

**EAST PIPES INTEGRATED COMPANY FOR  
INDUSTRY (LISTED JOINT STOCK COMPANY)**

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

**FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2025**

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)**

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

For the three-month period ended 30 June 2025

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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF EAST PIPES INTEGRATED COMPANY FOR INDUSTRY (LISTED JOINT STOCK COMPANY)

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of East Pipes Integrated Company for Industry (Listed Joint Stock Company) (the "Company") as at 30 June 2025, and the related interim condensed statement of profit or loss and other comprehensive income, changes in equity and cash flows for the three-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

  
Ahmed Ibrahim Reda  
Certified Public Accountant  
Registration No. 356



Al Khobar: 29 Muharram 1447H  
24 July 2025

EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UNAUDITED)

For the three-month period ended 30 June 2025

	Notes	Three-months period ended 30 June	
		2025 R (Unaudited)	2024 R (Unaudited)
Revenue from contracts with customers	4	385,192,515	364,418,913
Cost of revenue	5	(279,933,071)	(278,001,706)
<b>GROSS PROFIT</b>		<b>105,259,444</b>	<b>86,417,207</b>
General and administration expenses	6	(6,614,811)	(5,832,614)
Selling and marketing expenses	7	(971,093)	(902,982)
Reversal of allowance for expected credit losses	11.1	977,693	1,004,649
Other operating income		5,930,040	6,102,733
<b>OPERATING PROFIT</b>		<b>104,581,273</b>	<b>86,788,993</b>
Finance costs		(3,331,029)	(3,889,980)
<b>PROFIT BEFORE ZAKAT AND INCOME TAX</b>		<b>101,250,244</b>	<b>82,899,013</b>
Zakat	18.1	(5,130,892)	(3,750,892)
Income tax	18.5	(5,852,002)	(7,903,420)
<b>PROFIT FOR THE PERIOD</b>		<b>90,267,350</b>	<b>71,244,701</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Other comprehensive income/(loss) that will not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement gain / (loss) on employees' defined benefit liabilities		343,181	(52,334)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>90,610,531</b>	<b>71,192,367</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS</b>	8	<b>2.87</b>	<b>2.26</b>

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**Chairman**  
Vipul Shiv Sahai Mathur

**Acting CEO**  
Mohamed Saleh Ali Darweesh

**Chief Financial Officer**  
Mohamed Saleh Ali Darweesh

*M.S. Darweesh*

EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION  
(UNAUDITED)

At 30 June 2025

	Notes	30 June 2025 ؔ (Unaudited)	31 March 2025 ؔ (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	218,617,812	220,882,572
Right-of-use assets		16,225,481	17,856,847
Intangible assets		1,846,749	1,980,747
<b>TOTAL NON-CURRENT ASSETS</b>		<b>236,690,042</b>	<b>240,720,166</b>
<b>CURRENT ASSETS</b>			
Inventories	10	544,342,708	391,007,201
Trade receivables	11	407,787,425	606,293,578
Prepayments and other current assets	12	247,063,143	368,820,626
Advances for income tax	18.3	23,751,857	17,316,312
Cash and cash equivalents	13	216,837,724	7,950,222
<b>TOTAL CURRENT ASSETS</b>		<b>1,439,782,857</b>	<b>1,391,387,939</b>
<b>TOTAL ASSETS</b>		<b>1,676,472,899</b>	<b>1,632,108,105</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	14	315,000,000	315,000,000
Statutory reserve	15	71,748,360	71,748,360
Retained earnings		838,309,019	747,698,488
<b>TOTAL EQUITY</b>		<b>1,225,057,379</b>	<b>1,134,446,848</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Employees' defined benefit liabilities		29,173,029	28,373,670
Deferred tax liabilities	18.4	15,077,749	13,871,961
Lease liabilities		8,820,230	11,692,562
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>53,071,008</b>	<b>53,938,193</b>
<b>CURRENT LIABILITIES</b>			
Accrued expenses and other current liabilities	16	269,718,813	271,057,496
Long-term borrowing	17.2	65,923,566	98,501,241
Short-term borrowings	17.1	-	5,000,000
Trade payables		15,621,092	31,401,427
Current portion of lease liabilities		6,072,499	6,531,464
Zakat and income tax provision	18.1	41,008,542	31,231,436
<b>TOTAL CURRENT LIABILITIES</b>		<b>398,344,512</b>	<b>443,723,064</b>
<b>TOTAL LIABILITIES</b>		<b>451,415,520</b>	<b>497,661,257</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,676,472,899</b>	<b>1,632,108,105</b>

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Chairman  
Vipul Shiv Sahai Mathur

Acting CEO  
Mohamed Saleh Ali Darweesh

Chief Financial Officer  
Mohamed Saleh Ali Darweesh

The attached notes 1 to 23 form part of these interim condensed financial statements.



EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY  
(UNAUDITED)

For the three-month period ended 30 June 2025

	<i>Share capital</i> ₹	<i>Statutory reserve</i> ₹	<i>Retained earnings</i> ₹	<i>Total equity</i> ₹
Balance as at 1 April 2024 (Audited)	315,000,000	71,748,360	465,164,886	851,913,246
Profit for the period	-	-	71,244,701	71,244,701
Other comprehensive loss for the period	-	-	(52,334)	(52,334)
Total comprehensive income for the period	-	-	71,192,367	71,192,367
Balance at 30 June 2024 (Unaudited)	315,000,000	71,748,360	536,357,253	923,105,613
<b>Balance at 1 April 2025 (Audited)</b>	<b>315,000,000</b>	<b>71,748,360</b>	<b>747,698,488</b>	<b>1,134,446,848</b>
Profit for the period	-	-	90,267,350	90,267,350
Other comprehensive income for the period	-	-	343,181	343,181
Total comprehensive income for the period	-	-	90,610,531	90,610,531
<b>Balance at 30 June 2025 (Unaudited)</b>	<b>315,000,000</b>	<b>71,748,360</b>	<b>838,309,019</b>	<b>1,225,057,379</b>

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H.S. Darweesh

**Acting CEO**  
Mohamed Saleh Ali Darweesh

H.S. Darweesh

**Chief Financial Officer**  
Mohamed Saleh Ali Darweesh

D.H. Darweesh

EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three-month period ended 30 June 2025

		<i>Three-month period ended 30 June</i>	
	<i>Notes</i>	<i>2025 ₹ (Unaudited)</i>	<i>2024 ₹ (Unaudited)</i>
<b>OPERATING ACTIVITIES</b>			
Profit before zakat and income tax		101,250,244	82,899,013
<i>Adjustments to reconcile profit before zakat and income tax to net cash flows from operating activities:</i>			
Depreciation of property, plant, and equipment	9	3,834,144	4,917,400
Depreciation of right-of-use assets		1,631,367	1,483,151
Amortisation of intangible assets		145,550	114,863
Provision for inventory obsolescence	10.2	51,788	1,490,048
Reversal of allowance for expected credit losses	11.1	(977,693)	(1,004,649)
Adjustment for advance income tax	18.3	(6,435,545)	-
Finance costs		3,331,029	3,889,980
Provision for employees end of service benefits		807,338	645,252
		<b>103,638,222</b>	<b>94,435,058</b>
<i>Working capital changes:</i>			
Inventories		(153,387,295)	(29,606,588)
Trade receivables		199,483,846	361,547,592
Prepayments and other current assets		120,393,644	(148,953,479)
Trade payables		(15,780,335)	(1,056,503)
Accrued expenses and other current liabilities		(1,338,683)	19,577,941
		<b>253,009,399</b>	<b>295,944,021</b>
<b>Cash generated from operations</b>		<b>253,009,399</b>	<b>295,944,021</b>
Employees' end of service benefits paid		(5,250)	(179,825)
Finance costs paid		(2,777,228)	(1,830,941)
		<b>250,226,921</b>	<b>293,933,255</b>
<b>Net cash flows from operating activities</b>		<b>250,226,921</b>	<b>293,933,255</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	9	(1,823,915)	(582,999)
Purchases of intangible assets		(11,552)	(108,867)
		<b>(1,835,467)</b>	<b>(691,866)</b>
<b>Net cash used in investing activities</b>		<b>(1,835,467)</b>	<b>(691,866)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from short-term borrowings		194,168,751	199,350,676
Repayments of short-term borrowings		(199,168,751)	(356,157,622)
Repayment of long-term borrowings		(33,750,000)	-
Payments of lease liabilities		(753,952)	(2,800,000)
		<b>(39,503,952)</b>	<b>(159,606,946)</b>
<b>Net cash flows used in financing activities</b>		<b>(39,503,952)</b>	<b>(159,606,946)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>208,887,502</b>	<b>133,634,443</b>
Cash and cash equivalents at the beginning of the period / year	13	7,950,222	66,001,206
		<b>216,837,724</b>	<b>199,635,649</b>
<b>Cash and cash equivalents at the end of the period</b>	13	<b>216,837,724</b>	<b>199,635,649</b>
<b>SIGNIFICANT NON-CASH TRANSACTIONS</b>			
Advances from customers recognised against trade receivables		-	20,196,285
Initial recognition of leases		-	15,695,174

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**Chief Financial Officer**  
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The attached notes 1 to 23 form part of these interim condensed financial statements.

# EAST PIPES INTEGRATED COMPANY FOR INDUSTRY (LISTED JOINT STOCK COMPANY)

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

At 30 June 2025

### 1 CORPORATE INFORMATION

East Pipes Integrated Company for Industry (the “Company”) is a listed joint stock company licensed under foreign investment license number 121031118992 issued by the Ministry of Investment on 22 Rajab 1431H (corresponding to 4 July 2010) operating under unified number 7001643902 having Commercial Registration (“CR”) number 2050071522 issued in Dammam on 22 Rajab 1431H (corresponding to 4 July 2010). The Company is engaged in manufacturing of pipes, tubes, hollow shapes from iron and steel, and the processing and painting metals by refinement and polishing.

The registered address of the Company is P.O. Box 12943, Dammam 31483, Kingdom of Saudi Arabia. The Company's fiscal year begins on 1 April and ends on 31 March of each year.

The accompanying interim condensed financial statements include the operations of the Company and its branch operating under CR number 2050071524 issued in Dammam on 22 Rajab 1431H (corresponding to 4 July 2010).

The interim condensed financial statements of the Company as of 30 June 2025 were authorised for issuance by the Board of Directors on 29 Muharram 1447H (corresponding to 24 July 2025).

### 2 BASIS FOR PREPARATION

#### 2.1 Statement of compliance

These interim condensed financial statements 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 the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly, these interim condensed financial statements is to be read in conjunction with the annual financial statements for the year ended 31 March 2025. In addition, the results of the operations for the period ended 30 June 2025 do not necessarily represent an indicator for the results of the operations for the year ending 31 March 2026.

#### 2.2 Basis for measurement

The interim condensed financial statements are prepared under the historical cost convention using the accruals basis of accounting. For employees' post-employment benefits, actuarial present value calculations are used.

#### 2.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyals (“ﷲ”) which is also the functional currency of the Company.

#### 2.4 Seasonality of the Company’s business

The Company is a project-based Company engaged in manufacturing of pipes and tubes from iron and steel as well as the processing and painting metals by refinement and polishing. Due to the project-based nature of this industry, higher revenues and operating profits are usually expected when the Company has ongoing projects, and the revenue recognition criteria is met.

This information is provided to allow for a better understanding of the results; however, management has concluded that this is not ‘highly seasonal’ in accordance with IAS 34.

#### 2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Company’s interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of the asset or liability affected in the future.



EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)

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

At 30 June 2025

**2 BASIS FOR PREPARATION (Continued)**

**2.5 Significant accounting judgements, estimates and assumptions (continued)**

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

As at 30 June 2025, management believes that all judgments and sources of estimation uncertainty remain similar to those disclosed in the Company's annual financial statements for the year ended 31 March 2025.

**3 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 March 2025 except as mentioned below.

**3.1 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 March 2025, except for the adoption of new standards effective as of 1 January 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025 but does not have an impact on the interim condensed financial statements of the Company.

**Lack of exchangeability - Amendments to IAS 21**

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Company's financial statements.

**4 REVENUE FROM CONTRACT WITH CUSTOMERS**

	<i>For the three-month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Type of goods or service</b>		
Revenue from sale of goods	336,322,747	339,636,496
Revenue from rendering of services	48,869,768	24,782,417
	<u>385,192,515</u>	<u>364,418,913</u>
<b>Geographical markets</b>		
Kingdom of Saudi Arabia	<u>385,192,515</u>	<u>364,418,913</u>

EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)

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

At 30 June 2025

**4 REVENUE FROM CONTRACT WITH CUSTOMERS (continued)**

	<i>For the three-month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>¥</i>	<i>¥</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Timing of revenue recognition</i>		
Revenue recognised at a point in time	339,524,493	353,210,624
Revenue recognised overtime	45,668,022	11,208,289
	<u>385,192,515</u>	<u>364,418,913</u>

**5 COST OF REVENUE**

	<i>For the three-month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>¥</i>	<i>¥</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cost of materials	240,693,830	240,067,136
Salaries and employees' benefits	23,840,018	20,324,304
Short-term lease expenses	5,226,679	5,168,877
Depreciation of property, plant and equipment (Note 9)	3,694,326	4,801,624
Utilities expenses	2,439,903	2,278,831
Depreciation of right-of-use assets	1,631,367	1,483,151
Packing material	974,296	1,148,176
Repair expenses	882,321	504,707
Amortisation of intangible assets	101,885	80,404
Travel expenses	73,710	64,812
Provision for inventory obsolescence	51,788	1,490,048
Others	322,948	589,636
	<u>279,933,071</u>	<u>278,001,706</u>

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (CONTINUED)**

At 30 June 2025

**6 GENERAL AND ADMINISTRATION EXPENSES**

	<i>For the three-month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>¥</i>	<i>¥</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Salaries and employees' benefits	4,198,579	3,445,992
Directors' fees	1,039,500	687,883
Professional fees	407,291	953,856
Utilities expenses	342,123	305,074
Repair expenses	217,930	96,266
Depreciation of property, plant and equipment (Note 9)	95,210	79,267
Travelling expenses	34,598	31,924
Short-term rent expenses	17,888	48,329
Amortisation of intangible assets	29,110	22,973
Others	232,582	161,050
	<b>6,614,811</b>	<b>5,832,614</b>

**7 SELLING AND MARKETING EXPENSES**

	<i>For the three-month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>¥</i>	<i>¥</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Salaries and employees' benefits	735,591	606,008
Travelling expenses	74,555	67,417
Repair expenses	49,313	14,319
Depreciation of property, plant and equipment (Note 9)	44,608	36,509
Amortisation of intangible assets	14,555	11,486
Sales and promotions expenses	1,756	51,878
Others	50,715	115,365
	<b>971,093</b>	<b>902,982</b>

**8 EARNINGS PER SHARE**

Basic EPS amounts are calculated by dividing the profit of the Company for the period by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)

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

At 30 June 2025

**8 EARNINGS PER SHARE (continued)**

	<i>For the three-month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>¥</i>	<i>¥</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period	<b>90,267,350</b>	71,244,701
Weighted average number of ordinary shares	<b>31,500,000</b>	31,500,000
Basic and diluted earnings per share	<b>2.87</b>	2.26

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these interim condensed financial statements.



EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)

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

At 30 June 2025

9 PROPERTY, PLANT AND EQUIPMENT

	<i>Buildings and leasehold improvements</i> ¥	<i>Plant and machinery</i> ¥	<i>Furniture, fixtures and office equipment</i> ¥	<i>Vehicles</i> ¥	<i>Capital work- in-progress</i> ¥	<i>Total</i> ¥
<b>Cost</b>						
At 1 April 2025 (Audited)	75,057,247	567,104,321	8,021,028	2,069,813	2,118,530	654,370,939
Additions	7,827	-	20,836	-	1,795,252	1,823,915
Transfer to inventories	-	(253,292)	-	-	-	(253,292)
<b>At 30 June 2025 (Unaudited)</b>	<b>75,065,074</b>	<b>566,851,029</b>	<b>8,041,864</b>	<b>2,069,813</b>	<b>3,913,782</b>	<b>655,941,562</b>
<b>Accumulated depreciation</b>						
At 1 April 2025 (Audited)	52,756,577	374,069,773	5,235,065	1,426,952	-	433,488,367
Charge for the period	1,018,799	2,518,477	254,729	42,139	-	3,834,144
Related to transfer to inventories	-	1,239	-	-	-	1,239
<b>At 30 June 2025 (Unaudited)</b>	<b>53,775,376</b>	<b>376,589,489</b>	<b>5,489,794</b>	<b>1,469,091</b>	<b>-</b>	<b>437,323,750</b>
<b>Net book value</b>						
<b>At 30 June 2025 (Unaudited)</b>	<b>21,289,698</b>	<b>190,261,540</b>	<b>2,552,070</b>	<b>600,722</b>	<b>3,913,782</b>	<b>218,617,812</b>

EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)

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

At 30 June 2025

**9 PROPERTY, PLANT AND EQUIPMENT (continued)**

	<i>Buildings and leasehold improvements</i> ⌘	<i>Plant and machinery</i> ⌘	<i>Furniture, fixtures and office equipment</i> ⌘	<i>Vehicles</i> ⌘	<i>Capital work- in-progress</i> ⌘	<i>Total</i> ⌘
Cost						
At 1 April 2024 (Audited)	74,945,665	563,779,952	6,808,242	1,559,416	44,500	647,137,775
Additions	65,300	582,295	965,588	634,120	5,109,584	7,356,887
Transfer from CWIP	46,282	2,742,074	247,198	-	(3,035,554)	-
Disposals	-	-	-	(123,723)	-	(123,723)
At 31 March 2025 (Audited)	75,057,247	567,104,321	8,021,028	2,069,813	2,118,530	654,370,939
Accumulated depreciation						
At 1 April 2024 (Audited)	48,680,191	359,675,935	4,377,121	1,401,300	-	414,134,547
Charge for the year	4,076,386	14,393,838	857,944	149,375	-	19,477,543
Relating to disposals	-	-	-	(123,723)	-	(123,723)
At 31 March 2025 (Audited)	52,756,577	374,069,773	5,235,065	1,426,952	-	433,488,367
Net book value						
At 31 March 2025 (Audited)	22,300,670	193,034,548	2,785,963	642,861	2,118,530	220,882,572

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (CONTINUED)**

At 30 June 2025

**9 PROPERTY, PLANT AND EQUIPMENT (continued)**

- 9.1** Entire property, plant and equipment are mortgaged as security against loan obtained from SIDF.  
**9.2** The production facilities and buildings of the Company are constructed on land leased at a nominal rent from the Saudi Authority for Industrial Cities and Technology Zones (Modon) for a period of 7-15 years expiring on 2031 and 2036, respectively.  
**9.3** Depreciation of property, plant and equipment is allocated in the interim condensed statement of profit and loss as follows:

	<i>For the three-month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cost of revenue (Note 5)	<b>3,694,326</b>	4,801,624
General and administrative expenses (Note 6)	<b>95,210</b>	79,267
Selling and marketing expenses (Note 7)	<b>44,608</b>	36,509
	<b>3,834,144</b>	4,917,400

**10 INVENTORIES**

	<i>Notes</i>	<i>30 June 2025</i>	<i>31 March 2025</i>
		<i>ﷲ</i>	<i>ﷲ</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
Raw materials	<i>10.1</i>	<b>481,648,385</b>	278,662,945
Work-in-progress		<b>19,468,948</b>	69,888,918
Finished products		<b>30,076,674</b>	29,890,703
Spare parts and supplies, held not for sale		<b>18,860,302</b>	18,224,448
		<b>550,054,309</b>	396,667,014
Less: provision for inventory obsolescence	<i>10.2</i>	<b>(5,711,601)</b>	(5,659,813)
		<b>544,342,708</b>	391,007,201

- 10.1** All raw material purchases are primarily against confirmed orders.

- 10.2** Movement in provision for inventory obsolescence is as follows:

	<i>30 June 2025</i>	<i>31 March 2025</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
At the beginning of the period / year	<b>5,659,813</b>	4,117,172
Charge for the period / year	<b>51,788</b>	1,542,641
At the end of the period / year	<b>5,711,601</b>	5,659,813

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (CONTINUED)**

At 30 June 2025

**11 TRADE RECEIVABLES**

	<i>Note</i>	<b>30 June 2025</b> ¥ <i>(Unaudited)</i>	<b>31 March 2025</b> ¥ <i>(Audited)</i>
Trade receivables		<b>407,904,641</b>	607,388,487
Less: allowance for expected credit losses (ECL)	<i>11.1</i>	<b>(117,216)</b>	(1,094,909)
		<b>407,787,425</b>	606,293,578

**11.1** Movement in allowance for ECL is as follows:

	<b>30 June 2025</b> ¥ <i>(Unaudited)</i>	<b>31 March 2025</b> ¥ <i>(Audited)</i>
At the beginning of the period / year	<b>1,094,909</b>	1,691,598
Additions DURING THE	-	587,166
Reversals	<b>(977,693)</b>	(1,183,855)
At the end of the period / year	<b>117,216</b>	1,094,909

**12 PREPAYMENTS AND OTHER CURRENT ASSETS**

	<i>Note</i>	<b>30 June 2025</b> ¥ <i>(Unaudited)</i>	<b>31 March 2025</b> ¥ <i>(Audited)</i>
Advances to suppliers	<i>12.1</i>	<b>234,626,353</b>	353,588,929
Margin against letters of guarantee		<b>1,242,991</b>	1,242,991
Contract assets		<b>2,562,844</b>	4,873,260
Prepaid expenses		<b>5,687,344</b>	6,108,141
Others		<b>2,943,611</b>	3,007,305
		<b>247,063,143</b>	368,820,626

**12.1** Pertains to advances paid to suppliers for purchases of materials and services which are primarily against confirmed orders.



# EAST PIPES INTEGRATED COMPANY FOR INDUSTRY (LISTED JOINT STOCK COMPANY)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

At 30 June 2025

### 13 CASH AND CASH EQUIVALENTS

	<i>30 June 2025 ﷵ (Unaudited)</i>	<i>31 March 2025 ﷵ (Audited)</i>
Cash in hand	47,690	8,935
Cash at bank	19,540,134	7,941,287
Short-term deposits	197,249,900	-
	<u>216,837,724</u>	<u>7,950,222</u>

Short-term deposits represent placements with a commercial bank for an original period of less than three months and yield financial income at prevailing market rates i.e. 5.70% per annum (31 March 2025: 5.47% per annum).

### 14 SHARE CAPITAL

As at 30 June 2025, the authorised, issued and fully paid-up share capital comprised of 31,500,000 ordinary shares of ﷵ 10 each (31 March 2025: 31,500,000 ordinary shares of ﷵ 10 each).

Following are the major shareholders of the Company:

	<i>Shareholding Percentage 30 June 2025 (%) (Unaudited)</i>	<i>31 March 2025 (%) (Audited)</i>
Welspun Mauritius Holdings Company Ltd.	26.50%	26.50%
Saleh Muhammad Hamad Al-Hammadi	9.98%	9.98%
General Public	63.52%	63.52%

### 15 STATUTORY RESERVE

According to the newly enacted Companies Law and its implementing regulations effective in KSA starting 26 Jumada' II 1444H (corresponding to 19 January 2023), the mandatory statutory reserve requirement was abolished. In pursuant to this change, the Board of Directors resolved to amend the Company's Bylaws to exclude the requirement to maintain a statutory reserve. Further, Board of Directors of the Company recommended the transfer this reserve to retained earnings, this is subject to the shareholders approval in general assembly meeting.

### 16 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	<i>Note</i>	<i>30 June 2025 ﷵ (Unaudited)</i>	<i>31 March 2025 ﷵ (Audited)</i>
Goods received invoice not received	16.1	200,979,076	164,173,309
Advances from customers		36,081,748	58,383,278
Accrued expenses		9,040,588	11,010,763
Value added tax payable		14,733,948	23,078,797
Accrued salaries and benefits		8,883,453	14,411,349
		<u>269,718,813</u>	<u>271,057,496</u>

EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)

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

At 30 June 2025

**16 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES (continued)**

**16.1** Represents goods received to execute confirmed orders.

**17 BORROWINGS**

**17.1 Short-term borrowings**

	<b>30 June 2025</b>	<b>31 March 2025</b>
	<b>¥</b>	<b>¥</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Short-term borrowings	-	5,000,000
Accrued finance costs	-	-
	<u>-</u>	<u>5,000,000</u>
	<u><u>-</u></u>	<u><u>5,000,000</u></u>

**17.2 Long-term borrowing**

	<b>30 June 2025</b>	<b>31 March 2025</b>
	<b>¥</b>	<b>¥</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Long-term borrowing	<b>135,000,000</b>	135,000,000
Accrued evaluation fees	<b>3,946,302</b>	3,364,715
less: transaction cost	<b>(797,736)</b>	(1,388,474)
Repayments	<b>(72,225,000)</b>	(38,475,000)
	<u><b>65,923,566</b></u>	<u>98,501,241</u>
	<u><u><b>65,923,566</b></u></u>	<u><u>98,501,241</u></u>

**17.2.1 Evaluation fees**

	<b>30 June 2025</b>	<b>31 March 2025</b>
	<b>¥</b>	<b>¥</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Opening balance	<b>3,364,715</b>	261,496
Charged to profit or loss	<b>581,587</b>	3,103,219
	<u><b>3,946,302</b></u>	<u>3,364,715</u>
	<u><u><b>3,946,302</b></u></u>	<u><u>3,364,715</u></u>

**17.2.1.1** The loan carries evaluation fees amounting to ¥ 4.7 million. The loan is repayable within 2 years in four equal installments starting from the February 2025 and ending in the month of February 2026.

EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)

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

At 30 June 2025

**17 BORROWINGS (continued)**

**17.2 Long-term borrowing (continued)**

**17.2.2 Transaction cost**

	<i>30 June 2025</i> ﷵ (Unaudited)	<i>31 March 2025</i> ﷵ (Audited)
Opening balance	1,388,474	-
Initial recognition	-	4,471,705
Charged to profit or loss	(590,738)	(3,083,231)
	<u>797,736</u>	<u>1,388,474</u>

**17.2.2.1** This represents upfront commitment fees which is paid at the acquisition of the loan and being amortised over the term of the loan at effective interest rate of 0.4%.

**17.2.3** Long term borrowing is presented in the financial statements as follows:

	<i>30 June 2025</i> ﷵ (Unaudited)	<i>31 March 2025</i> ﷵ (Audited)
Non-current portion	-	-
Current portion	65,923,566	98,501,241
	<u>65,923,566</u>	<u>98,501,241</u>

**17.2.4** During the year ended 31 March 2024, the Company signed a long-term loan agreement of ﷵ 135 million with Saudi Industrial Development Fund (“SIDF”) to finance its working capital. The loan is secured by mortgage of the Company's entire property, plant and equipment on the Company's leased land from Modon (Note 9).

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (CONTINUED)**

At 30 June 2025

**18 ZAKAT AND INCOME TAX MATTERS**

**18.1 Zakat and income tax provision**

**Charge for the year**

Current income tax charge consists of:

	Zakat ﷲ	Income tax ﷲ	Total ﷲ
At 1 April 2025 (Audited)	18,025,125	13,206,311	31,231,436
<b>Provisions:</b>			
Current period (Note 18.5)	5,130,892	4,646,214	9,777,106
<b>At 30 June 2025 (Unaudited)</b>	<b>23,156,017</b>	<b>17,852,525</b>	<b>41,008,542</b>
	Zakat ﷲ	Income tax ﷲ	Total ﷲ
At 1 April 2024 (Audited)	11,750,690	8,823,631	20,574,321
<b>Provisions:</b>			
Current year	18,025,125	19,657,229	37,682,354
Prior year adjustments	(381,320)	(1,082)	(382,402)
	17,643,805	19,656,147	37,299,952
Payment	(11,369,370)	(10,473,350)	(21,842,720)
Adjusted against advance	-	(4,800,117)	(4,800,117)
<b>At 31 March 2025 (Audited)</b>	<b>18,025,125</b>	<b>13,206,311</b>	<b>31,231,436</b>

Zakat is payable at 2.578% of the Zakat base, excluding adjusted profit for the period, attributable to the Saudi shareholders. Zakat on adjusted profit for the period is payable at 2.5%.

Income tax is payable at 20% of adjusted net profit attributable to the foreign shareholder. As at 30 June 2025 advance income tax amounts to ﷲ 23.75 million (31 March 2025: ﷲ 17.3 million).

**18.2 Status of assessments**

- i. The Company has submitted its Zakat and income tax returns for the years up to 31 March 2025. The Company has obtained Zakat and income tax certificates for the years till 31 March 2025. ZATCA has finalised the income tax and zakat assessments until the year ended 31 March 2014 and 2016 through 2020.
- ii. ZATCA has not issued final assessments for the year 2015, accordingly this year is deemed assessed based on the relevant time barred provisions in the Income Tax and Zakat Regulations.
- iii. Assessment for year ended 31 March 2021 till 31 March 2025 has not yet raised by ZATCA.



**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (CONTINUED)**

At 30 June 2025

**18 ZAKAT AND INCOME TAX MATTERS (continued)**

**18.3 Advance income tax**

	<b>30 June 2025</b>	<b>31 March 2025</b>
	<b>ﷲ</b>	<b>ﷲ</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
At 1 April	<b>17,316,312</b>	10,661,328
Payments	-	11,455,101
Credit given by ZATCA	<b>6,435,545</b>	-
Adjusted against advance	-	(4,800,117)
	<b>23,751,857</b>	17,316,312

**18.4 Deferred tax liabilities**

<b>At 30 June 2025 (Unaudited)</b>	<b>Carry forward losses ﷲ</b>	<b>Employee benefits obligation ﷲ</b>	<b>Provision for inventory obsolescence ﷲ</b>	<b>Property, plant and equipment ﷲ</b>	<b>Other ﷲ</b>	<b>Total ﷲ</b>
At 1 April 2025 (Audited)	<b>7,746,851</b>	<b>(1,625,856)</b>	<b>(335,010)</b>	<b>8,172,519</b>	<b>(86,543)</b>	<b>13,871,961</b>
Charged (credited) / debited to:						
Profit or loss (Note 18.5)	<b>1,373,619</b>	<b>115,860</b>	<b>32,307</b>	<b>(426,961)</b>	<b>110,963</b>	<b>1,205,788</b>
At 30 June 2025 (Unaudited)	<b>9,120,470</b>	<b>(1,509,996)</b>	<b>(302,703)</b>	<b>7,745,558</b>	<b>24,420</b>	<b>15,077,749</b>
<b>At 31 March 2024 (Audited)</b>	<b>Carry forward losses ﷲ</b>	<b>Employee benefits obligation ﷲ</b>	<b>Provision for inventory obsolescence ﷲ</b>	<b>Property, plant and equipment ﷲ</b>	<b>Other ﷲ</b>	<b>Total ﷲ</b>
At 1 April 2024 (Audited)	-	(1,316,582)	(259,382)	9,703,201	(117,191)	8,010,046
Charged (credited) / debited to:						
Profit or loss (Note 18.5)	7,746,851	(309,274)	(75,628)	(1,530,682)	30,648	5,861,915
At 31 March 2025 (Audited)	7,746,851	(1,625,856)	(335,010)	8,172,519	(86,543)	13,871,961

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (CONTINUED)**

At 30 June 2025

**18 ZAKAT AND INCOME TAX MATTERS (continued)**

**18.5 Income tax charge**

	<i>For the three-month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>﷼</i>	<i>﷼</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Income tax	4,646,214	5,372,556
Deferred tax	1,205,788	2,530,864
	<u>5,852,002</u>	<u>7,903,420</u>

**19 RELATED PARTIES TRANSACTIONS AND BALANCES**

Related parties represent shareholders, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. The Company in the normal course of business carries out transactions with various related parties.

As of 30 June 2025, and 31 March 2025, there is no due from or due to related parties' balances. No significant transactions with related parties occurred during the period ended 30 June 2025 and 30 June 2024.

**19.1 Key management personnel compensation:**

	<i>For the three-month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>﷼</i>	<i>﷼</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Salaries and other short-term employee benefits	1,439,557	1,439,557
Post-employment benefits	1,039,500	682,750
Remuneration and compensation of board members and other related committees	58,238	58,238
	<u>2,537,295</u>	<u>2,180,545</u>

**20 CONTINGENCIES AND COMMITMENTS**

As at 30 June 2025, the Company was contingently liable for letters of credit and guarantee in the normal course of business amounting to ﷼ 696.95 million (31 March 2025: ﷼ 714.44 million).

**21 DIVIDENDS**

On 23 Duh Al-Qi'dah 1446H (corresponding to 21 May 2025), the Board of Directors, recommended to the shareholders to distribute cash dividends of ﷼ 2.5 per share amounting to ﷼ 78.75 million for the second half of 2025. The amount has not paid as of period end 30 June 2025.

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY  
(LISTED JOINT STOCK COMPANY)**

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (CONTINUED)**

At 30 June 2025

**22 FAIR VALUE OF ASSETS AND LIABILITIES**

As at 30 June 2025 and 31 March 2025, the fair values of the Company's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realised at their current carrying values within twelve months from the date of condensed statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry interest rates which are based on prevailing market interest rates.

**23 EVENTS AFTER THE REPORTING DATE**

No events have arisen subsequent to 30 June 2025 and before the date of issuing the financial statements that could have a significant effect on the financial statements as at 30 June 2025.