

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
together with
**Independent Auditor's Report on Review of Condensed
Consolidated Interim Financial Statements**
As at and for the six-month period ended 30 June 2025

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025
(Amount in Saudi Arabian Riyals)

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KPMG Professional Services Company

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P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Saudi Parts Center Company (A Joint Stock Company)

Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial statements of **Saudi Parts Center Company** ("the Company") and its subsidiary ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2025;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2025;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2025; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements 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 30 June 2025 condensed consolidated interim financial statements of **Saudi Parts Center Company and its subsidiary (the Group)** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Fahad Mubark Aldossari
License No: 469



Riyadh on: 9 Rabi Ul Awal 1447AH
Corresponding to: 01 September 2025

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مساهمة مهنية مقفلة مسجلة في المملكة العربية السعودية، رأس مالها (١١٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة الإنجليزية خاصة محدودة بالضمان.

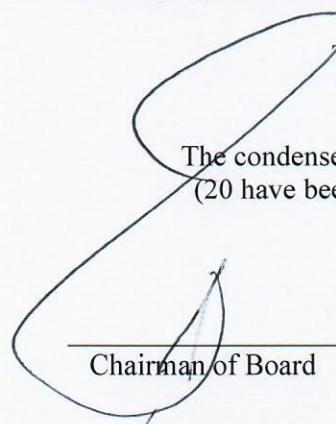
SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

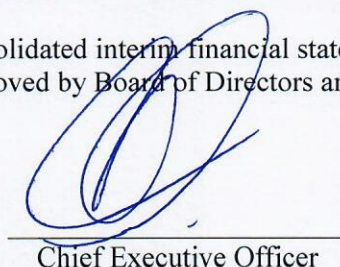
As at 30 June 2025
(Amount in Saudi Arabian Riyals)

		30 June 2025 (Unaudited)	31 December 2024 (Audited)
	<i>Notes</i>		
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	17,903,219	16,472,534
Capital advances		696,619	551,003
Right-of-use assets	6	1,812,492	1,348,662
Total Non-Current Assets		20,412,330	18,372,199
Current Assets			
Inventories	7	48,482,810	52,236,342
Prepayment and other current assets	8	8,523,972	4,503,958
Trade receivables	9	22,860,870	20,332,273
Cash and cash equivalents	11	4,532,409	4,272,854
Total Current Assets		84,400,061	81,345,427
Total Assets		104,812,391	99,717,626
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share capital		30,000,000	30,000,000
Retained earnings		11,433,499	17,701,292
Statutory reserves	12	-	1,861,502
Other reserves	12	1,861,502	-
Actuarial valuation reserve		(2,167,858)	(2,167,858)
Total Equity		41,127,143	47,394,936
Non-Current Liabilities			
Employees end of service benefits	13	9,460,850	9,534,833
Lease liabilities	6	779,082	647,083
Total Non-Current Liabilities		10,239,932	10,181,916
Current Liabilities			
Trade and other payables	14	26,195,046	17,678,537
Loans and borrowings	15	10,915,528	13,030,241
Due to a shareholder	10	15,182,936	9,913,751
Lease liabilities	6	696,869	419,261
Zakat payable	21	454,937	1,098,984
Total Current Liabilities		53,445,316	42,140,774
Total Liabilities		63,685,248	52,322,690
Total Equity and Liabilities		104,812,391	99,717,626

The attached notes 1 to 29 form an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements appearing on pages (2) to (20) have been approved by Board of Directors and are signed on their behalf by:


Chairman of Board


Chief Executive Officer


Chief Financial Officer

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the six-month period ended 30 June 2025
(Amount in Saudi Arabian Riyals)


		For the six-month period ended 30 June	
		2025	2024
	<i>Notes</i>	(Unaudited)	(Unaudited)
Revenue	16	43,648,348	52,612,600
Cost of sales	17	(34,143,218)	(35,705,439)
Gross profit		9,505,130	16,907,161
Other income		44,042	107,112
Selling and distribution expenses	18	(9,581,678)	(10,401,661)
General and administrative expenses	19	(4,621,649)	(4,858,244)
Impairment allowance for expected credit losses on trade receivables	9	(519,622)	(170,219)
Operating (loss)/profit		(5,173,777)	1,584,149
Finance costs	20	(682,075)	(293,171)
(Loss)/profit before zakat		(5,855,852)	1,290,978
Zakat	21	(411,941)	(602,221)
(Loss)/profit for the period		(6,267,793)	688,757
Other comprehensive income			
<i>Items that will not to be reclassified subsequently to profit or loss:</i>			
Re-measurement gain on employees end of service benefits		-	-
Total other comprehensive income		-	-
Total comprehensive (loss)/income for the period		(6,267,793)	688,757
Earnings per share:			
Basic (loss)/earning per share	22	(2.09)	0.23
Diluted (loss)/earning per share	22	(2.09)	0.23

The attached notes 1 to 29 form an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements appearing on pages (2) to (20) have been approved by Board of Directors and are signed on their behalf by:



Chairman of Board



Chief Executive Officer



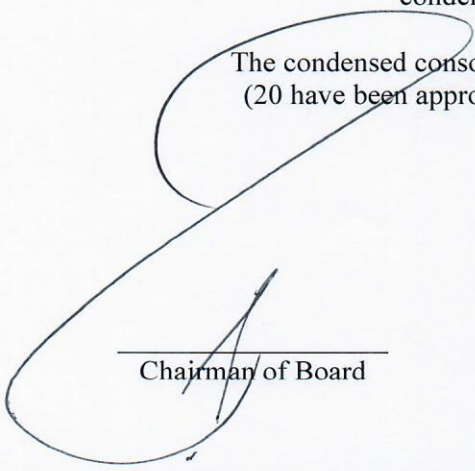
Chief Financial Officer

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 30 June 2025
(Amount in Saudi Arabian Riyals)

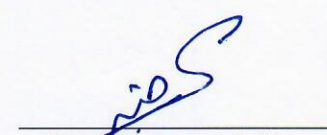
	Capital	Statutory Reserves	Other Reserves	Retained Earnings	Actuarial valuation reserve	Total
<u>For the six-month period ended 30 June 2025</u>						
Balance as at 1 January 2025 (Audited)	30,000,000	1,861,502	-	17,701,292	(2,167,858)	47,394,936
Loss for the period (unaudited)	-	-	-	(6,267,793)	-	(6,267,793)
Other comprehensive income for the period (unaudited)	-	-	-	-	-	-
Total comprehensive loss for the period (unaudited)	-	-	-	(6,267,793)	-	(6,267,793)
Transfer from statutory reserves to other reserves	-	(1,861,502)	1,861,502	-	-	-
Balance as at 30 June 2025 (Unaudited)	30,000,000	-	1,861,502	11,433,499	(2,167,858)	41,127,143
<u>For the six-month period ended 30 June 2024</u>						
Balance as at 1 January 2024 (Audited)	30,000,000	1,861,502	-	16,809,860	(2,505,087)	46,166,275
Profit for the period (unaudited)	-	-	-	688,757	-	688,757
Other comprehensive income for the period (unaudited)	-	-	-	-	-	-
Total comprehensive income for the period (unaudited)	-	-	-	688,757	-	688,757
Balance as at 30 June 2024 (Unaudited)	30,000,000	1,861,502	-	17,498,617	(2,505,087)	46,855,032

The attached notes 1 to 29 form an integral part of these condensed consolidated interim financial statements.

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Chairman of Board


Chief Executive Officer


Chief Financial Officer

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six-month period ended 30 June 2025
(Amount in Saudi Arabian Riyals)

		For the six-month period ended 30 June	
		2025	2024
	<i>Notes</i>	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the period		(6,267,793)	688,757
<u>Adjustments:</u>			
Depreciation of property and equipment	5	536,142	559,664
Depreciation of right-of-use assets	6	644,525	753,460
Loss on termination of lease		10,932	-
Employees end of service benefits-current service cost	13	586,444	535,520
Adjustment to net realizable value of inventory	7	658,086	250,000
Impairment allowance of expected credit loss on trade receivables	9	519,622	170,219
Zakat	21	411,941	602,221
Finance costs	20	682,075	293,171
		(2,218,026)	3,853,012
<u>Changes in operating working capital:</u>			
Inventories		3,095,446	(6,591,824)
Prepayments and other current assets		(4,020,014)	(6,231,763)
Trade receivables		(3,048,219)	(2,165,659)
Trade and other payables		8,516,509	5,183,957
Due to a shareholder		5,269,185	7,156,790
Cash flows from operations		7,594,881	1,204,513
Finance costs paid		(682,075)	(247,071)
Zakat paid	21	(1,055,988)	(1,267,827)
Employees end of service benefits paid	13	(660,427)	(518,659)
Net cash generated from/ (used in) operating activities		5,196,391	(829,044)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	5	(1,966,827)	(4,544,679)
Capital advances		(145,616)	-
Additions to right of use assets		-	(80,000)
Net cash used in investing activities		(2,112,443)	(4,624,679)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		(709,680)	(553,290)
Proceeds from loans and borrowings	15	17,137,983	13,083,450
Repayment of loans and borrowings	15	(19,252,696)	(1,972,398)
Net cash (used in)/generated from financing activities		(2,824,393)	10,557,762
Net Change in cash and cash equivalents		259,555	5,104,039
Cash and cash equivalents at the beginning of the period	11	4,272,854	1,153,163
Cash and cash equivalents at the end of the period	11	4,532,409	6,257,202
NON-CASH TRANSACTIONS			
Recognition of lease liabilities and right of use assets	6	1,245,465	357,355

The attached notes 1 to 29 form an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements appearing on pages (2) to (20) have been approved by Board of Directors and are signed on their behalf by:

Chairman of Board

Chief Executive Officer

Chief Financial Officer

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025
(Amount in Saudi Arabian Riyals)

1. CORPORATE INFORMATION

Saudi Parts Center Company is A Joint Stock Company (the “Company”) formerly owned by a single shareholder as a limited liability Company registered in Riyadh; Kingdom of Saudi Arabia under commercial registration number 1010068658 dated 11 Rajab 1408H (corresponding to 29 February 1988). The registered office is located at Riyadh 11551.

The Company is currently owned 70% by Alkhorayef Group Company (the “Parent Company”) and 30% is owned by other shareholders. The ultimate Parent Company is Abdullah Ibrahim Alkhorayef Sons Company, a Saudi Closed Joint Stock Company (the “Ultimate Parent Company”) registered in the Kingdom of Saudi Arabia, which has ownership of the Parent Company and thereby ultimate controlling party of Saudi Parts Center Company.

The Company is engaged in repair and maintenance of engines, electric generators and steam generators, wholesale and retail trading of spare parts of truck and heavy transport, agricultural equipment, industrial equipment, construction equipment and machinery.

The condensed consolidated interim financial statements cover the activities of the Company mentioned above and its branches are mentioned below:

Branch	Branch Commercial Registration Number	Date of Registration
Jeddah	4030065611	2 Duh Al-Qi'dah 1409 H
Khamis Mushait	5855017531	22 Rajab 1418 H
Dammam	2050033974	19 Rabi Al-Thani 1419 H
Sakaka	3400008522	10 Ramadhan 1419 H
Hail	3350021174	27 Jumada Al-Ula 1429 H
Riyadh	1010433116	9 Rajab 1436 H

The accompanying condensed consolidated interim financial statements include the Company and its wholly owned subsidiary, MAS Advanced Industry Company.

MAS Advanced Industry Company is a single shareholder limited liability company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010790953 dated 21 Sha'ban 1443H (corresponding to 24 March 2022). It is engaged in repair and maintenance of engines, electric generators and steam generators, wholesale and retail trading of spare parts of truck and heavy transport, agricultural equipment, industrial equipment, construction equipment and machinery. The subsidiary has not yet started its operations, and the share capital is fully paid up amounting to SR 100,000.

2. BASIS OF PREPARATION

Statement of compliance

The condensed consolidated interim financial statements (“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 issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2024 (“last annual financial statements”).

These consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
For the six-month period ended 30 June 2025
(Amount in Saudi Arabian Riyals)

2. BASIS OF PREPARATION (CONTINUED)

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for obligation in respect of employees' end of services benefits that is measured at present value of defined benefit obligation, which has been actuarially valued using projected unit credit method. Further, these consolidated financial statements have been prepared using the accrual basis of accounting and going concern concept.

Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals (SR) which is also the functional currency of the Company and its subsidiary. All amounts have been rounded to nearest Saudi Riyal, unless otherwise indicated elsewhere.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

In preparing these consolidated financial statements, management is required to make judgments, 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 judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

4. NEW AND AMENDED STANDARDS, FORTHCOMING AND CURRENTLY EFFECTIVE

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025.

The following new standards and amendments were applied for the first time in 2025, but did not have an impact on the condensed consolidated interim financial statements of the Group.

New currently effective requirements	Mandatory effective date
---	---------------------------------

Lack of Exchangeability – Amendments to IAS 21	1 January 2025
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The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's condensed consolidated interim financial statements are as follows.

Forthcoming requirements	Effective for annual periods beginning on or after
---------------------------------	---

Classification and measurement of financial instruments – Amendments to IFRS 9 and 7	1 January 2026
Contracts Referencing Nature- dependent Electricity – Amendments to IFRS 9 and 7	1 January 2026
Annual improvements to IFRS standards – Volume 11	1 January 2026
IFRS 18 presentation and disclosure in financial statements	1 January 2027
IFRS 19 Subsidiaries without public accountability: Disclosures	1 January 2027

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
For the six-month period ended 30 June 2025
(Amount in Saudi Arabian Riyals)

5. PROPERTY AND EQUIPMENT

<u>As at 30 June 2025 (Unaudited)</u>	<u>Land</u>	<u>Motor vehicles</u>	<u>Leasehold improvements</u>	<u>Furniture and fixtures</u>	<u>Computers</u>	<u>CWIP</u>	<u>Total</u>
<u>Cost</u>							
At 1 January 2025	6,193,169	5,068,608	2,583,934	4,426,915	2,886,415	7,395,557	28,554,598
Additions	-	-	178,546	7,482	400	1,780,399	1,966,827
Disposals	-	-	(536,285)	-	-	-	(536,285)
At 30 June 2025	<u>6,193,169</u>	<u>5,068,608</u>	<u>2,226,195</u>	<u>4,434,397</u>	<u>2,886,815</u>	<u>9,175,956</u>	<u>29,985,140</u>
<u>Accumulated depreciation</u>							
At 1 January 2025	-	4,279,671	1,678,597	4,015,412	2,108,384	-	12,082,064
Charge for the period	-	258,184	124,727	38,780	114,451	-	536,142
Disposal	-	-	(536,285)	-	-	-	(536,285)
At 30 June 2025	<u>-</u>	<u>4,537,855</u>	<u>1,267,039</u>	<u>4,054,192</u>	<u>2,222,835</u>	<u>-</u>	<u>12,081,921</u>
<u>Netbook value</u>							
At 30 June 2025	<u>6,193,169</u>	<u>530,753</u>	<u>959,156</u>	<u>380,205</u>	<u>663,980</u>	<u>9,175,956</u>	<u>17,903,219</u>
At 31 December 2024(audited)	<u>6,193,169</u>	<u>788,937</u>	<u>905,337</u>	<u>411,503</u>	<u>778,031</u>	<u>7,395,557</u>	<u>16,472,534</u>
<u>As at 30 June 2024 (Unaudited)</u>							
	<u>Land</u>	<u>Motor vehicles</u>	<u>Leasehold Improvements</u>	<u>Furniture and fixtures</u>	<u>Computers</u>	<u>CWIP</u>	<u>Total</u>
<u>Cost</u>							
At 1 January 2024	6,193,169	4,910,658	2,024,541	4,119,978	2,262,694	917,811	20,428,851
Additions	-	-	335,210	107,795	393,297	3,708,377	4,544,679
At 30 June 2024	<u>6,193,169</u>	<u>4,910,658</u>	<u>2,359,751</u>	<u>4,227,773</u>	<u>2,655,991</u>	<u>4,626,188</u>	<u>24,973,530</u>
<u>Accumulated depreciation</u>							
At 1 January 2024	-	3,743,863	1,082,815	3,935,977	1,941,410	-	10,704,065
Charge for the period	-	256,677	185,125	42,031	75,831	-	559,664
At 30 June 2024	<u>-</u>	<u>4,000,540</u>	<u>1,267,940</u>	<u>3,978,008</u>	<u>2,017,241</u>	<u>-</u>	<u>11,263,729</u>
<u>Netbook value</u>							
At 30 June 2024	<u>6,193,169</u>	<u>910,118</u>	<u>1,091,811</u>	<u>249,765</u>	<u>638,750</u>	<u>4,626,188</u>	<u>13,709,801</u>

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
For the six-month period ended 30 June 2025
(Amount in Saudi Arabian Riyals)

6. RIGHT-OF-USE ASSETS AND LEASES LIABILITIES

The Group has lease agreements for stores and warehouses in various locations. Lease terms for the below leases ranges from 3 to 5 years with renewal and termination options. The Group considers the option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Payments related to low value and short-term leases are recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period/year:

	30 June 2025 (Unaudited)	31 December 2024 (audited)
Cost		
At the beginning of the period/year	6,064,384	6,064,384
Addition during the period/year	1,245,465	-
Disposal during the period/year	(3,155,553)	-
Termination during the period/year	(290,583)	-
	<u>3,863,713</u>	<u>6,064,384</u>
Accumulated depreciation		
At the beginning of the period/year	4,715,722	3,496,190
Charge for the period/year	644,525	1,219,532
Disposal during the period/year	(3,155,553)	-
Termination during the period/year	(153,473)	-
	<u>2,051,221</u>	<u>4,715,722</u>
At the end of the period/year	<u>1,812,492</u>	<u>1,348,662</u>

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movement during the period/year:

	30 June 2024 (Unaudited)	31 December 2024 (Unaudited)
At the beginning of the period/year	1,066,344	2,241,354
Additions	1,245,465	-
Interest charge	40,210	74,198
Payments	(749,890)	(1,249,208)
Termination during the period/year	(126,178)	-
At the end of the period/year	<u>1,475,951</u>	<u>1,066,344</u>
Classified as:		
Current portion	696,869	419,261
Non-current portion	779,082	647,083
	<u>1,475,951</u>	<u>1,066,344</u>

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
For the six-month period ended 30 June 2025
(Amount in Saudi Arabian Riyals)

7 INVENTORIES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Finished Goods	51,966,150	55,061,596
Less: Net realizable value adjustment to inventories	(3,483,340)	(2,825,254)
	<u>48,482,810</u>	<u>52,236,342</u>

Movements in the net realizable value adjustment to inventories are as below:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
At the beginning of the period/year	2,825,254	2,575,254	2,575,254
Charge for the period/year	658,086	250,000	250,000
At the end of the period/year	<u>3,483,340</u>	<u>2,825,254</u>	<u>2,825,254</u>

During the period ended 30 June 2025, inventories and NRV adjustments of SR 31,496,316 (30 June 2024: SR 35,455,439) and SR 658,086 (2024: SR 250,000) respectively were recognised as an expense and included in cost of sales.

8 PREPAYMENT AND OTHER CURRENT ASSETS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Advances to suppliers	4,320,699	2,975,796
Prepaid expenses	2,906,212	596,745
Employee receivables	852,333	653,657
Others	444,728	277,760
	<u>8,523,972</u>	<u>4,503,958</u>

9 TRADE RECEIVABLES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables – External parties	23,841,712	21,435,247
Trade receivables – related parties (see note 10)	1,181,688	539,934
	<u>25,023,400</u>	<u>21,975,181</u>
Less: provision for expected credit losses	(2,162,530)	(1,642,908)
	<u>22,860,870</u>	<u>20,332,273</u>

Terms and conditions of the above trade receivable:

Trade receivable are non-interest bearing and are generally on terms of 30 days to 90 days. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

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9 TRADE RECEIVABLES (CONTINUED)

Movement of provisions for expected credit losses of trade receivables:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
At the beginning of the period/year	1,642,908	1,847,326	1,847,326
Charge/(reversal) during the period/year	519,622	(204,418)	170,219
At the end of the period/year	2,162,530	1,642,908	2,017,545

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers:

30 June 2025

	<i>Gross carry Amount</i>	<i>Loss allowance</i>	<i>%</i>
Not due	6,683,468	88,129	1.32
1–90 days past due	7,591,787	126,407	1.67
90–180 days past due	4,772,534	185,864	3.89
180–270 days past due	3,103,127	161,374	5.20
270–360 days past due	781,361	115,775	14.82
More than 360 days	2,091,123	1,484,981	71.01
Total	25,023,400	2,162,530	8.64

31 December 2024

	<i>Gross carry Amount</i>	<i>Loss allowance</i>	<i>%</i>
Not due	9,912,156	108,029	1.09
1–90 days past due	7,501,466	111,343	1.48
90–180 days past due	1,797,132	87,419	4.86
180–270 days past due	577,976	58,176	10.07
270–360 days past due	284,342	48,501	17.06
More than 360 days	1,902,109	1,229,440	64.64
Total	21,975,181	1,642,908	7.48

10. RELATED PARTIES TRANSACTIONS AND BALANCES

10.1 Related party transactions

Related parties represent controlling shareholders, board of directors, and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

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10. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

10.1 Related party transactions(continued)

The following are the details of major related party transactions.

Name of related party	Related party	Nature of Transactions	Amount of transactions for the period ended	
			30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Alkhorayef Group Company Alkhorayef for Sale, Maintenance & Repair of Oil Production Equipment Company Alkhorayef Water & Power Technologies Company	Shareholder	Rent	447,050	409,713
		Shared service	2,352,641	1,118,200
		Payment made on behalf of the Group	2,719,736	5,628,877
		Sales	1,219,907	841,616
Alkhorayef Commercial Company Alkhorayef Agriculture Project Company Alkhorayef Printing Solutions Alkhorayef Industries Company	Subsidiary of the Parent Company	Receipts	(502,193)	(465,271)
		Sales	18,017	31,558
Alkhorayef Commercial Company Alkhorayef Agriculture Project Company Alkhorayef Printing Solutions Alkhorayef Industries Company	Subsidiary of the Parent Company	Receipts	(75,061)	-
		Sales	9,100	30,600
Alkhorayef Commercial Company Alkhorayef Agriculture Project Company Alkhorayef Printing Solutions Alkhorayef Industries Company	Subsidiary of the Parent Company	Purchases	2,954,818	6,083,129
		Payments	(660,755)	(9,233,241)
Alkhorayef Commercial Company Alkhorayef Agriculture Project Company Alkhorayef Printing Solutions Alkhorayef Industries Company	Related party under common control	Sales	13,439	108,036
		Receipts	(37,073)	(24,537)
Alkhorayef Commercial Company Alkhorayef Agriculture Project Company Alkhorayef Printing Solutions Alkhorayef Industries Company	Subsidiary of the Parent Company	Sales	-	103,500
		Purchases	10,557	-

Sales to and purchases from related parties are made on mutually agreed terms.

10.2 Related party balances

The breakdown of amounts due from related parties are as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Amounts due from related parties		
Alkhorayef for Sale, Maintenance and Repair of Oil Production Equipment Company	1,097,003	379,289
Alkhorayef Agriculture Project Company	15,341	36,959
Alkhorayef Water & Power Technologies Company	69,344	123,686
	1,181,688	539,934

The above balances are unsecured, interest free and settled within 12 months. The management estimate the allowance on due from related parties balance at the reporting date at an amount equal to lifetime ECL.

No significant receivable balance from a related party at the reporting date are past due, taking into account the historical default experience and the future prospects of the industries in which the related parties operate, the management considers that related party balances are not impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowances for balances due from related parties.

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10. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

10.2 Related party balances(continued)

ii) Due to related parties under trade and other payables

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Alkhorayef Commercial Company	6,910,676	4,621,444
Alkhorayef Industries Company	10,557	-
	<u>6,921,233</u>	<u>4,621,444</u>

iii) Amounts due to a Shareholder

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Alkhorayef Group Company	15,182,936	9,913,751
	<u>15,182,936</u>	<u>9,913,751</u>

Terms and conditions of the above payable amounts:

These amounts are generally payable upon demand.

10.3 Key management personnel compensation

Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing, and controlling the activities of the Group. The compensation to key management is shown below:

	For the six-month period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Short-term employee benefits	441,564	709,623
Post employment benefits	5,574	927,047
	<u>447,138</u>	<u>1,636,670</u>

11. CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Bank balances	812,863	2,355,672	2,566,944
Cash in hand	3,719,546	1,917,182	3,690,258
	<u>4,532,409</u>	<u>4,272,854</u>	<u>6,257,202</u>

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12. OTHER RESERVE AND STATUTORY RESERVE

The statutory reserve included in the consolidated financial statements as at 31 December 2024, was required under the Company's previous by-laws. However, following the amendments to the Company's by-laws, the requirement to set aside a statutory reserve has been removed, accordingly the shareholders resolved to transfer the statutory reserve balance to other reserve during the period ended 30 June 2025.

13. EMPLOYEES END OF SERVICE BENEFITS

Changes in the present value of the defined benefit obligation:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Opening balance	9,534,833	9,157,600	9,157,600
Current service cost	586,444	881,836	535,520
Finance cost	-	410,399	46,100
Benefits paid	(660,427)	(577,773)	(518,659)
Remeasurement losses in OCI	-	(337,229)	-
Closing balance	<u>9,460,850</u>	<u>9,534,833</u>	<u>9,220,561</u>

14. TRADE AND OTHER PAYABLES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Trade payables	14,805,160	8,800,804
Due to related parties	6,921,233	4,621,444
Accrued expenses	3,537,632	2,584,591
VAT payable	871,991	1,104,019
Advance from customers	59,030	76,999
Others	-	490,680
	<u>26,195,046</u>	<u>17,678,537</u>

15. LOANS AND BORROWINGS

The Group has secured credit facility in the form of short-term finance from Saudi Investment Bank and Riyadh Bank, with a limit of SR 30,000,000 from each of both banks for its working capital requirements (31 December 2024: SR 30,000,000). These facility bears finance charges at market interest rate and are secured by promissory notes signed by the Company. These credit facilities are granted under Islamic Murabaha financing for the purchase and sale of commodities. As at 30 June 2025, the utilized amount of the facility was SR 3,921,270 (31 December 2024: SR 7,225,581) and SR 6,994,258 (31 December 2024: SR 5,804,660) from Saudi Investment Bank and Riyadh Bank, respectively.

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15. LOANS AND BORROWINGS (CONTINUED)

Below is the movement of the loans and borrowings:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Opening balance	13,030,241	-	-
Loans obtained during the period/year	17,137,983	33,032,556	13,083,450
Payments made during the period/year	(19,252,696)	(20,002,315)	(1,972,398)
Closing balance	10,915,528	13,030,241	11,111,052

Finance costs on these loans and related payments for the year are disclosed in the statement of cash flows.

16. REVENUE

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Types of spare parts products		
Heavy equipment spare parts	27,489,458	32,697,779
Truck spare parts	10,315,156	13,534,459
Turbocharger spare parts	5,843,734	6,380,362
	43,648,348	52,612,600

Geographical markets

The Group operates exclusively in the Kingdom of Saudi Arabia and therefore no additional geographical market information is presented in these consolidated financial statements.

Timing of revenue recognition

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Goods transferred at a point in time	42,813,565	52,612,600
Services provided at a point in time*	834,783	-
	43,648,348	52,612,600

Revenue per type of customer

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Revenue		
Private customers	41,194,654	49,110,988
Related party	1,256,081	1,115,310
Government	1,197,613	2,386,302
	43,648,348	52,612,600

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16. REVENUE (CONTINUED)

- 16.1 On 2 December 2024, the Group commenced operations at a newly established engine and generator repair center (the "Center"). The Center provides repair and maintenance services to customers, which are offered alongside the sale of related products. During the period, the Group began generating revenue from these services.

Revenue from repair and maintenance services is recognized at a point in time, when the services are provided to the customer.

17. COST OF SALES

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Material cost	31,496,316	35,455,439
Employee cost	1,580,977	-
NRV adjustment to inventories	658,086	250,000
Depreciation of property and equipment	59,297	-
Depreciation on right-of-use assets	59,591	-
Others	288,951	-
	<u>34,143,218</u>	<u>35,705,439</u>

As disclosed in note 16.1, the Group commenced a new repair and maintenance service. During the period, the Group incurred additional costs relating to the service center, which were not present as of 30 June 2024.

18. SELLING AND DISTRIBUTION EXPENSES

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Employee related costs	6,275,614	6,984,342
Communication and courier	1,072,485	894,377
Depreciation on right-of-use assets	584,933	753,460
Depreciation	435,626	496,139
Sales commission	323,112	260,374
Repairs and maintenance	122,864	202,772
Advertising and promotional	82,097	55,046
Insurance	53,125	65,500
Travel and transportation	44,516	69,827
Rent	27,605	17,437
Others	559,701	602,387
	<u>9,581,678</u>	<u>10,401,661</u>

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19. GENERAL AND ADMINISTRATIVE EXPENSES

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Employee related costs	3,019,233	3,245,042
Rent	419,445	392,277
Communication and courier	243,198	285,182
Professional fees	256,932	206,787
Bank charges	146,759	229,173
Board of Directors' remuneration	167,000	167,000
Depreciation	41,219	63,525
Repairs and maintenance	64,968	47,331
Travel and transportation	55,493	15,505
Others	207,402	206,422
	<u>4,621,649</u>	<u>4,858,244</u>

20. FINANCE COSTS

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Interest on short term loans	396,690	168,166
Interest charge on lease liability	40,210	57,330
Interest cost on employee end-of-service benefits	-	46,100
Foreign exchange loss, net	245,175	21,575
	<u>682,075</u>	<u>293,171</u>

21. ZAKAT

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
At the beginning of the period/year	1,098,984	1,349,206	1,349,206
Charge for the period/year	411,941	1,017,605	602,221
Paid during the period/year	<u>(1,055,988)</u>	<u>(1,267,827)</u>	<u>(1,267,827)</u>
At the end of the period/year	<u>454,937</u>	<u>1,098,984</u>	<u>683,600</u>

During the period ended 30 June 2025, the Group zakat charge was SR 411,941 (30 June 2024 : SR 602,221).

Until the year ended 31 December 2020, zakat provision was being calculated and provided for by Abdullah Ibrahim Alkhorayef Sons Company (the "Ultimate Parent Company") on a consolidated basis including its subsidiaries in accordance with Saudi Arabian fiscal regulations.

Final assessments of Ultimate Parent Company have been agreed up to the year ended 31 December 2019. The Ultimate Parent Company has committed to be responsible to pay for any zakat liabilities arising from future zakat assessments up to 31 December 2020.

The declarations for all years up to 2024 have been filled by the Group with Zakat, Tax and Customs Authority (ZATCA). However, no assessment has been raised yet.

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21. ZAKAT (CONTINUED)

VAT assessment

The Group through the Ultimate Parent Group has filed its monthly Value Added Tax (VAT) returns with Zakat, Tax and Customs Authority ("ZATCA") for all taxable periods up to June 2022. From July 2022 onwards, the Group has filed its own monthly Value Added Tax (VAT) returns with Zakat, Tax and Customs Authority ("ZATCA").

The Group is submitting its VAT returns consistently on a monthly basis and has received the final assessment up to the year 31 December 2024 and no additional provision is required for any of the years assessed.

22. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is same as basic earnings per share as the Group does not have any convertible securities or diluted instruments to exercise.

Basic and diluted earnings per share is as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
(Loss)/profit for the period	(6,267,793)	688,757
Weighted average number of shares	3,000,000	3,000,000
Basic and diluted (loss)/earning per share (SR)	(2.09)	0.23

There has been no item of dilution affecting the weighted average number of shares.

23. CONTINGENCIES

The Group's bankers have issued, on its behalf, letter of guarantee amounting to SR 0.59 million (31 December 2024: Nil), and letter of credit amounting to Nil (31 December 2024: Nil), in the normal course of business, which are outstanding at the reporting date.

24. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the principal or the most advantageous market must be accessible to the Group.

The Group's financial assets consist of cash and cash equivalents and trade and other receivables, and its financial liabilities consist of trade payables, lease liabilities, accruals and amount due to a shareholder.

There is no change in the Group's financial risk management objectives and policies since the last annual financial statements. The fair values of the financial instruments have been assessed by management to be approximate to their carrying amounts due to their short-term nature.

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24. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Financial assets		
Amortized cost		
Trade receivables	22,860,870	20,332,273
Other receivables	1,297,061	931,417
Cash and cash equivalents	4,532,409	4,272,854
	<u>28,690,340</u>	<u>25,536,544</u>
Financial liabilities		
Amortized cost		
Trade and other payables	21,726,393	13,912,928
Due to related parties	15,182,936	9,913,751
Lease liabilities	1,475,951	1,066,344
	<u>38,385,280</u>	<u>24,893,023</u>

25. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and to maintain an optimal capital structure to reduce the cost of capital. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. The Group manages its capital structure and makes adjustments in light of changes in economic conditions. No changes in the objectives, policies or processes for managing capital were made during the six-month period ended 30 June 2025.

26. SEGMENT INFORMATION

The Group is solely engaged in retail trading of consumer goods and operates completely within the Kingdom of Saudi Arabia.

The Group is required to determine and present its operating segments based on the way in which financial information is organized and reported to the chief operating decision-maker (CODM). The CODM has been identified as the Board of Directors, as they make the key operating decisions of the Group and are responsible for allocating resources and assessing performance.

Key internal reports received by the CODM, primarily the management accounts, focus on the performance of the Group as a whole.

The operations of all elements of the business are driven by the retail sales environment and hence have fundamentally the same economic characteristics. All operational decisions made are focused on the performance and growth of the retail outlets and the ability of the business to meet the supply demands of the stores.

Performance is measured by the CODM based on profit before Zakat as reported in the management accounts. Management believes that this measure is the most relevant in evaluating the results of the Group. As such, assets and segment liabilities are neither included in the internal management reports nor provided regularly to the management.

The Group has considered the overriding core principles of IFRS 8 'Operating segments' as well as its internal reporting framework, management and operating structure. The Directors' conclusion is that the Group has one operating segment, that of retailing.

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27. RECLASSIFICATIONS IN PRIOR PERIODS

During the year, certain comparative figures in these financial statements have been reclassified and rearranged, wherever necessary, in line with the current period financial statements for better presentation purposes.

Consolidated Statement of financial position	31 December 2024 previously reported	Reclassification	31 December 2024 after reclassification
Non-Current assets			
Capital advances	-	551,003	551,003
Current assets			
Prepayment and other current assets	5,054,961	(551,003)	4,503,958

Impact on the statement of financial position

The above reclassification relates to capital advances that were previously recorded under 'Advances from suppliers' within prepayments and other current assets. These reclassification had an impact on the statement of the financial position as at 31 December 2024. These reclassifications affected advance to contractors and prepayments and other current assets, resulting in a decrease of SR 551,003 from prepayments and other current assets and increase of the same in advance to contractors. These reclassifications had no impact on the Group's working capital or net assets / equity.

28. EVENTS AFTER THE REPORTING PERIOD

No other events have occurred subsequent to the reporting date and before the issuance of these consolidated financial statements which require adjustment or disclosure in these consolidated financial statements.

29. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized to issue by the Board of Directors of the Group on 2 Rabi Ul Awal 1447H (corresponding to 25 August 2025).