company is engaged in the extension and installation of computer and telecommunication networks, and wholesale of computers and accessories including printers and inks, and wholesale of software, and sale of wired and wireless equipment.

2- Basis of preparation and significant accounting policies :-

2/1 Basis of preparation

These financial statements have been prepared on historical cost basis following the accrual concept of accounting. The Financial Statements are presented in Saudi Riyals.

2/1/1 statement of compliance

The financial statements for the Company have been prepared in accordance with the International Standard for the Financial Reporting of SMEs. And other standards and publications approved by (SOCPA). The Company has fully complied with the International Financial Reporting Standards (IFRS) and related issuances and standards.

2/2 Change in accounting judgment and assumptions

The preparation of the financial statements of the Company requires using certain accounting Judgment beside that the management assesses the method used in applying the accounting policies of the company.

Samtiah Arabia Company Limited

Limited Liability Company

Notes to the financial statements

For the year ended 31/12/2023 (continued)

Management assesses

The management has evaluated the accounting policies applied in the Company and made the necessary assessment, some of which are due to estimates that have had a significant impact on the figures appeared in the financial statements.

Critical accounting estimates and judgments

The preparation and presentation of financial statements in accordance with International Financial Reporting Standard (IFRS) for Small and Medium Sized Entities (SME's) requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these accounting estimates are based on the best information available to management, actual final results may differ materially from those estimates and do not reduce their reliability.

2/3 Summary of significant accounting policies

The significant accounting policies adopted by the Company are set out below:

2/3/1 Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances, that are readily convertible into known amounts of cash and have a maturity of three months or less when purchased. For the purpose of cash flow statement cash and cash equivalents consist of cash and equivalents as defined above.

2/3/2 Financial Instruments

Financial instruments are financial assets and liabilities of a monetary nature, which are represented in cash balances, current accounts with banks, accounts receivable and other debit balances of various kinds. Financial liabilities are represented in bank balances (overdrafts), creditors and other payables and are stated at cost.

Samtiah Arabia Company Limited

Limited Liability Company

Notes to the financial statements

For the year ended 31/12/2023 (continued)

2/3/3 Accounts receivables and other debtors, Net

Accounts receivable and other receivables are financial assets with fixed or determinable payments and these assets are initially recognized at the transaction price. Provision is made for the impairment of accounts receivable and other receivables when there is objective evidence that the Company will not be able to collect all amounts due under the basic terms of transactions and the most significant financial difficulties Customers and other debit balances are the potential for bankruptcy, financial restructuring, default or late payment. These are indications of a decline in the value of customers in respect of individually large amounts. This estimate is made on an individual basis. It is not large individually, but its due date ended and did not pay, it is estimated collectively and is dedicated landing work according to the length of the period due, based on historical recovery rates.

2/3/4 Inventory, Net

Inventories are valued at the lower of cost and net realizable value, Cost is determined using the weighted average method that includes all costs incurred to acquire the inventory, production or transportation expenses and others to bring the inventories to its present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2/3/5 Property, plant and equipment Recognition and measurement

- Property, plant and equipment are measured after deducting the accumulated depreciation and loss of impairment, if any, except for land and construction work under construction.
- Cost includes expenses directly attributable to the acquisition of assets and includes the cost of materials, direct labor and any other costs directly attributable to the processing of the assets to the condition in which they are operated, the purpose for which they were acquired, the costs of dismantling and removing the materials and the return of the site in which they are located.
- The gain or loss on the sale of an item of property, plant and equipment is determined by comparing the proceeds from the sale with the carrying amount of the property, plant and equipment and recognized in the statement of income.

Cancellation of recognition

The carrying amount of an item of property, plant and equipment is derecognized when it is sold or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of property, plant and equipment is recognized in the statement of income.

The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited

Limited Liability Company

Notes to the financial statements

For the year ended 31/12/2023 (continued)

Consumption

- Depreciation is based on the cost of assets less its scrap value. The significant components of individual assets are estimated if there is a component with a useful life that is different from the rest of that asset and that component is depreciated separately
- Depreciation is recognized in the statement of income on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. The depreciation methods, useful lives and salvage value are reviewed at each financial center date and adjusted where appropriate. Depreciation begins when the asset is ready for use and its consumption ceases on the date on which the asset is classified as held for the purpose of sale.
- Improvements to rented premises are amortized over the shorter of their economic useful lives or the lease period. The estimated useful lives for the current and comparative years are as follows:

- Furniture and Fixture	20%- 25%
- Computers	25%
- Motor Vehicles	25%

2/3/6 Investments in associates

The Company owns a share of more than 20% or more of the voting power of the associate. The investing entity is assumed to have a significant effect. Investments in associates are initially recognized at the transaction price, including transaction costs, to reflect the investor's share of the profit or loss of the subsidiary. Dealing with dividends by reducing dividends received from the associate The carrying amount of the investment may also require adjustments to the carrying amount depending on changes in equity of the associate arising from other comprehensive income, if any. Losses in excess of investment. If an investor's share of losses of an associate equal or exceeds the carrying amount of its investment in the associate, the investor shall discontinue recognizing its share of further losses. After the investor's interest is reduced to zero, the investor shall recognize additional losses by a provision (see Section 21 Provisions and Contingencies) only to the extent that the investor has incurred legal or constructive obligations or has made payments on behalf of the associate. If the associate subsequently reports profits, the investor shall Resume recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Samtiah Arabia Company Limited

Limited Liability Company

Notes to the financial statements

For the year ended 31/12/2023 (continued)

2/3/7 Accounts payables and other payables

The amounts of these obligations to be paid in future for service providers as well as expenses due are recognized at fair value whether or not provided by suppliers.

2/3/8 Related parties

The related parties are considered to be related if one of them has the ability to control, directly or indirectly, the counterparty - or the significant influence on its financial and operating decisions. Such relationship also exists between the business enterprises that are under the control of the entity issuing the report, Companies, shareholders or partners. The focus should be on the substance of the relationship rather than on the legal form when considering the potential relationship with each associated party.

2/3/9 Employees' end of service benefits provision

The End of service benefits obligations is determined using the projected unit credit method, with actuarial valuations at the end of each financial period.

Remeasurements, comprising actuarial gains and losses are recognized in the statement of financial position while gains and losses are recognized in other comprehensive income for the period in which they are incurred. The measurement recognized in other comprehensive income is recognized in retained earnings immediately and is not reclassified to profit or loss

2/3/10 Recognize the revenue

An entity recognizes revenue to designate the transfer of goods or services agreed upon to customers in an amount that reflects the corresponding consideration that the entity expects to receive for such goods or services. Revenues are recognized in the following stages:

- Determining contract (s) with customers.
- Determining the performance of obligations in the contract.
- Determining the transaction price.
- Distribution of the transaction price on the performance of obligations in the contract.
- Recognition of revenue when the entity meets the performance of the obligation.

2/3/11 Zakat

The Company is liable for Zakat according to the Regulations in the Kingdom of Saudi Arabia and the provision, if any, is charged to statement of income.

The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited

Limited Liability Company

Notes to the financial statements

For the year ended 31/12/2023 (continued)

2/3/12 Statutory Reserve

In accordance with the Regulation for Companies in Saudi Arabia, and the article of association, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 30% of the share capital.

2/3/13 Expenses

The recognition of expenses is directly attributable to the recognition and measurement of revenue.

An enterprise must recognize expenses in the income statement when a deficiency, which can be measured reliably, arises in future economic benefits of a deficiency in an asset or an increase in an obligation.

2/3/14 Exchange rate

Transactions in foreign currencies are translated at the rates of exchange prevailing at the dates of the respective transactions. At balance sheet date, balances of monetary assets and liabilities denominated in foreign currencies are translated to Saudi Arabian Riyals at the prevailing exchange rates on that date. Gains and losses resulting from changes in exchange rates are recognized as income or expense.

Samtiah Arabia Company Limited
Limited Liability Company

Notes to the financial statements
For the year ended 31/12/2023 (continued)

3- Cash and cash equivalent: -

Description	31/12/2023 SAR	31/12/2022 SAR
Banks	17,965,860	9,616,048
Total	17,965,860	9,616,048

4. Account Receivables, Net: -

Description	31/12/2023 SAR	31/12/2022 SAR
Account Receivables	20,211,121	36,439,247
Provision for doubtful debts	(254,219)	(254,219)
Total	19,956,902	36,185,028

Aging Analysis of Account Receivables
Past due but not impaired

Descriptions	Neither past due nor impaired	From 31 to 180 days	From 181 to 210 days	From 211 and above 365 days	Total
	SR	SR	SR	SR	SR
December 31, 2023	13,607,468	4,589,665	1,580,892	178,877	19,956,902
December 31, 2022	27,842,026	8,082,315	90,847	169,840	36,185,028

5. Inventory, Net: -

Description	31/12/2023 SAR	31/12/2022 SAR
Materials for sale	9,918,782	15,592,053
Provision for slow moving inventory	(440,951)	(103,193)
Total	9,477,831	15,488,860

The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited
Limited Liability Company

Notes to the financial statements
For the year ended 31/12/2023 (continued)

6- Prepaid Expenses & Other receivables: -

Description	31/12/2023 SAR	31/12/2022 SAR
Accrued Revenue	-	90,898
Prepaid Expenses	525,635	169,162
Staff Receivables	602,119	224,988
Advance from suppliers	1,697,042	2,129,828
Margin letters of guarantees	1,509,683	580,318
Others	2,000	2,000
Provision for advance payment to suppliers	-	(111,606)
Total	4,336,479	3,085,588

7- Related parties: -

7/A- Due from related parties

Descriptions	Relationship	Balance 31/12/2023	Debit 31/12/2023	Credit 31/12/2023	Balance 31/12/2022
Arab Computers Company for Maintenance	Operation	144,450	-	(13,132)	157,582
Mr. Abdulaziz al-Mahnaa	Partner/ Financing	1,355,343	8,855,343	(7,500,000)	-
Total		1,499,793	8,855,343	(7,513,132)	157,582

7/B- Due to related parties

Descriptions	Relationship	Balance 31/12/2023	Debit 31/12/2023	Credit 31/12/2023	Balance 31/12/2022
Arab Computers Company	Operation	(755,293)	13,917,575	(11,536,941)	(3,135,927)
Aklaniat Technologies Company	Operation	(582,127)	13,359,488	(8,971,690)	(4,969,925)
Mr. Abdulaziz al-Mahnaa	Partner/ Financing	-	2,455,040	-	(2,455,040)
Total		(1,337,420)	29,732,103	(20,508,631)	(10,560,892)

7/C- Transaction with related parties

Descriptions	Relationship	Balance 31/12/2023	Balance 31/12/2022
Arab Computers Company	Operation	Purchasing 11,350,124	10,320,841
Aklaniat Technologies Company	Operation	Purchasing 8,842,909	30,955,091
Mr. Abdulaziz al-Mahnaa	Partner	Financing 7,500,000	6,500,000

- The transaction with related parties is most related to the business and its recorded based on normal commercial prices.

The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited
Limited Liability Company

Notes to the financial statements
For the year ended 31/12/2023 (continued)

8. Investment in Associates: -

When a company owns more than 20% of the voting power of an associate, it is assumed that the investing company has significant influence. Therefore, the investment in the associate is initially recognized at the transaction price, including transaction costs, and subsequently reflects the investing company's share of the associate's profit or loss (equity method).

31/12/2023

Descriptions	% Of Ownership	balance at the beginning of the year	Addition during the year	Dividends	company's share in net income for the year	company's share in profit/ (loss) other comprehensive incomer	balance at the end of the year
Aklaniat Technologies Company	20%	32,232,240	-	-	8,379,444	157,080	40,768,764
Arab Computers Company	20%	77,833,186	-	(3,200,000)	10,712,096	82,364	85,427,646
Arab Computers Company for Maintenance	20%	4,700,677	-	-	(109,610)	-	4,591,067
Technical United Works CO.	30,47%	16,903,402	-	-	906,523	(126,718)	17,683,207
Total		131,669,505	-	(3,200,000)	19,888,453	112,726	148,470,684

31/12/2022

Descriptions	% Of Ownership	balance at the beginning of the year	Addition during the year	Dividends	company's share in net income for the year	company's share in profit/ (loss) other comprehensive incomer	balance at the end of the year
Aklaniat Technologies Company	20%	21,576,092	-	-	10,487,208	168,940	32,232,240
Arab Computers Company	20%	72,603,531	-	(3,000,000)	8,139,793	89,862	77,833,186
Arab Computers Company for Maintenance	20%	4,897,272	-	-	(228,214)	31,619	4,700,677
Technical United Works CO.	30,47%	16,460,440	365,056	(223,500)	94,874	206,532	16,903,402
Total		115,537,335	365,056	(3,223,500)	18,493,661	496,953	131,669,505

The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited
Limited Liability Company

Notes to the financial statements

For the year ended 31/12/2023 (continued)

(All amount in SAR)

9- Property, plant and equipment, net : -

Description	Cost at 01/01/2023	Additions	Disposal during the year	Cost at 31/12/2023	Accumulated depreciation at 01/01/2023	Depreciation	Dep. of Disposal	Accumulated depreciation at 31/12/2023	Net book value at 31/12/2023	Net book value at 31/12/2022
Furniture and fixture	1,037,734	66,287	-	1,104,021	915,621	52,166	-	967,787	136,234	122,113
Computers	1,248,027	60,909	(33,149)	1,275,787	815,288	157,797	(27,935)	945,150	330,637	432,739
Motor vehicles	346,954	-	(80,000)	266,954	346,954	-	(80,000)	266,954	-	-
Total	2,632,715	127,196	(113,149)	2,646,762	2,077,863	209,963	(107,935)	2,179,891	466,871	554,852

The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited
Limited Liability Company

Notes to the financial statements
For the year ended 31/12/2023 (continued)

10- Loans :-

The company has obtained credit facilities in the form of short-term loans through letters of credit and guarantees from SABB Bank and Albilad Bank to finance projects and working capital requirements. These facilities are secured by promissory notes in favor of the bank, along with certain undertakings. The facilities are subject to prevailing commission rates between banks (SIBOR), plus a profit margin. These facilities are also secured by personal guarantees from one of the partners, in addition to the company's assignment of revenues from the funded projects, which are provided with final guarantees, and the assignment approval from the issuing authority.

A- SABB Bank

Description	31/12/2023 SAR	31/12/2022 SAR
	<hr/>	<hr/>
Balance at the beginning of the year/ Facilities	14,401,898	6,829,921
Addition during the year	13,407,547	42,299,134
Paid during the year	(20,188,960)	(34,727,157)
Balance at the end of the year	7,620,485	14,401,898
	<hr/> <hr/>	<hr/> <hr/>

B- Al Bilad Bank

Description	31/12/2023 SAR	31/12/2022 SAR
	<hr/>	<hr/>
Balance at the beginning of the year/ Facilities	-	-
Addition during the year	20,718,568	-
Paid during the year	(520,000)	-
Balance at the end of the year	20,198,568	-
	<hr/> <hr/>	<hr/> <hr/>

11- Accrued expenses and other creditors : -

Description	31/12/2023 SAR	31/12/2022 SAR
	<hr/>	<hr/>
Accrued expense	1,942,282	3,358,712
Advance from Customers	812,101	2,811,179
Value Added Tax	928,458	3,369,954
Total	3,682,841	9,539,845
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited
Limited Liability Company

Notes to the financial statements

For the year ended 31/12/2023 (continued)

12- Zakat Provision :-

Description	31/12/2023	31/12/2022
	SAR	SAR
A- Zakat base of company is comprised of the followings		
Partner Equity	133,183,067	114,143,539
Adjusted Income	5,722,750	10,546,076
Other Additions	1,394,747	2,933,783
Non – Current assets	(129,049,102)	(113,092,187)
Zakat base	11,251,462	14,531,211
Zakat base for 354 days	11,423,258	14,655,040
Zakat charge @2.5%	285,581	366,376

B- The movement in provision for zakat

Balance at the beginning of the year	366,376	85,122
Provided during the year	285,581	366,376
Zakat differences	-	200,438
Paid during the year	(340,409)	(285,560)
Balance at the end of the year	311,548	366,376

The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited

Limited Liability Company

Notes to the financial statements

For the year ended 31/12/2023 (continued)

13- Employee benefits obligations:

14/1- Sensitivity to commitment at the specific dues:

Description	31/12/2023	31/12/2022
	SAR	SAR
Discount Rate	4,75%	4,5%
Rate of increase benefits	1%	1%

14/2- The movement in provision for EOSB :

Description	31/12/2023	31/12/2022
	SAR	SAR
Balance at the beginning of the year	1,565,234	1,427,410
Interest expenses	57,974	-
Cost of the current service (Paid) during the year	532,052 (553,866)	763,410 (252,357)
Losses/ (Gain) actuarial are included in other comprehensive income	777,143	(373,229)
Balance at the end of the year	<u>2,378,537</u>	<u>1,565,234</u>

14- Share Capital :-

The company's capital consists of SAR 500,000, with the value of each share being SAR 1,000. The shares are distributed among the partners as follows:

Partner name	No. Of shares	Share value	Total Value SAR	%
Abdulaziz Abdullah Soliman al Mahnaa	475	1,000	475,000	95%
Mrs. Nora sultan Abdulrahman al-Baz'i	25	1,000	25,000	5%
Total	<u>500</u>		<u>500,000</u>	<u>100%</u>

- On May 24, 2023, the partners met and decided to amend the Articles of Incorporation and admit new partners.
- On December 27, 2023, the partners met and decided to amend the Articles of Incorporation and admit new partners, restoring the partner structure as it was previously, as outlined in the table above.
- On December 27, 2023, the partners met and decided to amend the Articles of Incorporation (some business activity clauses and the appointment of a new manager).

The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited
Limited Liability Company

Notes to the financial statements
For the year ended 31/12/2023 (continued)

15- Revenue: -

Description	31/12/2023	31/12/2022
	SAR	SAR
Revenues from projects	68,262,505	115,996,836
Revenues from store	1,246,779	1,251,267
Total	69,509,284	117,248,103

16- Selling and Distribution Expenses :-

Description	2023	2022
	SAR	SAR
Salaries, wages and related expenses	5,536,836	5,025,492
Casual wages	906,800	818,103
Bonus	1,300,807	2,476,406
End of services benefits	743,589	625,286
Rent	327,401	446,014
Government fees	394,174	335,426
Penalties	9,868	310,101
Shipping and customs expenses	216,130	260,828
GOSI	152,347	166,267
Marketing expenses	86,400	94,860
Rental car	71,831	76,709
Bad debts	89,622	70,326
Withholding tax	197,296	54,398
Professional fees	945,283	44,418
Transportation & distribution	36,886	40,994
Tender expenses	34,900	26,200
Repair and maintenance	26,401	16,181
Utilities	207,012	109,147
Miscellaneous	1,202,209	548,694
Total	12,485,792	11,545,850

The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited

Limited Liability Company

Notes to the financial statements For the year ended 31/12/2023 (continued)

17- General and Administrative Expenses :-

Description	2023 SAR	2022 SAR
Salaries, wages and related expenses	1,491,054	1,657,548
Depreciation	207,401	205,923
Insurance against Risk	207,766	199,584
Government fees	193,682	155,231
End of services benefits	224,475	134,728
Rent	114,364	127,360
Repair and maintenance	78,559	92,994
Utilities	73,801	86,126
GOSI	78,813	70,010
Professional fees	30,000	35,000
Miscellaneous	136,564	180,818
Total	2,836,479	2,945,322

18- Other Revenue :-

Description	2023 SAR	2022 SAR
Other Income	503,549	626,484
Difference from Neom project	6,685,340	-
Total	7,188,889	626,484

- The other revenues include an amount of SAR 6,685,340, which represents cost differences for the NEOM project in the years 2022 and 2023, and since the project was halted on May 24, 2023.

19- Contingent Liability :-

The contingent liabilities of the company are represented by the value of the outstanding performance bonds, both initial and final, issued in the company's name for the execution of contracts in the course of the company's operational activities as of December 31, 2023.

Description	2023 SAR	2022 SAR
Letter of Guarentee	1,900,428	1,786,915
Total	1,900,428	1,786,915

The accompanying notes are an integral part of these financial statements

Samtiah Arabia Company Limited

Limited Liability Company

Notes to the financial statements

For the year ended 31/12/2023 (continued)

20- Fair values of financial investments :-

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction, financial instruments comprise financial assets and financial liabilities, the company's financial assets consist of bank balances and prepayments, its financial liabilities consist of accruals, the fair values of financial instruments are not materially different from their carrying values.

21- Financial Instruments Risk Management :-

Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the entity to incur a financial loss. The financial instruments of the entity that may be exposed to credit risk include mainly cash in banks and receivables.

Liquidity risk

Liquidity risk is the risk that arises from difficulties in securing the liquidity required to meet liabilities relating to financial instruments. Liquidity risk may result from the entity's inability to sell a financial asset quickly and at a value close to its fair value. Liquidity risk is managed by periodically ensuring that sufficient liquidity is available to meet any future liabilities.

Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Branch is subject to currency risk on its financial instruments on currencies other than U.S dollars.

22- Comparison Numbers :-

Some comparative figures have been reclassified and aggregated to conform to the presentation for the current year.