COVER PAGE AND DECLARATION

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FOR THE YEAR ENDED DECEMBER 31, 2022

Introduction:

Perfect Presentation for Commercial Services Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration No. 1010203693 issued in Riyadh on Shawwal 25, 1425H (corresponding to December 8, 2004G).

The financial statements provided are for the year ended December 31, 2022, and comparative figures for the previous year ended December 31, 2021, are also presented. The statements include a balance sheet, income statement, and trial balance.

The Company share capital amounting to SR 150,000,000 as at December 31, 2022 consist of 15,000,000 nominal shares of SR 10 each, all of which are common shares (December 31, 2021: SR 20,000,000 consisting of 2,000,0000 nominal shares of SR 10 each, all of which are common shares).

Statement of Financial Position

As at 31 December 2022

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
	SR	SR	SR	SR
ASSETS				
Non-current assets				
Property, plant, and equipment	**131,124,467**	116,674,725	98,059,454	63,871,310
Intangible assets	**1,201,441**			
Investments at fair value through OCI	**2,052,242**	1,501,504	1,014,027	
Total non-current assets	134,378,150	118,176,229	99,073,481	
Current assets				
Inventories	294,737	891,775	5,413,278	1,082,037
Due from related parties	**2,332,534**	1,606,871	3,960,182	6,922,625
Contracts assets	**299,993,022**	192,098,326	61,707,235	36,488,547
Trade receivables Credit sales, debtors	**286,489,810**	97,829,429	121,352,566	70,088,388
Prepaid expenses and other debit balances	**16,496,287**	21,290,013	14,547,383	20,321,491
Cash and cash equivalents	**67,212,171**	69,459,058	10,548,191	3,350,350
Total current assets	**672,818,561**	383,175,472	217,528,835	138,253,438
TOTAL ASSETS	**807,196,711**	501,351,701	316,621,405	202,124,748
EQUITY AND LIABILITIES				
Equity				
Share capital	**150,000,000**	20,000,000	20,000,000	20,000,000
Additional share capital	**-**	6,670,311	6,670,311	6,670,311
Statutory reserve	**13,145,523**	6,000,000	6,000,000	2,690,215
Retained earnings	**90,433,088**	127,046,679	78,447,113	41,178,681
Total equity	**253,599,511**	159,716,990	111,117,424	70,539,207
Liabilities				
Non-current liabilities				
Employees' defined benefits obligations	**26,421,654**	20,915,940	13,817,159	7,389,495
Non-current portion of long-term loans	**5,364,766**	7,256,103	9,953,435	
Total non-current liabilities	**31,786,420**	28,172,043	23,770,594	7,389,495
Current liabilities				
Trade payables	**144,450,439**	67,425,738	27,384,830	12,591,237
Due to related parties	**21,649,057**	5,957,688	14,661,728	233,881
Short-term loans	**152,016,870**	84,033,300	67,040,118	60,685,448
Current portion oflong-term loans	**2,179,721**	2,697,331	847,608	
Unearned revenues	**70,693,746**	58,337,143	29,458,912	22,612,348
Accrued expenses and other credit balances	**115,055,546**	91,538,079	40,594,889	26,612,756
Dividends payable	**10,500,000**			
Zakat payable	**5,265,401**	3,473,389	1,745,302	1,460,376
Total current liabilities	**521,810,780**	313,462,668	181,733,387	124,196,046
Total liabilities	**583,597,200**	341,634,711	205,503,981	131,585,541
TOTAL EQUITY AND LIABILITIES	**807,196,711**	501,351,701	316,621,405	202,124,748

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2022

	31 December 2022 SR		31 December 2021 SR		31 December 2020 SR		31 December 2019 SR
	Amount	%	Amount	%	Amount	%	Amount
Revenue	**927,170,895**	**41%**	655,478,211	36%	482,475,049	62%	298,102,025
Cost of revenue	**(746,745,080)**	**38%**	(539,472,411)	38%	(391,454,363)	61%	(243,368,511)
Gross profit	180,425,815	56%	116,005,800	27%	91,020,686	66%	54,733,514
Selling and distribution expenses	**(9,040,438)**	**16%**	(7,803,550)	53%	(5,091,372)	23%	(4,145,362)
General and administrative expenses	**(28,915,368)**	**41%**	(20,454,050)	2%	(20,002,711)	27%	(15,812,016)
Impairment loss on trade receivables	**(4,404,632)**	**193%**	(1,504,430)	-46%	(2,803,636)	-72%	(10,032,290)
Operating income	138,065,377	60%	86,243,770	37%	63,122,967	155%	24,743,846
Finance cost	**(3,858,045)**	**2%**	(3,774,493)	65%	(2,288,312)	9%	(2,105,867)
Other income, net Company's share in the net losses	**2,099,547**	**21%**	1,739,008	-67%	5,329,988	192%	1,827,727
Dividends from investments at fair value	**30,235**		39,073				
Profit before zakat	**136,537,114**	**62%**	84,228,269	27%	66,116,732	170%	24,465,706
Zakat	**(4,881,880)**	**35%**	(3,612,703)	107%	(1,745,302)	20%	(1,460,376)
Profit for the year	131,455,234	63%	80,615,566	25%	64,371,430	180%	23,005,330
Earning per share attributable to the Shareholders / Partners:							
Basic and diluted	**8.76**		3.37		32,2		11.5

Statement of Cash Flows

For the Year Ended 31 December 2022

	31 December 2022 SR	31 December 2021 SR	31 December 2020 SR	31 December 2019 SR
Cash flows from operating activities				
Profit before zakat	**136,337,114**	84,228,269	66,116,732	24,465,706
Adjustments for:				
Depreciation of property, plant and equipment	**4,336,349**	2,890,697	2,417,463	2,248,866
Impairment loss on trade receivables	**4,404,632**	1,504,430	2,803,636	10,032,290
Losses on disposal of property, plant and equipment	**-**	296,355	26,000	
Employees' defined benefit obligation cost	**12,492,204**	11,671,738	6,265,286	1,960,803
Finance cost	**461,792**	283,141	186,957	256,060
Company's share in the net losses of a subsidiary			47911	
Changes in operation assets and liabilities:				
Inventories	**597,038**	4,521,503	-4,331,241	-453,607
Due from/to related parties	**14,965,706**	(6,350,729)	17,390,290	3,737,583
Contracts assets	**(109,382,636)**	(130,391,091)	(25,2I 8,688)	(I 9,803,097)
Trade receivables	**(191.577,073)**	22,018,707	-54,067,814	-13,767,526
Prepaid expenses and other debit balances	**4,793,726**	(6,742,630)	5,774,108	(7,669,028)
Trade payables	**77,024,701**	40,040,908	14,793,593	-21,855,050
Unearned revenues / Contract liabilities	**12,356,603**	28,878,231	6,846,564	22,612,348
Accrued expenses and other credit balances	**23,517,467**	50,943,190	13,982,133	10,260,883
Cash (used in) from operations	**(9,672,377)**	103,792,719	53,032,930	12,026,231
Employees' defined benefits obligation	**(9.071,733)**	(4,983,013)	(2,315,169)	(838,496)
Zakat paid	**(3.089,868)**	(1,884,616)	(1,460,376)	(911,792)
Net cash (used in) from operating activities	**(21,833,979)**	96,925,090	49,257,385	10,275,943
Cash flows from Investing activities				
Purchases of property, plant, and equipment	**(18.592,310)**	(21,802,323)	(36,714,572)	(45,460,724)
Proceeds from disposal of property, plant, and equipment	**(1,395,222)**		82965	
Additions of investments at fair value through OCI	**-**	-	-516650	
Disposal (additions) of investment in a subsidiary	**-**	19,089	-67,000	
Net cash used in investing activities	**(19,987,532)**	(21,783,234)	(37,215,257)	(45,460,724)
Cash flows from Financing activities				
Net change in banking facilities	**65,574,623**	16,145,573	17,155,713	39,615,203
Dividends paid	**(26,000,000)**	(32,376,562)	(22,000,000)	(8,000,000)
Net cash (used in) from financing activities	**39,574,623**	(16,230,989)	(4,844,287)	31,615,203
Net change in cash and cash equivalents	**(2.246,887)**	58,910,867	7,197,841	-3,569,578
Cash and cash equivalents at beginning of the year	**69,459,058**	10,548,191	3,350,350	6,919,928
Cash and cash eauivalents at end of the vear	**67,212,171**	69,459,058	10,548,191	3,350,350

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)

Statement of Changes in Equity For the Year Ended 31 December 2022

	Share capital SR	Additional share capital SR	Statutory reserve SR	Retained earnings SR	Total equity SR
For the year ended December 31_2021:					
Balance as at January 1_ 2021	20,000,000	6,670,311	6,000,000	78,447,113	111,117,424
Profit for the year				80,615,566	80,615,566
Other comprehensive income for the year				360,562	360,562
Total comprehensive income for the year	-	-	-	80,976,128	80,976,128
Dividends				(32,376,562)	(32,376,562)
Balance as at December 31 2021	**20,000,000**	**6,670,311**	**6,000,000**	**127,046,679**	**159,716,990**
For the year ended December 31, 2022:					
Balance as at January 1, 2022	20,000,000	6,670,311	6,000,000	127,046,679	59,716,990
Profit for the year				131,455,234	131,455,234
Other comprehensive loss for the year				(1,072,713)	(1,072,713)
Total comprehensive income for the year				130,382,321	130,382,521
Transfer to capital share	130,000,000	(6,670,311)	(6,000,000)	(117,329,689)	–
Transfer to statutory reserve	-	-	13,145,523	(13,145,523)	
Dividends	-	-	-	(36,500,000)	(36,500,000)
Balance as at December 31, 2022	**150,000,000**		**13,145,523**	**90,453,988**	**253,599,511**

Financial Ratios

	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	AVG	NORMS
Short-term Solvency (Liquidity)						
Current Ratio	1.29	1.22	1.2	1.11	1.21	1 to 2
Quick Ratio	1.29	1.22	1.2	1.11	1.21	> 1
Cash Ratio	0.13	0.22	0.06	0.03	0.11	> 0.2
Working Capital	**151,007,781**	**69,712,804**	**35,795,448**	**14,057,392**	-	-
Long-term Solvency (Leverage)						
Debt-to-Equity Ratio	2.3	2.1	1.8	1.9	2.03	0.5 to 1
Debt to assets ratio	**0.7**	**0.7**	**0.6**	**0.7**	0.68	0.4 to 0.6
Efficiency (Activity ratios)						
Inventory Turnover	1,258.7	171.12	120.5	449.834	225.07	5 to 10
Days Sales Outstanding "DSO"	75.65	61.0	72.41	-		
Days Payable Outstanding	51.78	32	18.63	18.88		
Fixed Assets Turnover	7.3	6.03	4.86	-		
Profitability						
Gross Profit Margin	**19%**	18%	19%	18%	0.19	-
EBITDA	**15%**	13%	13%	8%	0.12	-
Operating profit margin	**15%**	13%	14%	8%	0.13	0.1 to 0.2
Net income/Profit margin	**14%**	12%	13%	8%	0.12	> 0.1
Return on Equity (ROE)	**51%**	51%	56%	32%	0.48	0.1 to 0.2
Return on Assets (ROA)	**16%**	16%	20%	11%	0.16	0.05 to 0.1
Basic and diluted	8.76	3.37	32,2	11.5	7.88	-

Short-term Solvency (Liquidity)

refers to the ability of an individual, company, or financial institution to convert its assets into cash quickly without incurring significant losses. It measures the ease with which an asset can be bought or sold in the market without causing major disruptions or price fluctuations. High liquidity means that an asset can be easily converted into cash, while low liquidity indicates the opposite.

1. Current Ratio

Current Ratio = Current Assets / Current Liabilities

Analysis: The current ratio measures a company's ability to meet its short-term obligations using its current assets. The average current ratio of 1.21 suggests that the company typically has slightly more current assets than current liabilities. However, the ratio is below the general norm of 1 to 2, signaling a relatively lower level of liquidity.

2. Quick Ratio

Quick Ratio = (Cash + Account Receivable) / Current Liabilities

Analysis: The quick ratio, also known as the acid-test ratio, measures a company's ability to meet its short-term obligations without relying on inventory. The average quick ratio of 1.21 indicates that the company has a relatively good ability to cover its short-term liabilities using its most liquid assets. The ratios are above the threshold of 1, which is generally considered favorable.

3. Cash Ratio

Cash Ratio = (Cash + Cash Equivalents) / Current Liabilities

Analysis: The cash ratio measures a company's ability to cover its short-term liabilities using only cash and cash equivalents. The average cash ratio of 0.11 indicates that the company has a relatively low level of cash reserves compared to its short-term liabilities. The ratio falls below the threshold of 0.2, which is generally recommended for a comfortable liquidity position.

4. Working Capital

Working Capital = Current Assets - Current Liabilities

Analysis: Working capital represents the difference between current assets and current liabilities. It shows the available funds to cover short-term obligations. However, average working capital is not calculated based on the given data.

In summary, the company's liquidity ratios indicate that it generally has slightly more current assets than current liabilities (Current Ratio and Quick Ratio), but its cash position seems relatively weak (Cash Ratio). The working capital figures suggest positive working capital, although the average value is not provided. Overall, the company may have room for improvement in terms of short-term solvency and maintaining a more robust liquidity position.

Long-term Solvency (Leverage)

5. Debt-to-Equity Ratio

Debt-to-Equity Ratio = Total Liabilities / Total Equity

Analysis: The debt-to-equity ratio measures the proportion of a company's financing that comes from debt compared to equity. The average ratio of 2.03 indicates that the company has relatively higher debt levels compared to equity. This suggests a higher financial risk and a higher reliance on borrowed funds. The ratio exceeds the general norm of 0.5 to 1, indicating a relatively higher leverage position.

6. **Debt-to-assets ratio**

Debt-to-Assets Ratio = Total Debt / Total Assets

Analysis: The debt to assets ratio measures the proportion of a company's assets that are financed by debt. The average ratio of 0.68 indicates that approximately 68% of the company's assets are funded by debt. This suggests a moderate level of leverage, with a significant portion of the company's assets being financed by debt. The ratio falls within the general norm of 0.4 to 0.6, indicating a relatively acceptable level of leverage.

In summary, the long-term solvency ratios indicate that the company has a higher level of debt compared to its equity (Debt-to-Equity Ratio) and a substantial portion of its assets are funded through debt (Debt to Assets Ratio). These ratios suggest a relatively higher leverage position, possibly indicating a higher financial risk. However, it's important to consider industry norms and other relevant factors when assessing the company's long-term solvency.

Efficiency (Activity ratios)

7. **Inventory Turnover**

Inventory Turnover = COGS ÷ Average Inventory

Analysis: In this case, the inventory turnover has significantly increased from 449.834 in 2019 to 1,258.7 in 2022. This indicates that the company is selling its inventory much more rapidly, which can be a sign of efficient inventory management.

8. **Days Sales Outstanding (DSO)**

DSO = (Average Account Receivables ÷ Revenues)* 365 Days

Analysis: The DSO increased from 61.0 days in 2020 to 75.65 days in 2022. This suggests that it took the company longer to collect payments from customers in 2022 compared to 2020. The increase in DSO may indicate a potential issue with accounts receivable or customer payment delays.

9. **Days Payable Outstanding (DPO)**

DPO = (Average Payables ÷ COGS) / 365 Days

Analysis: The Days Payable Outstanding increased from 18.88 days in 2019 to 51.78 days in 2022. This indicates that the company took longer to pay its suppliers in 2022. While it can help cash flow, it may have implications for supplier relationships and early payment discounts.

10. Fixed Assets Turnover:

Fixed Asset Turnover = Sales / Average Fixed Assets

In summary, The Fixed Assets Turnover increased from 4.86 in 2020 to 7.3 in 2022. This suggests that the company improved its efficiency in using fixed assets to generate sales, which can be a positive sign of operational efficiency.

Overall, these ratios indicate improvements in inventory turnover and fixed asset utilization. However, the increase in DSO and Days Payable Outstanding may warrant closer attention, as they can affect cash flow and working capital management.

Profitability:

11. Gross Profit Margin

Gross Profit Margin = (Sales - Cost of Sales) / Sales

The gross profit margin represents the percentage of revenue that remains after deducting the cost of goods sold. The consistent gross profit margin of around 18-19% suggests that the company has been able to maintain a relatively stable level of profitability from its core operations.

12. EBITDA Margin (Earnings Before Interest, Taxes, Depreciation, and Amortization)

EBITDA Margin = EBITDA ÷ Net Sales

EBITDA margin indicates the percentage of revenue that EBITDA represents. The increasing trend in EBITDA margin over the years suggests that the company's operating profitability has improved, with a higher proportion of revenue turning into earnings before accounting for interest, taxes, depreciation, and amortization.

13. Operating profit margin or EBIT

EBIT Margin = EBIT ÷ Net Sales

The operating profit margin measures the proportion of revenue that remains after deducting both the cost of goods sold and operating expenses. The increasing trend in operating profit margin indicates improved profitability, with higher earnings generated from the company's core operations.

14. Net income/Profit margin

Net Profit Margin = Net Profit ÷ Net Sales

The net income/profit margin represents the percentage of revenue that remains as net income after deducting all expenses, including interest and taxes. The consistent profitability margin of around 12-14% suggests that the company has been able to maintain a relatively stable level of net income from its operations.

15. Return on Equity (ROE)

Return on Equity (ROE)= Net Profit ÷ Shareholders' Equity

ROE measures the return generated on shareholders' equity. The high ROE values indicate that the company has been efficient in generating profits relative to the equity invested by shareholders. The consistent return on equity above 30% suggests the company's ability to generate strong returns for its shareholders.

16. Return On Assets "ROA"

Return On Assets (ROA) = Net Income / Total Assets

Analysis: ROA measures the return generated on total assets. The consistent ROA of around 16-20% indicates that the company has been able to generate a moderate to high return on its assets.

In summary, the profitability ratios indicate that the company has maintained stable and relatively healthy levels of profitability. The consistent gross profit margin, increasing EBITDA and operating profit margins, and steady net income/profit margin suggest efficient operations and effective cost management. The high return on equity and return on assets ratios indicate that the company has been successful in generating favorable returns for its shareholders and utilizing its assets effectively.

17. Earnings per Share (EPS):

Net income / no of share = EPS Earning per share (no of share is 15,000,000)

	31 December 2022 SR	31 December 2021 SR	31 December 2020 SR	31 December 2019 SR
Total comprehensive income for the year	130,382,521	80,976,128	62,578,217	22,553,874
Basic and diluted	**8.76**	3.37	32,2	11.5

Analysis: Earnings per share (EPS) is a measure that indicates how much profit a company generates per outstanding share of stock. The basic and diluted EPS values provided indicate the earnings per share for each year. The data shows fluctuations in EPS over the years, with a significant increase from 2019 to 2020 and a further increase in 2021.

18. Price-to-Earnings ratio

P/E ratio = Stock Price (current price for one stock)/ Earnings per Share

P/E ratio = 21/8.76 = 2.4 times

Analysis: The P/E ratio provides insights into the market's valuation of a company's stock in relation to its earnings. It is often used by investors as a valuation tool to assess whether a stock is under- or overvalued.

A higher P/E ratio suggests that the market has higher expectations for the company's future earnings growth, which can indicate a relatively higher valuation. On the other hand, a lower P/E ratio may suggest that the market has lower expectations, or the stock is undervalued.

recommendations for improving the company business.

- Short-term Solvency (Liquidity): The company's current ratio and quick ratio are consistently above 1, indicating that it has sufficient current assets to cover short-term liabilities. However, the cash ratio falls below the desirable norm of 0.2, suggesting a lower level of cash and cash equivalents relative to its current liabilities.
- Long-term Solvency (Leverage): The company's debt-to-equity ratio and debt to assets ratio are consistently higher than the desirable norms. This indicates a relatively high level of debt compared to equity and assets, suggesting a higher financial leverage and potential financial risk.
- Efficiency (Activity ratios): The inventory turnover ratio varies significantly over the years, indicating possible fluctuations in inventory management. The days inventory outstanding and days sales outstanding imply efficient inventory and sales management, while the days payable outstanding suggests longer payment cycles.
- Fixed Assets Turnover: The company shows a decreasing trend in the fixed assets turnover ratio, which may indicate a potential decrease in the efficiency of utilizing fixed assets to generate sales.
- Profitability: The company's gross profit margin, EBITDA margin, and net income/profit margin have remained relatively stable and are within acceptable ranges. However, the operating profit margin falls at the lower end of the desirable norm. The return on equity (ROE) and return on assets (ROA) ratios indicate that the company has been able to generate favorable returns for its shareholders and effectively utilize its assets.

Overall, these financial ratios reveal a mixed performance for the company. While it demonstrates a satisfactory level of liquidity and profitability, there are concerns regarding long-term solvency, specifically the high debt levels. It is important for the company to closely monitor and manage its debt and leverage levels to mitigate financial risks. Additionally, improving the efficiency of fixed asset utilization and focusing on optimizing inventory management can enhance overall performance.

Recommendation of new investment project to the company :

<u>Project Name:</u> Cloud Infrastructure Expansion

<u>Description:</u> Perfect Presentation Company can invest in expanding its existing cloud computing infrastructure to accommodate increased demand for cloud services. This project involves upgrading and expanding the company's data centers and cloud infrastructure to provide more robust and scalable cloud services to a wider customer base.

<u>Key Benefits:</u>

- Scalability
- Competitive Edge
- Diversification
- Enhanced Service Offerings
- Long-Term Growth

<u>Financial Considerations:</u>

To finance this project, Perfect Presentation Company can allocate 40% of the required capital from its own funds. The remaining 60% can be raised through a combination of bank loans, venture capital, or partnerships with technology infrastructure companies.

Below table is type of products for sell.

Product price for Dedicated Servers			
DS-32	DS-64	DS-128	DS-256
500SR/Mo	700SR/Mo	1,100/Mo	1,600/Mo

So we will go with average of selling products which is:

= (500+700+1100+1600)/4 = 975 *12 = 11,700 SR

<u>Performance statements:</u>

Project life	5 years
Initial equipment cost	47M SR
Depreciation 100% in 5 yrs	(straight line)
Investment in NWC	2 M
Annual increase in sales	5%
Estimated selling units	15000
Estimated sales price in average	11,700 SR
Estimated CoGS	4,680 SR
Administrative Cost	10M
VAT rate	.15
Bank rate	.04
Required rate of return	11.14% as per Country Default Spreads and Risk Premiums

Investment Decision

First: find the Free Cash flows:

<u>It is summation of cash inflow for estimated period</u>

Cash Outflow

CAPEX+OPEX

47M + 10 M+2M

59M

	Cash inflow				
	2024	2025	2026	2027	2028
Sales	175,500,000	184,275,000	193,488,750	203,163,188	213,321,347
Cogs	70,200,000	73,710,000	77,395,500	81,265,275	85,328,539
Fixed costs	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
EBIT	93,300,000	98,565,000	104,093,250	109,897,913	115,992,808
Net Income	93,300,000	98,565,000	104,093,250	109,897,913	115,992,808
Depreciation	9,400,000	9,400,000	9,400,000	9,400,000	9,400,000
Free Cash Flow (Future Value)	102,700,000	107,965,000	113,493,250	119,297,913	125,392,808

Second: we need to calculate weighted average cost of capital (WAAC) for Perfect Presentation from balance Sheet :

WACC Weighted average cost of capital		
Total of Asset	**807,196,711**	
	Debit	Equity
	583,597,200	**253,599,511**
Weight of Debt	72.29%	27.71%
Cost of debt/equity	4%	11.14%

WACC = (E/V * Ke) + (D/V) * Kd * (1 – Tax rate)

WACC=(27.71%*11.14%) + (72.29% * 4%) * (1-15%) = 5.54%

Third: finding the PVCFs = Present value of cash flows

PVCFs = FV/ (1-WAAC)^$^{\text{Years}}$

Free Cash Flow (Future Value)	2024	2025	2026	2027	2028	Sum of PVCFs
	102,700,000	107,965,000	113,493,250	119,297,913	125,392,808	
	108,723,269	121,000,484	134,656,155	149,844,595	166,737,360	680,961,863

Net present value = 692,865,122 – 59,000,000 = + 621,961,863

So the result in positive , it is better to implement this project.

the company must use its own cash because the company has a surplus of cash and maintaining a high cash balance is not essential, using some of this cash for this project can be beneficial.. (Cash and cash equivalents 67,212,171).

In regarding to whether the company must use its own cash or use retained earnings

The company demonstrates strong short-term solvency, efficient asset utilization, and healthy profitability. However, it does have relatively higher leverage (debt-to-equity ratio) than the industry norm.

Regarding the decision to pay dividends or not, it appears that the company is in a position to consider paying dividends to shareholders given its strong financial performance.

Conclusion

Perfect Presentation for Commercial Services Company Ltd. has demonstrated satisfactory liquidity, a favorable level of profitability, and efficient asset utilization. However, the company should pay close attention to its high debt levels and ensure effective management of its debt to maintain long-term financial stability.

Regarding the investment project for cloud infrastructure expansion, the financial analysis suggests a positive outlook. The project offers scalability, a competitive edge, and diversification, and it aligns with the company's long-term growth strategy. The free cash flow projections indicate potential profitability, although it's essential to evaluate the project's feasibility and financial viability in more detail before proceeding. Careful consideration of the required rate of return, market conditions, and risk factors is necessary when making an investment decision.

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