

GROUP FIVE PIPE SAUDI COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

GROUP FIVE PIPE SAUDI COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) AND INDEPENDENT
AUDITOR'S REVIEW REPORT
FOR THE SIX-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 GROUP FIVE PIPE SAUDI COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Group Five Pipe Saudi Company ("the Company"), a Saudi Joint Stock Company, as at 30 June 2025, and the related interim condensed statements of profit or loss and other comprehensive income, statement of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

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

Conclusion

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

Other matter

The financial statements of the Company for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 18 March 2025 (corresponding to 18 Ramadhan 1446H). Further, the interim condensed financial statements of the Company for the six-month period ended 30 June 2024 were reviewed by another auditor who expressed an unmodified review conclusion on those financial statements on 8 August 2024 (corresponding to 4 Safar 1446H).

for Ernst & Young Professional Services



Marwan S. AlAfaliq
Certified Public Accountant
License No. (422)

Al Khobar: 20 Safar 1447H
14 August 2025



GROUP FIVE PIPE SAUDI COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025
(EXPRESSED IN SAUDI RIYALS)

	Note	30 June 2025 Un-audited	31 December 2024 Restated (note 22)
ASSETS			
Non-current assets			
Property, plant and equipment	5	501,852,206	509,181,347
Right-of-use assets		7,483,914	8,628,104
Due from related parties – non-trade	10	-	10,000,000
Total non-current assets		509,336,120	527,809,451
Current assets			
Inventories		138,891,990	274,913,866
Due from related parties – non-trade	10	111,521,311	96,353,224
Trade receivables	6	525,223,090	484,100,893
Prepayments and other current assets		60,928,212	36,761,549
Restricted bank balance in escrow account	7.1	5,629,647	70,001,960
Cash and cash equivalents	7	221,798,502	225,082,851
Total current assets		1,063,992,752	1,187,214,343
TOTAL ASSETS		1,573,328,872	1,715,023,794
EQUITY AND LIABILITIES			
Equity			
Share capital	1	280,000,000	280,000,000
Statutory reserve	15	15,724,909	15,724,909
Retained earnings		177,125,227	65,940,592
Total equity		472,850,136	361,665,501
Liabilities			
Non-current liabilities			
Long term loans	9	47,231,581	33,170,208
Lease liabilities		7,639,560	7,879,007
Contract liabilities		67,311,271	61,316,095
Employees' end-of-service benefits		20,141,693	19,699,737
Total non-current liabilities		142,324,105	122,065,047
Current liabilities			
Trade and other payables		71,627,947	61,266,394
Accrued expenses and other current liabilities		130,725,618	92,727,115
Contract liabilities – current portion		169,972,937	165,843,428
Long term loans – current portion	9	69,481,581	76,101,005
Lease liabilities – current portion		861,170	1,859,622
Short term borrowings	8	505,402,534	823,343,444
Due to related parties – non-trade	10	8,161,004	8,169,233
Zakat provision	13	1,921,840	1,983,005
Total current liabilities		958,154,631	1,231,293,246
Total liabilities		1,100,478,736	1,353,358,293
TOTAL EQUITY AND LIABILITIES		1,573,328,872	1,715,023,794

The interim condensed financial statements presented on page 2 to 16 were approved by the Board of Directors of the Company on 13th August 2025 (corresponding to 19th Safar 1447H) and were signed on their behalf by:


Shaikh Salah Al-Qahtani
(Managing Director)

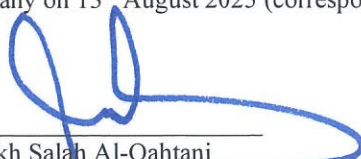

Izhar Khan
(Chief Financial Officer)


The accompanying notes (1) through (23) form an integral part of these interim condensed financial statements.

GROUP FIVE PIPE SAUDI COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(EXPRESSED IN SAUDI RIYALS)

	Note	For the six-month period ended 30 June	
		2025	2024
		Un-audited	Un-audited
Revenue	11	922,301,986	375,928,309
Cost of revenue	12	(759,777,037)	(336,036,254)
Gross profit		162,524,949	39,892,055
Selling and distribution expenses		(1,376,509)	(1,354,165)
General and administrative expenses		(13,395,160)	(10,214,329)
Other income		4,839,994	266,997
Operating profit		152,593,274	28,590,558
Finance income		4,650,042	6,069,113
Financial charges		(28,561,992)	(25,154,778)
Profit before zakat		128,681,324	9,504,893
Zakat expense	13	(3,496,689)	(298,316)
Profit for the period		125,184,635	9,206,577
Other comprehensive income for the period		-	-
Total comprehensive income for the period		125,184,635	9,206,577
Earnings per share			
Basic and diluted earnings per share	21	4.47	0.33

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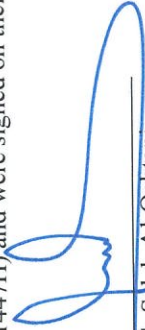

Izhar Khan
(Chief Financial Officer)

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GROUP FIVE PIPE SAUDI COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(EXPRESSED IN SAUDI RIYALS)

	Share capital	Statutory reserve	Retained earnings	Total equity
Balance at 01 Jan 2024 (audited)	280,000,000	11,872,848	32,201,787	324,074,635
<i>Total comprehensive income for the period</i>	-	-	9,206,578	9,206,578
Profit for the period	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	9,206,578	9,206,578
Balance at 30 June 2024 (un-audited)	280,000,000	11,872,848	41,408,365	333,281,213
Balance at 01 Jan 2025 (audited)	280,000,000	15,724,909	65,940,592	361,665,501
<i>Total comprehensive income for the period</i>	-	-	125,184,635	125,184,635
Profit for the period	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Dividend (note 14)	-	-	125,184,635	125,184,635
Balance at 30 June 2025 (un-audited)	280,000,000	15,724,909	177,125,227	472,850,136

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Shaikh Salah Al-Qahtani
 (Managing Director)


Izhar Khan
 (Chief Financial Officer)

The accompanying notes (1) through (23) form an integral part of these interim condensed financial statements.

GROUP FIVE PIPE SAUDI COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(EXPRESSED IN SAUDI RIYALS)

	Note	For the six-month period ended 30	
		June	
		2025	2024
		Un-audited	Un-audited
Cash flows from operating activities			
Profit before zakat		128,681,324	9,504,893
<i>Adjustment for:</i>			
Depreciation of property, plant and equipment	5	10,407,659	10,348,311
Depreciation of right-of-use assets		650,394	473,268
Employees' benefit charge for the period		1,333,257	2,427,763
Financial charges		28,561,992	25,154,778
Finance income		(4,650,042)	(6,069,113)
		164,984,584	41,839,900
<i>Changes in:</i>			
Inventories		136,021,876	82,170,093
Prepayments and other current assets		(24,166,663)	(4,397,335)
Due from related parties		(5,168,087)	106,139,855
Trade receivables		(41,122,197)	(109,499,738)
Trade and other payables		10,361,553	(11,706,082)
Due to related parties		(8,229)	(755,403)
Accrued expenses and other current liabilities		48,123,188	8,542,211
Cash generated from operations		289,026,025	112,333,501
Employees' benefits paid		(891,300)	(690,189)
Financial charges paid		(23,158,467)	(29,824,965)
Zakat paid	13	(3,557,854)	(400,058)
Net cash from operating activities		261,418,404	81,418,289
Cash flow from investing activity			
Purchase of property, plant and equipment	5	(3,078,518)	(959,293)
Net cash used in investing activity		(3,078,518)	(959,293)
Cash flow from financing activities			
Long term loan repaid, net		7,441,949	(25,781,648)
Short term borrowing repaid, net		(317,940,910)	(49,637,418)
Principal payment of lease liabilities		(1,237,899)	(985,386)
Interest payment of lease liabilities		(259,688)	(283,482)
Dividend paid	14	(14,000,000)	-
Net change in restricted cash		64,372,313	28,080,714
Net cash used in investing activities		(261,624,235)	(48,607,220)
Net change in cash and cash equivalents		(3,284,349)	31,851,776
Cash and cash equivalents at the beginning of the period		225,082,851	13,181,976
Cash and cash equivalents at the end of the period		221,798,502	45,033,752
Non-cash transactions:			
SIDF transaction cost amortization		-	156,494
Transfers from Capital work-in-progress		110,025	837,268
Additions in right-of-use and lease liabilities		272,083	251,153

The interim condensed financial statements presented on page 2 to 16 were approved by the Board of Directors of the Company on 13th August 2025 (corresponding to 19th Safar 1447H) and were signed on their behalf by:


 Shaikh Salah Al-Qahtani
 (Managing Director)


 Izhar Khan
 (Chief Financial Officer)

The accompanying notes (1) through (23) form an integral part of these interim condensed financial statements.

GROUP FIVE PIPE SAUDI COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (EXPRESSED IN SAUDI RIYALS)

1. GENERAL INFORMATION

Group Five Pipe Saudi Company ("the Company") is a Saudi Closed Joint Stock Company initially registered on 16 Dhul-Hijjah 1421H (corresponding to 11th March 2001) under commercial registration number 2050037927 as a Limited Liability Company with share capital of ﷲ 30 million. The shareholders of the Company passed a resolution on 19th January 2021 to convert legal status of the Company from a Limited Liability Company to a Closed Joint Stock Company. The Ministry of commerce issued a letter dated 19 Jumada Al-Akhira 1442H (corresponding to 1st February 2021) providing approval for conversion of legal status of the Company to a Closed Joint Stock Company and the change was reflected on the Company's unified number 7015054740 (Commercial Registration number 2050104647) and unified number 7001408173 (Commercial Registration 2050037927). The Company submitted listing applications to Capital Market Authority ("CMA") and Saudi Stock Exchange in March 2021. The Company received approval for listing from Saudi Stock exchange on 26th May 2021, final approval from CMA was provided on 29th September 2021 and the Company became listed on Nomu Parallel market on 29th November 2021.

The authorized, issued and paid-up share capital of the Company as at 31 December 2024 and 31 December 2023 comprised of 28,000,000 shares of ﷲ 10 per share.

The principal activity of the Company is the production of spirally welded pipes. The Company's primary place of business is in the second industrial city, Dammam, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed financial statements ("Interim Financial Statements") for the six-month period ended 30 June 2025 have been prepared in accordance with IAS 34 *"Interim Financial Reporting"*, as endorsed in the Kingdom of Saudi Arabia and should be read in conjunction with the Company's last annual financial statements as at and for the year ended 31 December 2024 ("last annual financial statements"). These Interim Financial Statements do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards ("IFRS"), as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.2 Basis of measurement

These interim condensed financial statements have been prepared using the accrual basis of accounting and the going concern assumption under the historical cost convention. For employees' benefits, actuarial present value calculations are used.

2.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Arabian Riyals ("ﷲ") which is the Company's functional and presentation currency. Other than normal seasonality in the Kingdom of Saudi Arabia, there are no seasonal changes that may affect operational results of the Company.

GROUP FIVE PIPE SAUDI COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (EXPRESSED IN SAUDI RIYALS)

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATION WITH NO MATERIAL EFFECT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

The accounting policies adopted in the interim condensed financial statements are consistent with those adopted for the last audit annual financial statements, except as detailed below.

New and amended standards adopted by the Company

Following are the recent changes to IFRSs that are required to be adopted in annual periods beginning on 1 January 2025:

- Lack of exchangeability – Amendments to IAS 21, effective for annual periods beginning on or after 1 January 2025.

The application of the revised IFRSs did not have any material impact on the amounts reported for current and prior periods.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not early adopted the following new and revised standards that have been issued but are not yet effective:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2026;
- IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual periods beginning on or after 1 January 2027;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective for annual periods beginning on or after 1 January 2027;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, with effective annual period yet to be determined;
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7, effective for annual periods beginning on or after 1 January 2026.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of 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, and 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 could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. In preparing these interim condensed financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the last annual financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the change in estimates affect both current and future periods.

GROUP FIVE PIPE SAUDI COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(EXPRESSED IN SAUDI RIYALS)

5. PROPERTY, PLANT AND EQUIPMENT

	Plant and Machinery	Buildings and improvements	Vehicles	Furniture, fixtures and office equipment	Capital work-in- progress (CWIP)	Total
Cost						
Balance at 1 January 2024 (audited)	623,930,046	138,523,555	1,315,578	6,044,137	2,736,365	772,549,681
Additions	970,176	349,346	-	495,102	1,078,408	2,938,032
Transfers	1,649,082	146,981	-	225,119	(2,021,182)	-
Balance at 31 December 2024 (audited)	626,549,304	139,064,882	1,315,578	6,764,358	1,793,591	775,487,713
Additions	530,695	191,327	155,700	234,629	1,966,167	3,078,518
Transfers	16,679	93,346	-	-	(110,025)	-
Balance at 30 June 2025 (unaudited)	627,096,678	139,349,555	1,471,278	6,998,987	3,649,733	778,566,231
Accumulated depreciation						
Balance as at 1 January 2024 (audited)	205,904,498	33,452,373	941,423	5,278,937	-	245,577,231
Charge for the year	15,691,260	4,672,792	112,437	252,646	-	20,729,135
Balance at 31 December 2024 (audited)	221,595,758	38,125,165	1,053,860	5,531,583	-	266,306,366
Charge for the period	7,878,001	2,310,146	57,538	161,974	-	10,407,659
Balance at 30 June 2025 (unaudited)	229,473,759	40,435,311	1,111,398	5,693,557	-	276,714,025
Net carrying amounts:						
Balance at 30 June 2025 (unaudited)	397,622,919	98,914,244	359,880	1,305,430	3,649,733	501,852,206
Balance at 31 December 2024 (audited)	404,953,546	100,939,717	261,718	1,232,775	1,793,591	509,181,347

The buildings are constructed on plots of land leased from Saudi Authority for Industrial Cities and Technology Zones (“MODON”) for a period of 7 to 20 years. The lease is renewable upon the expiry of the initial lease term for a period to be mutually agreed.

GROUP FIVE PIPE SAUDI COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(EXPRESSED IN SAUDI RIYALS)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

5.1 Depreciation charge for the period/year has been allocated as:

	30 June 2025	31 December 2024	30 June 2024
	(Unaudited)	(Audited)	(Unaudited)
Cost of revenue (note 12)	10,282,375	20,518,409	10,246,307
General and administrative expenses	117,076	195,009	95,176
Selling and distribution expenses	8,208	15,717	6,828
	10,407,659	20,729,135	10,348,311

6. TRADE RECEIVABLES

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Trade receivables	534,852,442	493,730,245
Less: allowance for expected credit losses	(9,629,352)	(9,629,352)
	525,223,090	484,100,893

Movement in allowance for expected credit losses is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of the period/year	9,629,352	9,184,705
Impairment loss during the period/year	-	444,647
Balance at end of the period/year	9,629,352	9,629,352

No interest is charged on trade receivables. The Company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses ("ECL") using simplified approach. Subsequent to period end, an amount of SR 194.1 million has been collected.

7. CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cash in hand	304,350	68,173
Cash at banks	227,123,799	295,016,638
Restricted bank balance in escrow account (note 7.1)	(5,629,647)	(70,001,960)
Cash and cash equivalents in the interim condensed statement of financial position	221,798,502	225,082,851
Cash and cash equivalents in the interim condensed statement of cash flows	221,798,502	225,082,851

7.1 Restricted bank balance represents balances held in escrow bank account for specified purposes.

GROUP FIVE PIPE SAUDI COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(EXPRESSED IN SAUDI RIYALS)

8. SHORT-TERM BORROWINGS

The short-term borrowings from commercial banks are as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Short term loans	505,402,534	823,343,444
	505,402,534	823,343,444

The Company obtained bank facilities (“the Facilities”) from local banks in the form of short -term loans, overdraft, letters of credits etc. for working capital management. The Facilities carried finance charges at the prevailing market rates and were secured against assignment of proceed from customers in bank favor, and through promissory notes and guarantees provided by certain shareholders.

9. LONG TERM LOANS

The loans from the commercial banks and Saudi Industrial Development Fund (SIDF) loan are as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Loan 1 (note 9.1)	44,296,495	55,370,620
Loan 2 (note 9.2)	33,000,000	50,000,000
Loan 3 (note 9.3)	-	3,952,756
Loan 4 (note 9.4)	39,416,667	-
	116,713,162	109,323,376
Un-amortized cost	-	(52,163)
	116,713,162	109,271,213
<i>Classified as:</i>		
Current	69,481,581	76,101,005
Non-current	47,231,581	33,170,208
	116,713,162	109,271,213

9.1 Loan 1

In 2016, the Company obtained a long-term loan from a local bank amounting to ﷲ 176.03 million. The loan is repayable in 14 equal semi-annual instalments. The loan requires maintenance of certain conditions including financial ratios. As at 30 June 2025, the Company is in compliance with its respective covenants (31 December 2024: non-compliant). The loan carries interest at the prevailing market rate and is secured by promissory notes and personal guarantees from certain shareholders of the Company.

9.2 Loan 2

The Company obtained a long-term borrowing facility from SIDF to finance the expansion of the manufacturing facilities amounting to ﷲ 152.3 million including upfront fees of ﷲ 11.6 million. The loan is repayable in 9 semi-annual instalments commencing March 2021. The loan carries interest at the prevailing market rate and is secured by promissory notes and personal guarantees from certain shareholders of the Company.

9.3 Loan 3

In 2020, the Company obtained a loan amounting to ﷲ 63.96 million for some restructuring of its manufacturing facilities. As of 30 June 2025, the Company has fully repaid the outstanding loan of ﷲ 3.95 million.

GROUP FIVE PIPE SAUDI COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(EXPRESSED IN SAUDI RIYALS)

9. LONG TERM LOANS (CONTINUED)

9.4 Loan 4

In 2025, the Partnership has rescheduled a previously short-term facility of ~~SR~~ 43 million into long term loan. The loan is secured principally by personal guarantees of the Partners and promissory note and bears an interest of one-year SIBOR plus margin which will be settled in full in 2026.

The aggregate maturities of long-term loans are as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
2025	51,240,792	76,101,005
2026	36,481,581	12,921,747
2027	28,990,789	20,248,461
	116,713,162	109,271,213

10. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties include shareholders, parent company, other related parties, directors, and key management personnel of the Company. Other related parties are the companies that are controlled by the specific shareholders. The terms and conditions of such transactions are approved by the management. Below is the list of the Company's related parties:

Name	Relationship
Abdullah Abdel Hadi Abdullah Al-Qahtani	Shareholder
Salah Abdel Hadi Abdullah Al-Qahtani	Shareholder
Tariq Abdel Hadi Abdullah Al-Qahtani	Shareholder
Al-Qahtani Pipe Coating Industries	Shareholder
Abdel Hadi Abdullah Al-Qahtani and Sons Co.	Other related party
Al Hijaz Carton Factory Company	Other related party
Al Qahtani Nails & Galvanized Wire Factory	Other related party
Al Hijaz Water Company	Other related party
International Commercial Enterprises Co.	Other related party
Abdel Hadi Al-Qahtani Travel Bureau	Other related party
Arabian Valves Manufacturing Company	Other related party
Al Qahtani Vehicle and Machinery	Other related party
APV Middle East	Other related party
Saudi Gulf Airline Company	Other related party
AHQ Drag Reduction Additives	Other related party
Pipelines Flow Chemicals Company	Other related party
Saudi Arabian Overseas Services	Other related party
Earadat Transportation Company	Other related party
Al Qahtani PCK Pipe Company	Other related party
Izar for Insurance Brokerage Company	Other related party
Pipe and Well Maintenance and Operation Service Company	Other related party
Arabian Commercial Services Company	Other related party
Riyal Investment & Development Company	Other related party
APV Middle East Limited	Other related party

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10. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

The significant transactions with related parties are as follows:

Nature of transactions	Transaction value for the period ending 30 June	
	2025 (Unaudited)	2024 (Unaudited)
<u>Due from related parties</u>		
<i>Transaction with other related parties</i>		
Finance charges on outstanding receivables	4,650,042	6,069,113
Expenses incurred and payments made by Company on behalf of other related parties	280,775	1,824,390
Purchase of air tickets	512,396	170,306
Expenses incurred and payments made on behalf of Company	-	5,306
Purchase of spare parts	228,657	5,533
<u>Due to related parties</u>		
<i>Transactions with shareholders</i>		
Revenue from sale of welding materials	138,000	-
<i>Transactions with other related parties</i>		
Lease rentals related to vehicles	325,802	146,710
Expenses incurred and payments made on behalf of Company	86,038	34,291
Expenses incurred and payments made by Company on behalf of other related parties	-	828,425
Payments made to related parties	2,665,250	221,579

Due from related parties consist of the following:

	Note	Balance outstanding as at	
		30 June 2025 (Unaudited)	31 December 2024 (Audited)
Abdul Hadi Abdullah Al Qahtani & Sons Co.	10.1	84,098,478	80,465,171
Al-Qahtani Nails and Galvanized Wires	10.1	18,243,242	17,453,885
AlHijaz Water Co	10.1	5,669,969	5,425,808
Al-Qahtani PCK Steel Pipes Co. Ltd		1,961,890	1,961,890
Al-Qahtani Pipe Coating Industries		1,425,887	1,539,878
Pipe and Well O and Services		1,070,443	1,058,000
Abdul Hadi Al Qahtani Travel Bureau		823,799	-
International Commercial Enterprises Co.		397,675	397,683
Al Qahtani Vehicle & Machinery Co.		217,538	273,778
Arabian Italian Valves Manufacturing Co.		171,424	171,424
Pipeline Flow Chemicals Co. (DRA)		85,230	85,230
IZAR For Insurance Brokerage Co.		41,346	41,344
Saudi Arabian Overseas Services Inc.		7,013	157,339
Al Hijaz Carton Factory Company		-	14,417
		114,213,934	109,045,847
Provision on receivables from related parties		(2,692,623)	(2,692,623)
		111,521,311	106,353,224
Due from related parties – current		(111,521,311)	(96,353,224)
Due from related parties – non-current		-	10,000,000

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10. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

Due to related parties consists of the following:

	Balance outstanding as at	
	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
Earadat Transport Co	6,392,890	6,392,890
A H Q & Sons Co (Construction Division)	1,513,724	1,513,724
Arabian Commercial Services Co. Ltd.	122,692	122,692
Riyal Investment & Development Co.	108,675	92,186
Abdul Hadi Abdullah Al Qahtani & Sons Co.-Food	23,023	8,430
Abdul Hadi Al Qahtani Travel Bureau	-	39,311
	8,161,004	8,169,233

Nature of transactions	Transaction value for the period ending 30 June		Balance outstanding as at	
	2025	2024	30 June	31 December
	(Unaudited)	(Unaudited)	2025	2024
			(Unaudited)	(Audited)
<u>Key management personnel</u>				
Short term benefits	839,092	777,371	-	-
Board remuneration	433,000	433,000	1,090,000	1,329,000
End of service benefits	219,424	73,415	219,424	184,941
			1,309,424	1,513,941

10.1. The Company is entitled to 9% annual interest on the outstanding balances amounting to ﷲ 115.16 million (31 December 2024: ﷲ 109 million). During the six-month period ended 30 June 2025, the Company has recognized interest income amounting to ﷲ 4.5 million (30 June 2024: ﷲ 6.06 million).

The amounts due to related parties are not subject to interest, are unsecured and do not have specific repayments dates. However, due to related parties' balances are expected to be settled within twelve months from the end of the reporting period.

11. REVENUE

The Company generates all its revenue locally within Kingdom of Saudi Arabia from sale of goods at a point in time:

	For the six-month period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Pipe sales	903,367,239	368,871,137
Scrap sales and others	18,934,747	7,057,172
	922,301,986	375,928,309

The Company has a single reportable segment (note 15).

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12. COST OF REVENUE

	For the six-month period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Material cost	684,977,551	266,546,201
Factory overheads	39,420,418	46,193,350
Direct labor	24,572,160	12,577,128
Depreciation on property, plant and equipment (note 5)	10,282,375	10,246,307
Depreciation on right-of-use assets	524,533	473,268
	759,777,037	336,036,254

13. ZAKAT

The Zakat charge for the period is **ﷲ** 3.49 million (30 June 2024: **ﷲ** 0.29 million).

The Company has submitted its Zakat returns up to the year ended 31 December 2024 and obtained required certificates which are valid till 30 April 2026.

In 2023, the Company received an assessment order related to Zakat return of 2017 from ZATCA claiming an amount of **ﷲ** 3,442,450 against which the Company paid **ﷲ** 1,574,130 and has filed an appeal for the remaining amount. During the period, the Company has received the final decision against the Company and paid the remaining amount of **ﷲ** 1.86 million.

During the period, the Company received an assessment for the year 2023 from ZATCA, amounting to **ﷲ** 8,054,561. The Company has filed an appeal with ZATCA regarding the assessment received. The management is of the view that no additional liability is required to be recorded as at 30 June 2025.

14. DIVIDENDS

On 23 June 2025, the Board of Directors resolved to distribute cash dividend of **ﷲ** 0.5 per share (totaling **ﷲ** 14 million) based on the results for the year ended 31 December 2024. The dividend was paid during the period.

15. STATUTORY RESERVE

In accordance with previous Company's By-laws, the Company used to be required to maintain a statutory reserve equal to 30% of its share capital. According to the latest update in the Companies' Law in KSA, the mandatory statutory reserve requirement has been abolished. On 19 Sha'ban 1445H (corresponding to 29 February 2024), the Company's general assembly approved amending the Company's bylaws to comply with the new Companies' Law to remove the article of bylaws related to the Company's statutory reserve. Based on that, the Board of Directors are under process to recommend to the general assembly to approve the transfer of the entire statutory reserve to retained earnings.

16. SEGMENT REPORTING

A segment is a distinguishable component of the Company that is engaged in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

The Company's management is of the view that all activities and operations of the Company comprise of a single operating segment for the purpose of decision making with respect to performance appraisal and resources allocation.

The Company's sales are made to the local customers and the Company's operations are related to one operating segment.

Accordingly, segmental analysis by geographical and operating segments has not been presented.

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Operating assets of the Company are located in the KSA. The sales are geographically distributed to local sales only.

17. CONTINGENCIES AND COMMITMENTS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Letter of credits	-	2,553,842
Letter of guarantees	418,062,747	615,569,161

Letters of credit and letter of guarantee are issued in the normal course of business by the respective financial institutions on behalf of the Company to its suppliers and customers respectively. With respect to guarantees, keeping in perspective the nature of the business, management believes that the possibility of any outflow by utilizing or en-cashing such letter of guarantees is remote.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's principal financial assets include cash and cash equivalents, due from related parties and trade and other receivables that derive directly from its operations. The Company's principal financial liabilities comprise borrowings, due to shareholders and related parties, trade payables, accrued expenses and other liabilities and lease liability. The main purpose of these financial liabilities is to finance the Company's operations.

19. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As the Company's financial instruments are compiled under the historical cost convention, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

20. EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events that occurred between 30 June 2025 and the date of approval of these interim condensed financial statements, which may have material impact on these interim condensed financial statements.

21. EARNINGS PER SHARE

Basic earnings per share for profit attributable to ordinary shares holders for the period are computed based on the weighted average number of shares outstanding during such periods.

The diluted earnings per share are the same as the basic earnings per share because the Company does not have any dilutive instruments in issue.

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Profit for the period	125,184,635	9,206,577
Weighted average number of shares	28,000,000	28,000,000
Basic and diluted earnings per share	4.47	0.33

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22. COMPARATIVE FIGURES AND RESTATEMENT

Certain of prior year amounts have been reclassified to conform with the presentation in the current year as follows:

	As of 31 December 2024, previously reported	Reclassification	Reclassified balance as of 31 December 2024
Short term loan	834,619,679	(11,276,235)	823,343,444
Long term loan	110,340,952	(1,069,739)	109,271,213
Accrued expenses and other current liabilities	80,381,141	12,345,974	92,727,115

None of the reclassifications had an impact on the profit or equity of the Company.

RESTATEMENT:

During the period, management has re-evaluated the classification for certain balances recorded in the financial statements in the prior year and current period to determine if such balances had been accurately accounted for under IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia. Adjustments have been made to comparative figures in accordance with International Accounting Standard 8 “Accounting policies, changes in accounting estimates and errors” (“IAS 8”) as endorsed in the Kingdom of Saudi Arabia. As a result, management has reclassified and restated certain comparative figures to give effect to presentational improvements (reclassification) and corrected the reclassification errors as below:

As at 31 December 2024, contract liabilities include an amount of SR 61.3 million classified under current liabilities. Based on the management assessment, these amounts have been reclassified to “Contract liabilities” under non-current liabilities in the interim condensed statement of financial position.

This reclassification correction had no impact on the interim condensed statement of profit or loss and other comprehensive income, the interim condensed statement of changes in equity, or the interim condensed statement of cash flows for six-month period ended 30 June 2024. The Company has not presented the financial position as at 1 January 2024 as there were no non-current contract liabilities beyond 12 months period which requires classification as non-current.

Restatement of financial position as at 31 December 2024:

	Balance as at 31 December 2024, previously reported	Restatement (reclassification)	Balance as at 31 December 2024 (Restated)
Non-current Liabilities			
Contract liabilities	-	61,316,095	61,316,095
Current Liabilities			
Contract liabilities –current portion	227,159,523	(61,316,095)	165,843,428

23. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Board of Directors of the Company and authorized for issuance on 13th August 2025 corresponding to 19th Safar 1447H.