

**AL MASANE AL KOBRA MINING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

**AL MASANE AL KOBRA MINING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

INDEX	PAGE
Independent Auditor's Review Report on Interim Condensed Financial Statements	1
Interim Condensed Statement of Financial Position	2
Interim Condensed Statement of Profit or Loss and Other Comprehensive Income	3
Interim Condensed Statement of Changes in Equity	4
Interim Condensed Statement of Cash Flows	5
Notes to the Interim Condensed Financial Statements	6 – 20



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
King's Road Tower, 13th Floor
King Abdul Aziz Road (Malek Road)
P.O. Box 1994
Jeddah 21441
Kingdom of Saudi Arabia
Head Office – Riyadh

C.R. No. 4030276644
Tel: +966 12 221 8400
Fax: +966 12 664 4408
ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Al Masane Al Kobra Mining Company (A Saudi Joint Stock Company) ("the Company") as at 30 June 2024, and the related interim condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024, and the related interim condensed statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

for Ernst & Young Professional Services

Hussain Saleh Asiri
Certified Public Accountant
License No. (414)



Jeddah: 04 Safar 1446H
(08 August 2024G)

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

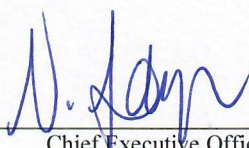
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

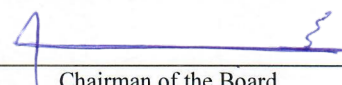
As at 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	30 June 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Mine properties	4	714,196,342	638,144,398
Property, plant and equipment	5	368,933,417	373,911,992
Right-of-use assets		1,866,242	2,302,964
Long term deposits		30,854	30,854
Deferred tax	10.3	32,604,740	28,511,219
TOTAL NON-CURRENT ASSETS		1,117,631,595	1,042,901,427
CURRENT ASSETS			
Inventories		97,131,542	100,625,825
Trade and other receivables		223,640,689	129,577,394
Advances and prepayments		71,902,659	70,169,167
Cash and cash equivalents	6	17,806,903	110,940,021
TOTAL CURRENT ASSETS		410,481,793	411,312,407
TOTAL ASSETS		1,528,113,388	1,454,213,834
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7.1	900,000,000	900,000,000
Share premium	7.4	268,589,751	268,589,751
Retained earnings		86,529,672	61,305,053
Share-based compensation reserve	7.6	1,251,724	5,591,482
Treasury shares	7.3	(15,312,592)	(15,256,246)
TOTAL EQUITY		1,241,058,555	1,220,230,040
NON-CURRENT LIABILITIES			
Loans and borrowings	8(a)	34,235,128	43,182,626
Lease liabilities		838,842	1,176,421
Provision for mine closure cost		32,964,930	32,107,655
Employee benefits	9	14,637,156	13,951,422
TOTAL NON-CURRENT LIABILITIES		82,676,056	90,418,124
CURRENT LIABILITIES			
Loans and borrowings	8(a)	17,248,000	67,144,909
Short term borrowings	8(b)	61,337,142	-
Lease liabilities		884,031	915,202
Trade payables		82,533,584	46,227,626
Accruals and other non-financial liabilities		28,075,271	21,929,903
Provision for zakat and income tax	10	5,411,146	4,916,582
Provision for severance fees		8,889,603	2,431,448
TOTAL CURRENT LIABILITIES		204,378,777	143,565,670
TOTAL LIABILITIES		287,054,833	233,983,794
TOTAL EQUITY AND LIABILITIES		1,528,113,388	1,454,213,834


Finance Director


Chief Executive Officer


Chairman of the Board

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

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)

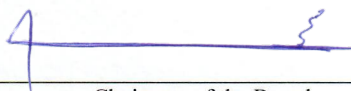
For the six-month period ended 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2024	2023	2024	2023
Revenue, net	11	203,312,649	119,935,493	337,812,167	262,962,030
Direct costs		(121,517,671)	(93,602,364)	(221,005,203)	(187,909,147)
GROSS PROFIT		81,794,978	26,333,129	116,806,964	75,052,883
Selling and marketing expenses		(6,687,004)	(3,205,215)	(12,781,941)	(7,629,227)
General and administrative expenses		(10,508,482)	(13,074,754)	(21,558,000)	(20,110,707)
OPERATING PROFIT		64,599,492	10,053,160	82,467,023	47,312,949
Finance costs		(1,701,423)	(3,395,627)	(2,827,846)	(6,067,144)
Other income		-	3,638,055	576,084	7,382,516
PROFIT BEFORE ZAKAT AND INCOME TAX		62,898,069	10,295,588	80,215,261	48,628,321
Zakat (expense)/credit	10	(2,084,328)	2,030,813	(3,697,583)	(2,468,437)
Income tax credit/(expense)	10	1,005,020	(1,716,643)	425,960	(2,695,346)
NET PROFIT FOR THE PERIOD		61,818,761	10,609,758	76,943,638	43,464,538
OTHER COMPREHENSIVE INCOME/(LOSS)					
<i>Items that will not be reclassified to statement of profit or loss in subsequent periods:</i>					
Re-measurement gain/(loss) on defined benefit plans	9	154,396	(47,795)	231,338	(429,854)
Deferred tax relating to actuarial movement	10.3	(5,172)	15,931	66,013	29,498
		149,224	(31,864)	297,351	(400,356)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		61,967,985	10,577,894	77,240,989	43,064,182
Earnings per share:					
Basic and diluted earnings per share attributable to ordinary equity holders of the Company	14	0.70	0.12	0.87	0.49


 Finance Director


 Chief Executive Officer


 Chairman of the Board

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

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

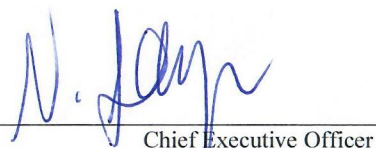
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

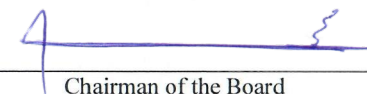
For the six-month period ended 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

	<i>Share capital</i>	<i>Share Premium</i>	<i>Statutory reserve</i>	<i>Share-based compensation reserve</i>	<i>Retained earnings</i>	<i>Treasury shares</i>	<i>Total</i>
Balance as at 1 January 2023	660,000,000	508,589,751	32,359,592	-	35,269,168	(16,021,322)	1,220,197,189
Profit for the period	-	-	-	-	43,464,538	-	43,464,538
Other comprehensive loss for the period	-	-	-	-	(400,356)	-	(400,356)
Total comprehensive income for the period	-	-	-	-	43,064,182	-	43,064,182
Share-based compensation (note 7.6)	-	-	-	5,509,030	-	-	5,509,030
Treasury shares issued to employees (note 7.6)	-	-	-	(3,637,125)	3,027,436	609,689	-
Dividend (note 7.5)	-	-	-	-	(64,797,787)	-	(64,797,787)
Balance as at 30 June 2023	<u>660,000,000</u>	<u>508,589,751</u>	<u>32,359,592</u>	<u>1,871,905</u>	<u>16,562,999</u>	<u>(15,411,633)</u>	<u>1,203,972,614</u>
Balance as at 1 January 2024	900,000,000	268,589,751	-	5,591,482	61,305,053	(15,256,246)	1,220,230,040
Profit for the period	-	-	-	-	76,943,638	-	76,943,638
Other comprehensive income for the period	-	-	-	-	297,351	-	297,351
Total comprehensive income for the period	-	-	-	-	77,240,989	-	77,240,989
Share-based compensation (note 7.6)	-	-	-	1,897,017	-	-	1,897,017
Treasury shares issued to employees (note 7.3)	-	-	-	(6,236,775)	5,470,100	766,675	-
Dividend (note 7.5)	-	-	-	-	(57,485,288)	-	(57,485,288)
Loss on treasury shares (note 7.3)	-	-	-	-	(1,182)	-	(1,182)
Purchase of treasury shares (note 7.3)	-	-	-	-	-	(823,021)	(823,021)
Balance as at 30 June 2024	<u>900,000,000</u>	<u>268,589,751</u>	<u>-</u>	<u>1,251,724</u>	<u>86,529,672</u>	<u>(15,312,592)</u>	<u>1,241,058,555</u>


Finance Director


Chief Executive Officer


Chairman of the Board

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

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Six-month period ended 30 June	
		2024	2023
OPERATING ACTIVITIES			
Profit before zakat and income tax		80,215,261	48,628,321
<i>Adjustment to reconcile profit before zakat and income tax to net cash inflow from operating activities:</i>			
Depreciation, depletion and amortisation	4&5	69,296,484	60,318,361
Amortisation of right-of-use assets		436,722	901,964
Provision for employee benefits	9	1,995,815	1,705,015
Provision for severance fees		9,620,004	8,451,764
Finance income on short term deposits		-	(2,243,055)
Share-based compensation expense		1,897,017	5,509,030
Finance costs		2,827,846	6,067,144
		<u>166,289,149</u>	<u>129,338,544</u>
<i>Working capital adjustments:</i>			
Inventories		3,494,283	(8,437,901)
Trade and other receivables		(94,063,295)	21,698,362
Advances and prepayments		(1,733,492)	1,240,544
Trade payables		36,305,958	(2,584,789)
Accruals and other non-financial liabilities		6,145,367	(9,362,098)
		<u>116,437,970</u>	<u>131,892,662</u>
Cash from operations		116,437,970	131,892,662
Zakat paid	10.1	(6,267,171)	(11,906,754)
Income tax paid	10.2	(537,396)	(2,237,688)
Severance fees paid		(3,161,849)	(13,357,657)
Employee benefits paid	9	(1,078,743)	(263,894)
Finance costs paid		(1,633,430)	(5,253,328)
		<u>103,759,381</u>	<u>98,873,341</u>
Net cash flows from operating activities			
INVESTING ACTIVITIES			
Additions to mine properties	4	(119,096,568)	(145,309,428)
Additions to property, plant and equipment	5	(21,273,285)	(9,910,528)
		<u>(140,369,853)</u>	<u>(155,219,956)</u>
Net cash flows used in investing activities			
FINANCING ACTIVITIES			
Dividend paid		(57,485,288)	(64,797,787)
Repayment of loans and borrowings		(58,844,406)	(47,516,658)
Payment of principal portion of lease liabilities		(368,749)	(441,256)
Proceeds from short term borrowings		61,000,000	-
Purchase of treasury shares		(824,203)	-
		<u>(56,522,646)</u>	<u>(112,755,701)</u>
Net cash flows used in financing activities			
DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period		110,940,021	381,391,908
		<u>17,806,903</u>	<u>212,289,592</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
	6	17,806,903	212,289,592
SUPPLEMENTARY SIGNIFICANT NON-CASH INFORMATION			
Provision for mine closure cost		857,274	813,816

M. Shoah

Finance Director

N. Jagan

Chief Executive Officer

Chairman of the Board

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

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

1. COMPANY INFORMATION

Al Masane Al Kobra Mining Company ("the Company" or "AMAK") is a Saudi Joint Stock Company approved by the Ministry of Commerce and Investment Decree Number 247/Q dated 9 Shawwal 1428H (corresponding to 21 October 2007) and registered in Jeddah under Commercial Registration No. 4030175345 on 7 Muharram 1429H (corresponding to 16 January 2008). During 2015, the registered office of the Company was relocated from Jeddah to Najran. Accordingly, Najran Commercial Registration No. 5950017523 dated 3 Duh Al-Qi'dah 1431H (corresponding to 11 October 2010) was modified to be main Commercial Registration. During 2021, the Company obtained commercial registration number 5950123986 dated 22 Dhu Al-Hijjah 1442H (corresponding to 1 August 2021) of a new branch in Najran.

The registered office is located at P.O. Box 96, Najran, Kingdom of Saudi Arabia. The Company is engaged in mining of non-ferrous metal ores (aluminium, copper and lead), mining of ores of precious metals belonging to gold, silver and platinum group, and wholesaling precious metals and gemstones.

The Company commenced its commercial production on 1 July 2012. The principal activity of the Company is to produce zinc and copper concentrates and silver and gold ore as per the license Number 86/Q dated 13 Ramadhan 1429H (corresponding to 13 September 2008) issued by Ministry of Industry and Mineral Resources and renewed for further thirty years with license number 142941, starting from 30 June 2022 (corresponding to 1 Dhu Al-Hijjah 1443H).

In addition, the Company obtained the license number 9598/Q dated 24 Duh Al-Qi'dah 1436H (corresponding to 8 September 2015) for twenty years and expiring on 23 Duh Al-Qi'dah 1456H (corresponding to 2 February 2035) from the Ministry of Industry and Mineral Resources for the exploitation of gold and silver ores from accompanying site Mount Guyan Surface.

As at the reporting date, the Company has two mines namely Al Masane underground mine (underground) and Mount Guyan mine (on ground). The Company is expanding its current activity by further developing the Moyeath orebody development project for the purpose of increasing the productive capacity of Al Masane underground mine.

2. BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

2.1 Statement of compliance

The interim condensed financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Company has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

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

2.2 Basis of measurement

These interim condensed financial statements have been prepared on the historical cost basis, except for employee benefit obligation which is recognized at the present value of future obligations using the projected unit credit method. Further, the interim condensed financial statements are prepared using the accrual basis of accounting and going concern concept.

2.3 Functional currency

These interim condensed financial statements are presented in Saudi Riyals (SR), which is also the Company's functional currency.

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES (continued)

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The significant judgements made by management in applying the Company's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2023. Any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods.

2.5 New Standards, Interpretations and Amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have any material impact on the interim condensed financial statements of the Company.

2.5.1 *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7*

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Company's interim condensed financial statements.

2.5.2 *Amendments to IFRS 16: Lease Liability in a Sale and Leaseback*

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's interim condensed financial statements.

2.5.3 *Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's interim condensed financial statements.

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES (continued)

2.6 Mine properties, property, plant and equipment and right-of-use assets

Change in estimate

Based on an assessment and the recommendation of the management's consultant, the total expected units of production (UOP) have been revised from 1 January 2024 for Al Masane Mine to 6.5 million metric tonnes (1 January 2023: 7.04 million metric tonnes) and for Mount Guyan Mine to 3.1 million metric tonnes (1 January 2023: 3.6 million metric tonnes). Such change in the UOP has been applied prospectively from 1 January 2024. The change in UOP resulted in change in depreciation and amortization charge for the current period by approximately SR 0.7 million. However, impact on future years cannot be calculated due to annual reviews of remaining useful life and reserves.

3. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive officer. An operating segment is group of assets and operations:

- (i) engaged in revenue producing activities;
- (ii) results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
- (iii) financial information is separately available.

All of the Company's operations are located in Najran, Saudi Arabia. For management purposes, the Company is organized into business units based on the main types of activities and has three reportable operating segments, as follows:

- Al Masane mine segment represents extraction and production of the base metals i.e. copper and zinc concentrates and byproducts like precious metals i.e. gold and silver ores;
- Mount Guyan mine segment represents extraction and production of the precious metals i.e. gold and silver ores;
- Moyeath mine segment represents an expansion project of Al Masane mine and is involved in extraction and production of the base metals i.e. copper and zinc concentrates (refer note (a) below); and
- Corporate is responsible for effective management and governance including funding of the projects. The presentation of Corporate information does not represent an operating segment.

No operating segments have been aggregated to form the above reportable operating segments. The Chief Executive Officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment and is considered to be the Company's chief operating decision maker. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed financial statements. However, the Company's severance fees, zakat and income taxes are managed on corporate basis and are not allocated to operating segments.

- (a) The Moyeath Orebody Project is not yet ready for its intended use, as it is still in the commissioning and testing phase. During the commissioning and testing phase of the Moyeath Orebody Project, the Company produced zinc and copper concentrates which are being sold along with production from Al Masane mine. Revenue from the sale of these concentrates during the six-month period ended 30 June 2024 amounted to SR 49.8 million, direct cost amounted to SR 15.6 million and selling and marketing expenses amounted to SR 2.6 million.

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
<u>For the six-month period ended 30 June 2024:</u>					
Revenue					
External customers	197,260,114	90,560,570	49,832,346	-	337,653,030
Movement in provisional pricing	789,208	(630,071)	-	-	159,137
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Revenue, net	198,049,322	89,930,499	49,832,346	-	337,812,167
Direct costs	(126,999,973)	(68,583,010)	(15,570,878)	(9,851,342)	(221,005,203)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Gross profit	71,049,349	21,347,489	34,261,468	(9,851,342)	116,806,964
Selling and distribution expenses	(10,149,966)	-	(2,631,975)	-	(12,781,941)
General and administrative expenses	-	-	-	(21,558,000)	(21,558,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Operating profit	60,899,383	21,347,489	31,629,493	(31,409,342)	82,467,023
Finance costs	(1,769,372)	(1,058,474)	-	-	(2,827,846)
Other income	-	-	-	576,084	576,084
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit before zakat and income tax	59,130,011	20,289,015	31,629,493	(30,833,258)	80,215,261
Zakat and income tax	-	-	-	(3,271,623)	(3,271,623)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net profit for the period	59,130,011	20,289,015	31,629,493	(34,104,881)	76,943,638
Other comprehensive income for the period	-	-	-	297,351	297,351
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	<u>59,130,011</u>	<u>20,289,015</u>	<u>31,629,493</u>	<u>(33,807,530)</u>	<u>77,240,989</u>

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
<u>For the six-month period ended 30 June 2023:</u>					
Revenue			-		
External customers	175,744,096	87,525,414	-	-	263,269,510
Movement in provisional pricing	(2,388,734)	2,081,254	-	-	(307,480)
Revenue, net	173,355,362	89,606,668	-	-	262,962,030
Direct costs	(123,068,624)	(56,818,614)	-	(8,021,909)	(187,909,147)
Gross profit	50,286,738	32,788,054	-	(8,021,909)	75,052,883
Selling and distribution expenses	(7,629,227)	-	-	-	(7,629,227)
General and administrative expenses	-	-	-	(20,110,707)	(20,110,707)
Operating profit	42,657,511	32,788,054	-	(28,132,616)	47,312,949
Finance costs	(4,149,377)	(1,917,767)	-	-	(6,067,144)
Other income	-	-	-	7,382,516	7,382,516
Profit before zakat and income tax	38,508,134	30,870,287	-	(20,750,100)	48,628,321
Zakat and income tax	-	-	-	(5,163,783)	(5,163,783)
Net profit for the period	38,508,134	30,870,287	-	(25,913,883)	43,464,538
Other comprehensive loss for the period	-	-	-	(400,356)	(400,356)
Total comprehensive income for the period	38,508,134	30,870,287	-	(26,314,239)	43,064,182
As at 30 June 2024					
Segment assets	669,130,552	224,804,116	502,192,477	131,986,243	1,528,113,388
Segment liabilities	29,536,187	56,634,743	-	200,883,903	287,054,833
<u>As at 31 December 2023</u>					
Segment assets	646,924,752	214,840,495	-	592,448,587	1,454,213,834
Segment liabilities	79,826,542	64,700,270	-	89,456,982	233,983,794

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
<u>For the three-month period ended 30 June 2024:</u>					
Revenue					
External customers	108,523,995	44,587,957	49,832,345	-	202,944,297
Movement in provisional pricing	368,352	-	-	-	368,352
Revenue, net	108,892,347	44,587,957	49,832,345	-	203,312,649
Direct costs	(64,166,719)	(33,436,556)	(15,570,878)	(8,343,518)	(121,517,671)
Gross profit	44,725,628	11,151,401	34,261,467	(8,343,518)	81,794,978
Selling and distribution expenses	(4,055,029)	-	(2,631,975)	-	(6,687,004)
General and administrative expenses	-	-	-	(10,508,482)	(10,508,482)
Operating profit	40,670,599	11,151,401	31,629,492	(18,852,000)	64,599,492
Finance costs	(971,676)	(729,747)	-	-	(1,701,423)
Profit before zakat and income tax	39,698,923	10,421,654	31,629,492	(18,852,000)	62,898,069
Zakat and income tax	-	-	-	(1,079,308)	(1,079,308)
Net profit for the period	39,698,923	10,421,654	31,629,492	(19,931,308)	61,818,761
Other comprehensive income for the period	-	-	-	149,224	149,224
Total comprehensive income for the period	39,698,923	10,421,654	31,629,492	(19,782,084)	61,967,985

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
<u>For the three-month period ended 30 June 2023:</u>					
Revenue					
External customers	77,180,744	41,734,547	-	-	118,915,291
Movement in provisional pricing	164,551	855,651	-	-	1,020,202
Revenue, net	77,345,295	42,590,198	-	-	119,935,493
Direct costs	(60,184,440)	(28,868,741)	-	(4,549,183)	(93,602,364)
Gross profit	17,160,855	13,721,457	-	(4,549,183)	26,333,129
Selling and distribution expenses	(3,205,215)	-	-	-	(3,205,215)
General and administrative expenses	-	-	-	(13,074,754)	(13,074,754)
Operating profit	13,955,640	13,721,457	-	(17,623,937)	10,053,160
Finance costs	(2,466,325)	(929,302)	-	-	(3,395,627)
Other income	-	-	-	3,638,055	3,638,055
Profit before zakat and income tax	11,489,315	12,792,155	-	(13,985,882)	10,295,588
Zakat and income tax credit	-	-	-	314,170	314,170
Net profit for the period	11,489,315	12,792,155	-	(13,671,712)	10,609,758
Other comprehensive loss for the period	-	-	-	(31,864)	(31,864)
Total comprehensive income for the period	11,489,315	12,792,155	-	(13,703,576)	10,577,894

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

4 MINE PROPERTIES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cost:		
At the beginning of the period/year	1,262,677,440	893,911,494
Additions during the period/year	119,096,568	362,141,519
Transfer from capital work in progress during the period/year	-	6,624,427
	<hr/>	<hr/>
At the end of the period/year	1,381,774,008	1,262,677,440
	<hr/>	<hr/>
Depreciation:		
At the beginning of the period/year	624,533,042	553,030,834
Charge for the period/year	43,044,624	71,502,208
	<hr/>	<hr/>
At the end of the period/year	667,577,666	624,533,042
	<hr/>	<hr/>
Net book amounts:		
At the end of the period/year	714,196,342	638,144,398
	<hr/> <hr/>	<hr/> <hr/>

The carrying amount of mine under construction as at 30 June 2024 was SR 465,027,072 (31 December 2023: SR 389,155,957) which represents Moyeath project and evaluation and exploration expenses capitalized.

5 PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2024, the Company purchased assets with a cost of SR 18,751,524 (30 June 2023: SR 9,910,528), excluding capital work in progress.

The carrying amount of capital work in progress as at 30 June 2024 was SR 11,558,700 (31 December 2023: SR 9,036,937).

The depreciation charge for the six-month period ended 30 June 2024 amounted to SR 26,251,860 (30 June 2023: SR 27,387,937).

Property, plant and equipment are subject to a pledge as collateral against a long-term loan (note 8).

6 CASH AND CASH EQUIVALENTS

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Short-term deposits (refer note below)	-	100,000,000
Bank balances	6,205,785	10,853,380
Cash in hand	86,640	86,641
Restricted cash (refer note 7.3)	11,514,478	-
	<hr/>	<hr/>
	17,806,903	110,940,021
	<hr/> <hr/>	<hr/> <hr/>

Short term deposits carry profit margin ranging from 6.15% to 6.18% with a maturity of less than 3 months as at the reporting date.

7 EQUITY**7.1 Share capital**

Share capital of the Company is divided into 90 million shares of SR 10 each as at 30 June 2024 and 31 December 2023 (Note 7.4).

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

7 EQUITY (continued)**7.2 Statutory reserve**

On 27 November 2023 (corresponding to 13 Jumada Al-Ula 1445H), the Board of Directors of the Company recommended to the shareholders to transfer the statutory reserve balance of SR 32,359,592 to retained earnings. The recommendation of transfer of statutory reserve to retained earnings was approved by the shareholders in their Extraordinary General Assembly Meeting held on 21 December 2023 (corresponding to 8 Jumada Al-Alkhirah 1445H). The legal formalities were completed in this regard during the year ended 31 December 2023.

7.3 Treasury shares

The Company had 1,561,095 treasury shares at the start of the current period. These shares are held by the Company as treasury shares for the purposes of issuing them to the Company's employees upon vesting of the shares in employee share plans, including those that the Company may adopt in the future. The number of treasury shares issued to employees during the period were 78,450 (31 December 2023: 61,650).

During the period ended 30 June 2024, the Company appointed Al Rajhi Capital as market maker for the Company's shares, to support the Company's liquidity in shares trading. As at 30 June 2024, the Company held 12,900 of its own shares. The Company recorded an unrealized loss of SR 1,182.

7.4 Share premium

During 2022, the Board of Directors recommended to the extraordinary general assembly to use the share premium account, which had a balance of SR 508,589,751 as at 31 December 2022 as follows:

- Increase the Company's share capital from SR 660,000,000 to SR 900,000,000 by granting one bonus share for every 2.75 shares. The proposed increase in share capital after obtaining necessary approvals from the competent authorities was approved by the shareholders at the extraordinary general assembly meeting held on 1 August 2023. The legal formalities were completed in this regard during the year ended 31 December 2023.

7.5 Dividends

On 4 January 2024, the Board of Directors announced the distribution of SR 57 million (SR 0.65 per share) for the second half of the year 2023 which represents 6.5% of the nominal value of the shares. On 21 January 2024, the Company distributed the cash dividend.

7.6 Share based compensation reserve

During the year ended 31 December 2023, the Company approved new share-based compensation incentive plan for certain key employees applicable from 01 May 2023G. The plan entitles the eligible employees to receive specific number of shares on the dates specified in the plan. The award for grant was granted for nil consideration. The fair value of the grant was determined by reference to the market value of the Company's ordinary shares on the date of grant for equity-settled awards i.e. 30 April 2023G.

The Company recognized the following share-based compensation expense in the statement of profit or loss, as an employee benefit expense during the period:

	<i>30 June 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
<i>Equity settled share-based compensation expense:</i>		
Share-based compensation reserve at beginning of the period/year	5,591,482	-
Share-based compensation expense for the period/year	1,897,017	10,492,657
Shares issued during the period/year	(6,236,775)	(4,901,175)
	<hr/>	<hr/>
Share-based compensation reserve at the end of the period/year	1,251,724	5,591,482
	<hr/> <hr/>	<hr/> <hr/>

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

8(a) LOANS AND BORROWINGS

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Saudi Industrial Development Fund (SIDF) (note 5)	51,483,128	110,327,535
Less: Current portion shown under current liabilities	(17,248,000)	(67,144,909)
Loans and borrowings under non-current liabilities	<u>34,235,128</u>	<u>43,182,626</u>

- i) The loan is obtained from Saudi Industrial Development Fund (SIDF) agreement dated 1 September 2010 for Al Masane project. This loan is secured by mortgage on the Company's property, plant and equipment. The loan was repayable in thirteen semi-annual installments in six years. However, subsequently in July 2018, the Company and SIDF reached to an agreement to amend the original loan agreement as per the Company's request to reschedule the payments in eleven semi-annual installments.

In June 2020, the Company and SIDF reached an agreement to again amend the original loan agreement as per the Company's request to reschedule the payments in seven semi-annual installments payable from May 2021 till April 2024. Hence, the loan was repaid in full during the period ended 30 June 2024.

The Company obtained another loan facility amounting to SR 94.3 million from Saudi Industrial Development Fund (SIDF) agreement dated 28 June 2020 for its new Mount Guyan Project payable in thirteen semi-annual installments starting from May 2022 to March 2028. This loan is also secured by mortgage on the Company's property, plant and equipment.

- ii) Loans and borrowings bear finance charges of 5.23% per annum (31 December 2023: ranging 2.59% to 5.23% per annum).
- iii) The loans and borrowings of the Company are shariah compliant.

8(b) SHORT TERM BORROWINGS

The company has short term credit facilities from local banks consisting of short-term loans. The short-term facilities are guaranteed by promissory notes on demand and carry interest at commercial rates of SIBOR + 1.3%.

9 EMPLOYEE BENEFITS

General description of the plan

The Company operates an unfunded employees' end of service benefits plan ("EOSB") for its employees as required by the Saudi Arabian Labor Law. The movement in EOSB for the period/year ended is as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/year	13,951,422	10,988,909
<i>Included in interim condensed statement of profit or loss</i>		
Current service cost	1,677,279	2,954,037
Interest cost	318,536	445,655
	1,995,815	3,399,692
<i>Included in interim condensed statement of other comprehensive income/(loss)</i>		
Actuarial (gain)/loss	(231,338)	318,983
Benefits paid	(1,078,743)	(756,162)
Balance at the end of the period/year	<u>14,637,156</u>	<u>13,951,422</u>

	Three-month period ended 30 June		Six-month period ended 30 June	
	2024	2023	2024	2023
Current service cost	838,640	738,510	1,677,279	1,477,019
Interest cost on defined benefits obligation	157,633	113,311	318,536	227,996
Actuarial (gain)/loss	(154,396)	47,795	(231,338)	429,854

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

9 EMPLOYEE BENEFITS (continued)

Significant assumptions used in determining defined benefits obligation for the Company are shown below:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Discount rate	5.50%	4.75%
Salary increase rate	5.50%	4.75%

10 ZAKAT, INCOME TAX AND DEFERRED TAX**10.1 Zakat**

	Three-month period ended 30 June		Six-month period ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Zakat relating to current period	1,412,890	2,113,775	3,026,145	6,613,025
Zakat adjustment relating to previous year	671,438	(4,144,588)	671,438	(4,144,588)
	<u>2,084,328</u>	<u>(2,030,813)</u>	<u>3,697,583</u>	<u>2,468,437</u>

The movement in the zakat provision during the period/year is as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/year	6,459,374	16,051,342
Net charge for the period/year	3,697,583	2,314,786
Payments during the period/year	(6,267,171)	(11,906,754)
Balance at the end of the period/year	<u>3,889,786</u>	<u>6,459,374</u>

10.2 Income tax

	Three-month period ended 30 June		Six-month period ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Income tax relating to current period	2,745,455	(19,764)	2,922,397	987,977
Income tax adjustment relating to previous year	679,151	1,365,991	679,151	1,365,991
	<u>3,424,606</u>	<u>1,346,227</u>	<u>3,601,548</u>	<u>2,353,968</u>

The movement in the income tax provision for the period/year is as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/year	(1,542,792)	(1,823,736)
Net charge for the period/year	3,601,548	2,836,423
Payments during the period/year	(537,396)	(2,555,479)
Balance at the end of the period/year	<u>1,521,360</u>	<u>(1,542,792)</u>

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

10 ZAKAT, INCOME TAX AND DEFERRED TAX (continued)**10.3 Deferred tax**

	<i>Three-month period ended 30 June</i>		<i>Six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Deferred tax relating to current period	(4,429,626)	370,416	(4,027,508)	341,378
Deferred tax relating to other comprehensive income	5,172	(15,931)	(66,013)	(29,498)
	(4,424,454)	354,485	(4,093,521)	311,880

The movement of the deferred tax asset for the period/year ended is as follows:

	<i>30 June</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Balance at the beginning of the period/year	28,511,219	29,159,977
Deferred tax credit/(debit) during the period/year recognised in interim condensed statement of profit or loss	4,027,508	(722,766)
Deferred tax credit to other comprehensive income	66,013	74,008
Balance at the end of the period/year	32,604,740	28,511,219

Status of assessments

Zakat and income tax assessments have been agreed with the Zakat, Tax and Customs Authority (“ZATCA”) up to 2012. The Company submitted the zakat and income tax return for the year 2023 and obtained the zakat certificate which is valid till 30 April 2025.

11 REVENUE, NET

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>	<i>2023</i>	<i>30 June</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue from contracts with customers:				
Copper concentrate	74,723,108	40,517,591	119,581,756	86,073,635
Zinc concentrate	72,445,533	27,257,717	107,254,021	69,017,268
Precious metals	55,775,656	51,139,983	110,817,253	108,178,607
	202,944,297	118,915,291	337,653,030	263,269,510
Movement in provisional pricing adjustments during the period	368,352	1,020,202	159,137	(307,480)
	203,312,649	119,935,493	337,812,167	262,962,030

The revenue for the six-month period ended 30 June 2024 includes proceeds from the sale of zinc and copper concentrates extracted from Moyoath Orebody Project which is not yet ready for its intended use (refer note 3(a)).

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

12 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, directors and key management personnel of the Company. Pricing policies and terms of these transactions are approved by the Company's management. The following are the details of major related party transactions during the period:

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Transactions</i>		<i>Transactions</i>	
			<i>Three-month period ended</i>		<i>Six-month period ended</i>	
			<i>30 June</i>		<i>30 June</i>	
			<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Najran Cement Company	Other related party	Cement supplies	155,731	-	281,993	-
Najran Mineral Water Company Limited	Other related party	Water charges	8,505	19,320	37,571	33,810

Following are the details of related party balances at the period/year end:

<i>Amount due to a related party</i>	<i>30 June 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Najran Mineral Water Company Limited	-	9,315
Najran Cement Company	9,743	-

Key management compensations

Compensation for key management is as follows:

	<i>Three-month period ended 30 June</i>		<i>Six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Salaries and other benefits	1,738,750	2,655,000	3,477,500	4,133,574
End of service benefits	15,776	180,431	24,623	42,574
	1,754,526	2,835,431	3,502,123	4,176,148

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

13 CONTINGENCIES AND COMMITMENTS**Contingencies**

The Company has bank guarantees of SR 598,284 as at 30 June 2024 (31 December 2023: SR 644,184).

Subsequent to the period ended 30 June 2024, a labor case was filed against the Company by a former employee of the Company with the total claim not exceeding SR 3.2 million. According to the opinion of the Company's external legal counsel, the management is confident of winning the case and it is expected that the ultimate outcome will not result into any cash outflow. Hence, no provision has been recorded in the interim condensed financial statements for the period ended 30 June 2024.

Commitments

At 30 June 2024, the Company has future commitments amounting to SR 217 million (31 December 2023: SR 239 million).

14 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. As a result of issuance of bonus shares (note 7.4), the outstanding weighted average number of ordinary shares post the bonus shares issuance have been used for calculation of basic and diluted earnings per ordinary share. The earnings per share calculation is given below:

	<i>Three-month period ended 30 June</i>		<i>Six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Net profit for the period attributable to ordinary shareholders	61,818,761	10,609,758	76,943,638	43,464,538
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	88,465,328	88,423,005	88,465,328	88,423,005
Basic and diluted earnings per ordinary share	0.70	0.12	0.87	0.49

Potential ordinary shares during the period ended 30 June 2024 relates to employees' share-based compensation in respect of employee share plans that were awarded to the Company's eligible employees under those plans terms (note 7.6). These share plans did not have a significant dilution effect on basic earnings per share for the period ended 30 June 2024 and for the year ended 31 December 2023.

15 FAIR VALUE OF ASSETS AND LIABILITIES

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.

At 30 June 2024

(All amounts in Saudi Riyals unless otherwise stated)

16 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

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 economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, 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

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The management assessed that cash and cash equivalents, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. During the period ended 30 June 2024 and year ended 31 December 2023, there were no movements between the levels.

Fair values of the Company's loans and borrowings are determined by using DCF method using discount rate that reflects the borrowing rate as at the end of the reporting period. As at 30 June 2024 and 31 December 2023, the carrying amounts of loans and borrowings were not materially different from their calculated fair values.

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been authorized by the Board of Directors on 08 August 2024G, corresponding to 04 Safar 1446H.