Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Interim condensed consolidated financial statements
and Independent Auditor's report
For the three-month and six-month periods ended June 30, 2025

MOORE

El Sayed El Ayouty & Co.
Certified Public Accountants

Professional LLC
Paid Capital One Million Saudi Riyals
C.R. No. 4030291245
122, Prince Faisal Bin Turki St.
Creativity Commercial Center
Al Murabba District
P.O.Box 489, Riyadh 11411
Kingdom of Saudi Arabia
T: 011 408 1811 / 408 1801
F: 011 408 1836
Head Office - Jeddah
www.elayouty.com

**Independent auditor's review report
for the interim condensed consolidated financial statements**

**To the Shareholders
Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia**

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Artex Industrial Investment Company (a Saudi joint-stock company) (the "Company") and its subsidiaries (collectively referred to as the "Group") as at June 30, 2025, the interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2025, the interim condensed consolidated statements of changes in Shareholders' equity and cash flows for the six-month period then ended, and other explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. The review of the interim condensed consolidated financial statements primarily involves directing inquiries to personnel responsible for financial and accounting matters within the Group, as well as applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing approved in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant mattes that might be identified in the audit. Accordingly, we do not express an any audit opinion.

Emphasis of Matter
We draw attention to Note (2.5.1) regarding the going concern assumption, which indicates that the Group incurred a net deficit in cash flows during the six-month period ended June 30, 2025, as well as the Group's receipt of a demand letter from the Saudi Industrial Development Fund for the full payment of the guarantee provided for a loan granted to Al-Reef Sugar Refining Company amounting to SR 100.8 million.
Management has assessed the impact of this claim and has prepared a budget along with cash flow projections for the next twelve months. Management also indicates the existence of undrawn banking facilities that support the Group's ability to meet its obligations, in addition to having a healthy working capital position, where current assets exceed current liabilities by a ratio of 2:1.
Accordingly, management believes that there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern in the foreseeable future. Our conclusion is not modified regarding to this matter.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements have not been prepared in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

For El Sayed El Ayouty & Co.

A. Balamesh

**Abdullah A. Balamesh
Certified Public Accountant
License No. (345)**

**Riyadh on: 13 Safar 1447 H
Corresponding to: 07 August 2025**

الشركة العيوطي وشركاه محاسبون ومراجعون قانونيون
س.م رقم ٤٠٣٠٢٩١٢٤٥
CERTIFIED PUBLIC ACCOUNTANTS
P.R. 4030291245
EL SAYED EL AYOUTY & CO.

Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Interim condensed consolidated statement of financial position
As at June 30, 2025 (unaudited)
(Expressed in thousands of Saudi Riyals)

	Note	30/06/2025 (unaudited)	31/12/2024 (audited)
Assets			
Non-current assets			
Property, plant and equipment - net	5	438,966	440,670
Investment properties - at cost	6	50,000	50,000
Right-of-use assets – net	7,1	11,218	12,713
Investments at fair value through other comprehensive income	8	69,553	69,553
Total non-current assets		**569,737**	**572,936**
Current assets			
Inventory- net		284,177	275,933
Trade receivables – net		512,866	491,711
Due from related parties	10,1	51,902	50,460
Prepayments and other debit balances – net		28,236	25,483
Investments at fair value through profits or losses	11	1,471	1,697
Assets held for sale and discontinued operations	19,1	595	-
Cash and cash equivalent		24,752	59,127
Total current assets		**903,999**	**904,411**
Total assets		**1,473,736**	**1,477,347**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	12	812,500	812,500
Reserve of valuation of investments at fair value		(20,910)	(20,910)
Surplus of revaluation of property, plant and equipment		249,845	249,845
(Accumulated losses)		(435)	(3,162)
Total Shareholders' equity		**1,041,000**	**1,038,273**
Non-current liabilities			
Lease obligations – non-current portion	7,2,2	11,720	11,698
Employees' defined benefit obligations	13	18,798	17,489
Total non-current liabilities		**30,518**	**29,187**
Current liabilities			
Banks- credit facilities	14	220,910	237,992
Lease obligations – current portion	7,2,1	1,624	1,585
Trade payables		40,490	33,702
Due to related parties	10,2	352	194
Accrued expenses and other credit balances		24,102	17,933
Dividends payable to Shareholders		481	481
Provision for third-party guarantee obligations	9	100,000	100,000
Provision for zakat	15,2	14,259	18,000
Total current liabilities		**402,218**	**409,887**
Total liabilities		**432,736**	**439,074**
Total Shareholders' Equity and Liabilities		**1,473,736**	**1,477,347**

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements which were approved by the Company's Board of Directors and signed on behalf of the following:

Chief Financial Officer **Authorized Board Member** **Chief Executive Officer**

Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Interim condensed consolidated statement of profit or loss and other comprehensive income
For the three-month and six-month periods
ended June 30, 2025 (unaudited)
(Expressed in thousands of Saudi Riyals)

	Note	For the three-month period ended 30/06/2025 (unaudited)	For the three-month period ended 30/06/2024 (unaudited)	for the six-month period ended 30/06/2025 (unaudited)	for the six-month period ended 30/06/2024 (unaudited)
Continuing operations					
Revenue		116,860	112,553	286,682	263,022
Cost of revenue		(107,905)	(109,841)	(246,481)	(241,688)
Gross profit		**8,955**	**2,712**	**40,201**	**21,334**
Selling and marketing expenses		(3,200)	(3,765)	(7,948)	(9,284)
General and administrative expenses		(4,669)	(4,849)	(9,234)	(9,729)
Other income		1,416	2,055	2,425	4,914
Profit (loss) from operating activities		**2,502**	**(3,847)**	**25,444**	**7,235**
Finance cost		(3,361)	(3,530)	(6,922)	(7,493)
Dividends income		20	4,029	40	4,058
(Losses) of valuation of investments at fair value through profit or loss		(147)	(178)	(226)	(308)
Profit (loss) before Zakat		**(986)**	**(3,526)**	**18,336**	**3,492**
Zakat	15,2	(7,966)	(4,000)	(13,466)	(9,500)
Net profit (loss) for the period		**(8,952)**	**(7,526)**	**4,870**	**(6,008)**
Discontinued operations					
Profit (Loss) for the period from discontinued operations	19	5,980	(1,510)	(2,143)	(1,594)
Net profit (loss) for the period from discontinued operations		**5,980**	**(1,510)**	**(2,143)**	**(1,594)**
Other comprehensive income:					
Other comprehensive income items		-	-	-	-
Total comprehensive income (loss) for the period		**(2,972)**	**(9,036)**	**2,727**	**(7,602)**
Total comprehensive income (loss) attributable to Company's shareholders		**(2,972)**	**(9,036)**	**2,727**	**(7,602)**
Earnings (loss) per share from continuing operations		**(0,11)**	**(0,09)**	**0,06**	**(0,07)**
Earnings (loss) per share from discontinued operations		**0,07**	**(0,02)**	**(0,03)**	**(0,02)**
Basic and diluted earnings (loss) per share attributable to the Company's Shareholders from net profit (loss) for the period (in Saudi Riyals)	**16**	**(0,04)**	**(0,11)**	**0,03**	**(0,09)**

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements which were approved by the Company's Board of Directors and signed on behalf of the following:

Chief Financial Officer	Authorized Board Member	Chief Executive Officer

Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Interim condensed consolidated statement of changes in Shareholders' equity
For the six-month period ended June 30, 2025 (unaudited)
(Expressed in thousands of Saudi Riyals)

	Share capital	Reserve of valuation of investments at fair value	Surplus of revaluation of property, plant and equipment	retained earnings / (accumulated losses)	Total Shareholders' equity
For the six-month period ended June 30, 2024					
Balance at January 01, 2024 (audited)	812,500	10,537	241,871	136,243	1,201,151
Net (loss) for the period	-	-	-	(7,602)	(7,602)
Balance at June 30, 2024 (unaudited)	**812,500**	**10,537**	**241,871**	**128,641**	**1,193,549**
For the six-month period ended June 30, 2025					
Balance at January 01, 2025 (audited)	812,500	(20,910)	249,845	(3,162)	1,038,273
Net profit for the period	-	-	-	2,727	2,727
Balance at June 30, 2025 (unaudited)	**812,500**	**(20,910)**	**249,845**	**(435)**	**1,041,000**

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements which were approved by the Company's Board of Directors and signed on behalf of the following:

Chief Financial Officer | **Authorized Board Member** | **Chief Executive Officer**

Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Interim condensed consolidated statement of cash flows
For the six-month period ended June 30, 2025 (unaudited)
(Expressed in thousands of Saudi Riyals)

	For the six-month period ended 30/06/2025 (unaudited)	30/06/2024 (unaudited)
Cash flows from operating activities:		
Net profit (loss) for the period from continuing operations	4,870	(6,008)
Net (loss) for the period from discontinued operations	(2,143)	(1,594)
Net profit (loss) for the period	**2,727**	**(7,602)**
Adjustment for net profit (loss) for the period:		
Dividends income	(40)	(4,058)
Depreciation of property, plant and equipment	19,059	22,638
Profits from sale of property, plant and equipment	(4)	(3,043)
Depreciation of right-of-use assets	903	777
Losses of valuation of investments at fair value through profit or loss	226	308
Finance cost	6,697	7,842
Interests on leases	341	374
Impairment of inventory	407	-
Provision for expected credit loss – created	1,000	1,500
Employees' defined benefit obligations – created	2,410	2,966
Zakat	13,466	9,500
	47,192	**31,202**
Changes during the period in:		
Inventory	(8,651)	(10,903)
Trade receivables	(22,155)	3,478
Due from related parties	(1,442)	(9,215)
Prepayments and other debit balances	(2,753)	(12,145)
Trade payables	6,788	717
Due to related parties	158	7
Accrued expenses and other credit balances	6,169	29,065
Provisions for Zakat - paid	(17,207)	(22,931)
Employees' defined benefit obligations – paid	(1,101)	(1,665)
Net cash flows from operating activities	**6,998**	**7,610**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(17,358)	(10,317)
Proceeds from sale property, plant and equipment	4	3,199
Dividends income	40	4,058
Net cash flows (used in) investment activities	**(17,314)**	**(3,060)**
Cash flows from financing activities		
Banks - credit facilities received	303,961	196,521
Banks - credit facilities paid	(327,740)	(232,102)
Lease liabilities paid	(280)	(1,164)
Net cash flows (used in) financing activities	**(24,059)**	**(36,745)**
Net (decrease) in cash and cash equivalents	**(34,375)**	**(32,195)**
Cash and cash equivalents at beginning of the period	59,127	57,119
Cash and cash equivalents at end of the period	**24,752**	**24,924**
Supplemental information on non-cash transactions		
Transferred from right-of-use assets to assets held for sale	592	-
Transferred from property, plant and equipment to assets held for sale	3	-

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements which were approved by the Company's Board of Directors and signed on behalf of the following:

Chief Financial Officer	Authorized Board Member	Chief Executive Officer

(Expressed in thousands of Saudi Riyals)

1. General information

1.1 Artex Industrial Investment Company (formerly Al Abdullatif Industrial Investment Company) ("the company") is a Saudi joint stock company incorporated in accordance with the Saudi Companies Law pursuant to Ministerial Resolution No. 3120 on 23/10/1427H (14/11/2006) and Ministerial Resolution No. 188 on 27/7/1427H (17/1/ 2007), upon which the Company received the approval to convert from a limited liability company to a Saudi joint stock company. The Company is registered under unified No.7000102181 in the commercial registration of Riyadh under No. 1010073685 on 26/2/1410H (26/9/1989) valid until 25/2/1447H (19/8/2025).

On 15 Jumada Al-Akhirah 1445H, corresponding to December 28, 2023, the Extraordinary General Assembly approved amending the company's Articles of Association to comply with the new Companies Law issued by Royal Decree No. M/132, dated 01/12/1443H.

On 24 Dhu al-Hijjah 1445H, corresponding to June 30, 2024, the Ordinary General Assembly approved an amendment to Article (2) of the company's Articles of Association related to the company's name, changing it to Artex Industrial Investment Company (a Saudi joint-stock company). The commercial registration and Articles of Association were updated on 2 Muharram 1446H, corresponding to July 8, 2024.

On 02 Safar 1446H, corresponding to August 6, 2024, the company's name was updated on the Saudi Stock Exchange (Tadawul) website.

The address of its head office is Riyadh, P.O. Box: 859, Postal Code 11421.

1.2 Main activities of the Company

Rug manufacturing including (prayer and travel rugs) and carpet manufacturing under industrial license No. 411 on 13/2/1439 H.

1.3 The interim condensed consolidated financial statements as at June 30, 2025 include the interim condensed consolidated financial statements of the Parent Company and the following subsidiaries, collectively referred to as the "Group":

Name of subsidiary	Legal form	Headquarters	Principal activity	Shareholding %
National Spinning Company	LLC	Riyadh	Yarn production	100%
Eastern Textiles Company	LLC	Riyadh	Polypropylene yarn production	100%
Western Textiles Company	LLC	Riyadh	Polypropylene yarn production	100%
Adfa Blanket Company	LLC	Riyadh	Production of blankets	100%
Nadeen Arabian Color Company	LLC	Riyadh	Masterbatch production	100%
Shahd Paper Tube Factory	LLC	Riyadh	PVC tubes	100%
First Carpet Company	LLC	Riyadh	Carpet backing production	100%
Retaj Al Waseel Company	LLC	Riyadh	Staff catering and transportation services	100%
Abdullatif Training Institute	LLC	Riyadh	Training services	100%

1.4 The Group's fiscal year begins on January 1st and ends on December 31st of each calendar year. The interim condensed consolidated presented financial statements are for the period from January 01, 2025 to June 30, 2025.

2. Basis of preparation of interim condensed consolidated financial statements

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in Saudi Arabia and other standards by the Saudi Organization for Auditors and Accountants.
These interim condensed consolidated financial statements do not include all the information and notes required for the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statement for the year ended December 31, 2024.

2. Basis of preparation of interim condensed consolidated financial statements (continued)

2.2 Basis for consolidation of financial statements
The interim condensed consolidated financial statements include the financial statements of the Parent Company and all subsidiaries, collectively referred to as the “Group”. The interim condensed consolidated financial statements present financial information about the Group as a single economic entity at the same reporting date of the Parent Company, using consistent accounting policies.

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control is presumed to exist over the subsidiary when the Company owns, directly or indirectly, more than half of the voting power of an investee unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the Company owns half or less of the voting power of an investee but has other power to govern the financial and operating policies of the entity.

The assets, liabilities and results of the subsidiaries are consolidated in full from the date of acquisition, being the date when control is transferred to the Group. Consolidation continues until the date of such control ceases.
The Group applies the acquisition method to account for business combinations.
Inter-company transactions, balances, income, expenses, unrealized gains and losses on transactions and dividends are eliminated in full.

2.3 Basis of measurement
The interim condensed consolidated financial statements have been prepared in accordance with the accrual basis of accounting and the going concern principle, and on the basis of the historical cost principle except for financial assets that are measured at fair value and financial liabilities that are measured at the present value of future liabilities projections using the projected unit credit method.

2.4 Presentation currency
These interim condensed consolidated financial statements are presented in Saudi Riyals (“SR”) which is the functional and presentation currency. All figures in the interim condensed consolidated financial statements have been rounded to nearest thousand Riyals unless otherwise stated.

2.5 Use of judgments, estimates and assumptions
The preparation of these financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenue, expenses, assets, liabilities, and disclosures of contingent liabilities at the reporting date. Although these estimates are based on the best current information and indicators available to Management, the final actual results, however, may differ from these estimates.

These estimates and assumptions are reviewed on an ongoing basis and the effects arising from adjustment of the accounting estimates are recognized in the period in which such adjustment is made and the subsequent periods. The assumptions and estimates are particularly represented in the application of accounting policies that have significant impact on the amounts recognized in the financial statements.

2.5.1 Going concern assumption
The interim condensed consolidated financial statements have been prepared on the going concern basis. Management has assessed the Group's ability to continue as a going concern in the foreseeable future, which is not less than 12 months from the date of the interim condensed consolidated financial statements.

Despite the fact that the Group has incurred a net deficit in cash flows during the six months ended June 30, 2025, in addition to receiving a claim from the Saudi Industrial Development Fund dated January 22, 2025, which was received on January 26, 2025, for the payment of the provided guarantee amounting to SR 100.8 million (note 2.8), management believes that the Group has sufficient financial resources and appropriate operational plans to ensure its continuing operations.

Including expected cash flows for the next twelve months, taking into consideration the impact of the potential guarantee payment, and has not identified any material uncertainties that may adversely affect the Group's ability to continue its activities as a going concern.
It should be noted that the Group has available and undrawn banking facilities as of the date of the interim condensed consolidated financial statements, which enhances its ability to meet its short-term obligations. In addition, the Group maintains good working capital, where current assets exceed current liabilities by a ratio of 2:1.
During the six-month period ended June 30, 2025, the Group's performance improved through achieving profit from operating activities, in addition to generating positive cash flows from operating activities.

Furthermore, on March 18, 2025, the Group signed a non-binding memorandum of understanding with a potential investor who intends to acquire all shares of Al-Reef Sugar Refining Company and assume its obligations, subject to obtaining regulatory approvals from the Saudi Industrial Development Fund. Management believes that this step, if completed, may significantly contribute to reducing the Group's exposure to Al-Reef's obligations.
The significant judgments made by Management in applying the Group’s accounting policies and the significant sources of estimation uncertainties were the same as those applied to the consolidated financial statements for the year ended December 31, 2024.

(Expressed in thousands of Saudi Riyals)

3. Material Accounting Policies

The accounting policies applied to these interim condensed consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended 31 December 2024.

4. Changes in significant accounting policies and new standards

4.1 New and revised IFRS Standards that are applicable and have no significant impact on the interim condensed consolidated financial statements:

No new IFRS standards have been applied; however, a number of IFRS amendments are effective as of January 1, 2025 but have no significant impact on the the Group's interim condensed consolidated financial statements. The following is a summary of the amendments applied by the Group:

Standard - Interpretation	Description	Effective date for financial statements beginning on or after
IAS 21	Amendments to the standard "Effects of Changes in Foreign Exchange Rates" related to the definition of a convertible currency and the estimation of the spot exchange rate when the currency is non-convertible, and the related disclosures.	1 January 2025
IFRS 9 and IFRS 7	Classification and measurement of financial instruments: These amendments: (a) Clarify the requirements related to the timing of recognition and derecognition of certain financial assets and liabilities, with a new exception for certain financial liabilities that are settled through electronic funds transfer systems; (b) Clarify and provide additional guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; (c) Add new disclosures for certain instruments that contain contractual terms that could change cash flows (such as certain instruments containing features linked to environmental, social, and governance (ESG) targets); (d) Update disclosures related to equity instruments designated at fair value through other comprehensive income.	1 January 2025
The International Financial Reporting Standards (IFRS) - Sustainability1, Sustainability 2	The International Accounting Standards Board has approved the issuance of Sustainability Reporting Standards 1, related to general requirements for disclosure of sustainability-related financial information, and Sustainability Standard 2, related to climate-related disclosures. The Board has set the effective date for these standards for financial years beginning on or after January 1, 2024.	Subject to approval by the Saudi Organization for Chartered and Professional Accountants.

4.2 New and revised IFRS not yet effective and not applicable:

The following are standards and interpretations issued and not yet effective and not applicable as of the date of the interim condensed consolidated financial statements.

Standard- Interpretation	Description	Effective date for financial statements beginning on or after
IFRS 18 Replacing IAS 1 and Consequential Amendments to IAS 8	IFRS 18 Replacing IAS 1 The Saudi Organization for Chartered and Professional Accountants has adopted IFRS 18 "Presentation and Disclosure in Financial Statements," which replaces IAS 1. The standard includes improvements to the structure of the profit or loss statement to provide more relevant and clear information, and develops specific requirements related to performance measures defined by management. The issuance of this standard has resulted in consequential amendments to IAS 8 regarding the basis for preparing financial statements and disclosure of significant accounting policy information and sources of estimation uncertainty. It has also led to amendments to IAS 7 concerning the presentation of cash flows from profits and returns from interest income and expenses, with specific requirements for entities whose primary activities are focused on investment or financing.	1 January 2027
IFRS 19	The Saudi Organization for Chartered and Professional Accountants has adopted IFRS 19 "Subsidiaries without Public Accountability: Disclosures." This standard primarily aims to provide a reduced level of disclosures in the financial statements of subsidiary companies that do not have public accountability, as an alternative to the disclosure requirements in the full International Financial Reporting Standards. The objective is to simplify the mechanisms and systems for preparing financial statements and reduce their costs.	1 January 2027

(Expressed in thousands of Saudi Riyals)

5. Property, plant and equipment - net

	Lands*	Buildings and roads **	Plant, equipment and main spare parts	Furniture, fixture and office equipment	Vehicles	Capital work in progress***	Total
Cost:							
Balance at 01 January 2025	10.625	220.953	1,804,632	112.475	33.613	28.662	2,210,960
Additions during the period	-	-	3.700	301	111	13.246	17.358
Disposals	-	-	-	-	(36)	-	(36)
Transferred to assets held for sale and discontinued operations (note 19)	-	(13.776)	(3.852)	-	-	-	(17.628)
Balance at 30 June 2025	**10.625**	**207.177**	**1,804,480**	**112.776**	**33.688**	**41.908**	**2,210,654**
Accumulated depreciation:							
Balance at 01 January 2025	-	(213.612)	(1,658,553)	(109.164)	(33.206)	-	(2,014,535)
Depreciation during the period	-	(1.280)	(17.068)	(498)	(213)	-	(19.059)
Disposals	-	-	-	-	36	-	36
Transferred to assets held for sale and discontinued operations (note 19)	-	13.773	3.852	-	-	-	17.625
Balance at 30 June 2025	**-**	**(201.119)**	**(1,671,769)**	**(109.662)**	**(33.383)**	**-**	**(2,015,933)**
Provision for accumulated impairment:							
Balance at 01 January 2025	-	-	(5.600)	-	-	-	(5.600)
Balance at 30 June 2025	**-**	**-**	**(5.600)**	**-**	**-**	**-**	**(5.600)**
Revaluation surplus:							
Balance at 01 January 2025	249.845	-	-	-	-	-	249.845
Balance at 30 June 2025	**249.845**	**-**	**-**	**-**	**-**	**-**	**249.845**
Net book value as at 30 June 2025:							
As per the cost model	-	6.058	127.111	3.114	305	41.908	178.496
As per the revaluation model*	260.470	-	-	-	-	-	260.470
As at June 30, 2025 (unaudited)	**260.470**	**6.058**	**127.111**	**3.114**	**305**	**41.908**	**438.966**
As at 31 December 2024 (audited)	**260.470**	**7.341**	**140.479**	**3.311**	**407**	**28.662**	**440.670**

5. Property, plant and equipment - net (continued)

* Based on the decision of the Board of the Capital Market Authority on December 31, 2019 to allow the listed companies to use the option of the revaluation model to measure property and investment properties starting from the year 2022, the Group has implemented and approved the use of the revaluation model for the properties included under the item of property, plant and equipment. It was approval from the Board of Directors after the recommendation of the Audit Committee to approve the policy at its meeting held on May 8, 2022. It evaluated the land located in the Industrial City in Riyadh by valuers approved by the Saudi Authority for Accredited Valuers, and the most recent valuation results as at 31 December 2024 the lowest valuation has been adopted in accordance with the conditions set by the Financial Market Authority when using the revaluation model were as follows:

Valuation company	Valuer	License No.	Basis for valuation	Valuation amount "in thousands SR" 31 December 2024
Current Value Real Estate Valuation Company	Abdulkareem Albaseer	1210000606	Comparable market value	260.470
Jassas Valuation Office	Ahmad Saad Al-Malki	1210001217	Comparable market value	261.796

The Group's management did not perform a revaluation during the six-month period ended on June 30, 2025, believing that there was no change in the fair value.

** Some of the above-mentioned buildings are built on land leased from the Saudi Authority for Industrial Cities and Technology Zones (Modon) in the Second Industrial City, Riyadh, under a contract ending between 2028-2040.
On 09/11/1446H (corresponding to 07/05/2025), one of the Group's subsidiaries (Al-Wataniya Spinning Company) entered into a binding agreement to assign a land lease contract with the Saudi Authority for Industrial Cities and Technology Zones (MODON) in the Second Industrial City in Riyadh, together with the factory situated thereon, including all related facilities and warehouses, complete with all specifications and components, as well as the civil defense, electricity, and gas systems at their current capacity and in their existing condition, to Lamina Company Limited for an amount of SR 41 million. The purchaser shall be entitled to proceed with the assignment procedures, subject to a grace period for delivery within 120 days from the date of amendment of the lease agreement. The net carrying amount of the buildings subject to the assignment amounted to SR 3 thousand, and the net carrying amount of the right-of-use asset assigned amounted to SR 592 thousand.
On 23/07/2025G, the Group received an installment of SR 30 million from the contract value, and the procedures for the assignment of the land lease contract are in progress (note 21).

*** Capital work in progress represents the value of buildings, plant and equipment during the construction and installation phase.

6. Investment properties - at cost **Lands***	**30/06/2025** **(unaudited)**	**31/12/2024** **(audited)**
Balance at beginning of period/year	50.000	87.005
Disposals during the period/year**	-	(37.005)
Net carrying amount at end of the period/year	**50.000**	**50.000**

(a) Real estate contribution in a plot of land in Medina with a cost of 50 million Saudi Riyals (for the purpose of generating revenue or capital gains) at a percentage of 14.58% under a land participation contract between the Group and a local real estate investment company, which has registered the title deed of the land in its name. The company has the right to sell or dispose of the land without referring to the Group, and in that case, the sale value and profits will be distributed according to the participation percentage immediately after the sale.
The Group's share in its fair value as at December 31, 2024, amounted to 66.30 million Saudi Riyals, according to the evaluation of this land by Al-Qima Al-Haliyah for Real Estate Valuation (License No. 1210000606) as an accredited appraiser during the year ended December 31, 2024.

** On 26/01/1445H, corresponding to 13/08/2023, the Board of Directors of the Group approved the sale of the land in Al-Khobar for an amount of 47 million Saudi Riyals based on the best offer submitted by Nasser bin Hazza Al-Subaie and Brothers. During the year ended December 31, 2024, the ownership of the land was transferred to the buyer.

(Expressed in thousands of Saudi Riyals)

7. Leases

7.1 Right-of-use assets – net

Right-of-use lands	30/06/2025 (unaudited)	31/12/2024 (audited)
Cost:		
Balance at beginning of the period/year	17.742	21.687
Additions during the period/year	-	6.769
Disposals during the period/year	-	(10.714)
Transferred to assets held for sale (note 19)	(1.350)	-
Balance at end of the period/ year	**16.392**	**17.742**
Accumulated depreciation:		
Balance at beginning of the period/year	5.029	7.636
Depreciation for the period / year	903	1.504
Disposals during the period/year	-	(4.111)
Transferred to assets held for sale (note 19)	(758)	-
Balance at end of the period/ year	**5.174**	**5.029**
Net carrying amount at end of the period / year	**11.218**	**12.713**

7.2 Lease liabilities

	30/06/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of the period/year	13.283	15.190
Additions during the period/year	-	6.769
Paid during the period/year	(280)	(2.778)
Disposals during the period/year	-	(6.459)
Financing costs during the period / year	341	561
Present value of obligations	**13.344**	**13.283**

Lease obligations were presented in the statement of financial position based on the current portion - within the current liabilities (which represents the payable portion within a year) and the non-current portion - within the non-current liabilities (which represents the remaining liability less the current portion) as follows:-

	30/06/2025 (unaudited)	31/12/2024 (audited)
7.2.1 Lease liabilities - current portion	1.624	1.585
7.2.2. Lease liabilities - non-current portion	11.720	11.698
	13.344	**13.283**

8. Investments at fair value through other comprehensive income

Unquoted investments	Legal form	Headquarters	Shareholding %	30/06/2025 (unaudited)	31/12/2024 (audited)
Red Sea Cables Company *	Saudi closed joint stock company	Riyadh	27%	69.553	69.553
Al-Reef Sugar Refining Company **	Saudi closed joint stock company	Jeddah	15%	-	-
				69.553	**69.553**

- The Group does not have any control or significant influence over participation in the financial and operational decisions of the investees.

(Expressed in thousands of Saudi Riyals)

8. Investments at fair value through other comprehensive income . (Continued)

Movement of changes in fair value was at follows:	**30/06/2025 (unaudited)**	**31/12/2024 (audited)**
Balance at beginning of the period/year	69.553	101.000
(losses) from revaluation of investments at fair value	-	(31.447)
Fair value at end of the period / year	**69.553**	**69.553**

8.1 Red Sea Cables Company

Red Sea Cables Company is a Saudi closed joint stock company registered under Commercial Registration No. 1010250764 in Riyadh with a capital of 148 million Saudi Riyals. The cost value of the investment in Red Sea Cables Company amounts to 50 million Saudi Riyals. The fair value as at 31 December 2024 was assessed by Abdulmajid Monqal Valuation Office – a valuer licensed by the Saudi Authority for Accredited Valuers (license No. 3912000002). The fair value reserve was recognized through other comprehensive income. The Group's management did not perform a revaluation during the six-month period ended 30 June 2025, as it believes there has been no change in the fair value of the investment. - Note 18 includes information on fair value.

The movement in fair value changes for the investment in Red Sea Cables Company was as follows:

	30/06/2025 (unaudited)	**31/12/2024 (audited)**
Balance at beginning of the period/year	69.553	59.000
Revaluation profits	-	10.553
Fair value at the end of the period/year	**69.553**	**69.553**

On 24/07/2025G, the Group's Board of Directors resolved to approve an increase in the share capital of Red Sea Cables Company from SR 148 million to SR 180 million, through the subscription to 864 thousand shares at a nominal value of SR 10 per share and a share premium of SR 8 per share, amounting to SR 15,552 thousand. The Group's ownership interest in the company will remain at 27% (note 21).

8.2 Al-Reef Sugar Refining Company

Al-Reef Sugar Refining Company is a Saudi closed joint stock company registered under Commercial Registration No. 4030282069 in Jeddah. The company is developing a sugar refinery project in Jazan Economic City (which is still under construction). The project has been financed through the company's capital of SR 300 million and additional contributions from shareholders amounting to SR 31.2 million, in addition to a loan obtained by the company from the Saudi Industrial Development Fund with an irrevocable and unconditional guarantee from the shareholders of Al-Reef Sugar Refining Company, with all project assets pledged in favor of the Fund.
The fair value of the investment as at December 31, 2024 was measured based on discounted future cash flows assuming going concern and commencement of trial operations during 2026 amounting to SR 32 million by Abdul Majeed Mangal Valuation Office - an accredited valuer by the Saudi Authority for Accredited Valuers, license No. 3912000002.

On November 17, 2024, the Company received an official notification dated November 13, 2024 from the Saudi Industrial Development Fund requiring payment of SR 100.8 million against the guarantee provided by the Company under a loan agreement granted to Al-Reef Sugar Refining Company with a total value of SR 672 million. The Company bears 15% of this loan, and on January 26, 2025, the Company received a final official notice dated January 22, 2025 from the Fund requiring payment within a period not exceeding 15 business days, in accordance with the provisions of Article (14) of the State Revenue Law.
Management has reviewed the fair value assessment of the investment in light of the developments referred to above, taking into consideration the following:

• Al-Reef's failure to commence operational activities, and the need for additional financing that has not been secured to date to complete the remaining work, representing 37% of the project.
• The difficulty of providing an updated fair valuation based on asset liquidation or a non-going concern basis at the date of the financial statements.
• Insufficient information about the ability or willingness of other shareholders in Al-Reef Sugar Company to fulfill their obligations toward the Fund, which increases the risks to the Group.
• The probability that the Group will not be able to recover the value of its investment or realize future returns from it.

Based on the above, management concluded that the fair value of the investment has become significantly impaired, with insufficient indicators of recoverability under current circumstances. Accordingly, a full impairment provision of SR 42 million representing the entire carrying value of the investment was recognized, and the effect was included under "Losses on revaluation of investments at fair value" in other comprehensive income for the year ended 31 December 2024.
The shareholders of Al-Reef Sugar Refining Company signed a non-binding memorandum of understanding with a potential investor who intends to acquire 100% of Al-Reef Sugar Refining Company's shares in exchange for assuming all its obligations, subject to obtaining the approval of the Saudi Industrial Development Fund. If this transaction succeeds, it may significantly contribute to reducing the Group's exposure to Al-Reef Sugar Refining Company's obligations.
The Group will periodically reassess this investment, and management will continue to evaluate the situation and developments related to the memorandum of understanding, taking appropriate actions accordingly. Management remains confident that these steps will be completed during 2025.

(Expressed in thousands of Saudi Riyals)

8.2 Al-Reef Sugar Refining Company... (Continued)

The movement in the fair value changes of the investment in Al-Reef Sugar Refining Company was as follows:	30/06/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of the period/year	-	42.000
Revaluation (losses)	-	(42.000)
Fair value at the end of the period/year	**-**	**-**

9. Provision for third-party guarantee obligations

	30/06/2025 (unaudited)	31/12/2024 (audited)
Guarantee for Saudi Industrial Development Fund Loan provided to Al-Reef Sugar Refining Company	**100.000**	**100.000**

On November 17, 2024, the Company received an official notification dated November 13, 2024 from the Saudi Industrial Development Fund requiring payment of SR 100.8 million against the guarantee provided by the Company under a loan agreement granted to Al-Reef Sugar Refining Company with a total value of SR 672 million. The Company bears 15% of this loan, and on January 26, 2025, the Company received a final official notice dated January 22, 2025 from the Fund requiring payment within a period not exceeding 15 business days, in accordance with the provisions of Article (14) of the State Revenue Law.
Based on this confirming development, and considering the high probability of cash outflow resulting from the activation of the guarantee, the Group has recognized a provision for obligation amounting to SR 100 million in the consolidated statement of financial position, in accordance with the requirements of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.
This provision will be periodically reassessed based on developments related to the settlement with the Fund or the results of negotiations with investors in Al-Reef Sugar Refining Company and the potential investor.

10. Related party transactions

10.1 Due from related parties

Related parties	Nature of relationship	30/06/2025 (unaudited)	31/12/2024 (audited)
Al Abdullatif Furniture Company	Related to one of the directors of the Board	51.902	50.460
		51.902	**50.460**

10.2 Due to related parties

Related parties	Nature of relationship	30/06/2025 (unaudited)	31/12/2024 (audited)
Natural Gas Distribution Company	Related to one of the directors of the Board	192	194
Red Sea Cables Company	Related to one of the directors of the Board	160	-
		352	**194**

10.3 Significant transactions with related parties

Type and volume of related party transactions for the six-months period ended June 30, 2025

Related parties	Nature of relationship	Sales and services rendered	Purchases and services received	Payments and repayments
Al Abdullatif Furniture Company	Related to one of the directors of the Board	23.850	(163)	(22.245)
Red Sea Cables Company	Related to one of the directors of the Board	37	(197)	-
Natural Gas Distribution Company	Related to one of the directors of the Board	-	(1.281)	1.283

The Group performs an assessment of the impairment of receivables due from related parties by examining the financial position of the related parties and the markets in which they operate in each financial period. The Management believes that there are no indications of impairment in the value of the balances due as at June 30, 2025.

(Expressed in thousands of Saudi Riyals)

11. Investments at fair value through profit or loss	**30/06/2025 (unaudited)**	**31/12/2024 (audited)**
Balance at beginning of the period/year	1.697	1.996
(losses) from revaluation of investments at fair value	(226)	(299)
Balance at end of the period/ year	**1.471**	**1.697**

* The investments consist of shares in a listed company (Saudi Arabian Oil Company - Aramco), representing less than 1% of the invested company's capital. The number of shares held as at June 30, 2025, was 60,500 shares (compared to 60,500 shares as at December 31, 2024). The fair value was measured according to the announced share price as at June 30, 2025, and the gains and losses from the revaluation were recognized through profit and loss.

12. Share capital
The Group's share capital is SR812,500 thousand divided into 81,250 thousand shares at a nominal value of SR10 each. The Shareholders subscribed to the entire share capital of the Group. There were no changes in the share capital during the current financial year.

	30/06/2025 (unaudited)	**31/12/2024 (audited)**
Balance at end of the period/ year	**812،500**	**812،500**

13. Employee defined benefit obligations
The company operates an end-of-service plan for its employees in line with the Labor Law requirements in the Kingdom of Saudi Arabia. The EOS payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment. Employee benefit plans are unfunded plans and the Group meets benefit payment obligations when they fall due.

Below is the movement during the period/ Year:	**30/06/2025 (unaudited)**	**31/12/2024 (audited)**
Balance at beginning of the period/year	17.489	22.526
Cost of current service for the period / year	2.410	3.648
Financing costs during the period / year	-	232
Charged to the profit or loss	**2.410**	**3.880**
Paid during the period/year	(1.101)	(3.868)
Actuarial losses "charged to other comprehensive income"	-	(5.049)
Balance at end of the period/ year	**18.798**	**17.489**

The company prepared an actuarial study for future employee benefits as at December 31, 2024, and recognized the impact of that study. The company's management did not conduct an actuarial valuation of the employee benefits obligations for the six-month period ending June 30, 2025, as they expect no significant changes in the present value of the obligations.

14. Banks - credit facilities	**30/06/2025 (unaudited)**	**31/12/2024 (audited)**
Business facility finance and short-term Murabaha	225.851	242.167
(Less): Deferred finance interests	(4.941)	(4.175)
	220.910	**237.992**

* Through facility agreements signed with local banks, the Company received short-term facilities at a credit limit SR 451.75 million for the following purposes:
- Finance to purchase and import raw materials for production
- Finance for the operational cycle of the Company and working capital
- Purchase of materials via the opening account of Sabic Company
- Letters of credit and guarantees
- Murabaha and Tawarruq

The above are under the following guarantees:
- Promissory notes with maximum amount of the facilities
- Agreement to finance Islamic trade

(Expressed in thousands of Saudi Riyals)

15. Zakat provision

15.1 Calculation of zakat

The Group submits a consolidated zakat assessment for the entire Group (the Parent Company and its subsidiaries) as per the consolidated financial statements:

15.2 Movement in zakat provision	**30/06/2025 (unaudited)**	**31/12/2024 (audited)**
Balance at beginning of the period/year	18.000	22.000
Paid during the period/year	(17.207)	(22.931)
Zakat for the period/year	9.500	17.140
Provision for expected Zakat claims	3.966	1.791
Provided for the period/year	**13.466**	**18.931**
Balance at end of the period/ year	**14.259**	**18.000**

15.3 Zakat status

The Group submitted its consolidated zakat return for the year ended December 31, 2024 and received a zakat certificate valid until 30 April 2026

Zakat has been calculated for the subsidiaries mentioned in note (1) within the consolidated financial statements of the Group. The Group is committed to accounting for it before the Zakat, Tax and Customs Authority, and each subsidiary is charged with its due Zakat in accordance with the Group's policy of redistributing Zakat among the subsidiaries.

- The group has finalized its Zakat status with the Zakat, Tax and Customs Authority for the year ended 31/12/2022.

15.4 Value Added Tax

The Group submits consolidated VAT returns for the Group every month.

16. Basic and diluted earnings per share

Basic and diluted earnings per share have been calculated by dividing the net profit (loss) for the period attributable to the company's shareholders by the weighted average number of shares issued. The diluted earnings per share are equal to the basic earnings per share as follows:

	30/06/2025 (unaudited)	**30/06/2024 (unaudited)**
Basic and diluted earnings per share attributable to the Company's shareholders:		
Continued operations	4.870	(6.008)
Discontinued operations	(2.143)	(1.594)
Net profit (loss) attributable to Company's shareholders	2.727	(7.602)
Weighted average number of shares issued "in thousand of shares"	81.250	81.250
Earnings (loss) per share from continuing operations	0.06	(0.07)
(loss) per share from discontinued operations	(0.03)	(0.02)
Basic and diluated earining (loss) per share attributable to the Company's Shareholders	**0.03**	**(0.09)**

17. Segment information

The Group's operating segments are represented in two main sectors (the carpet, rugs and related products sector, and the blankets sector). Below is a summary of some of the financial information for the primary business sectors for the six-month period ended June 30, 2025 (compared to the six-month period ended June 30, 2024).

For the six-month period ended June 30, 2025 (unaudited)

Description / Sector	**Discontinued operations of Al-Wataniya Spinning Company**	**Sector carpet, rugs and related products**	**Blanket sector**	**Total**
Revenue	13.893	250.218	36.464	**300.575**
Cost of revenue	(15.731)	(217.575)	(28.906)	**(262.212)**
Gross profit (loss)	(1.838)	32.643	7.558	**38.363**
Net profit (loss) for the period	(2.143)	1.253	3.617	**2.727**
Property, plant and equipment - net	3	420.256	18.707	**438.966**
Total assets	44.871	1,286,435	142.430	**1,473,736**
Total liabilities	2.035	319.209	111.492	**432.736**

(Expressed in thousands of Saudi Riyals)

17. Segment information... (Continued)

For the six-month period ended June 30, 2024 (unaudited)

Description / Sector	**Discontinued operations of Al-Wataniya Spinning Company**	**carpet, rugs and related products**	**Blankets**	**Total**
Revenue	19.994	229.772	33.250	**283.016**
Cost of revenue	(21.367)	(204.851)	(36.837)	**(263.055)**
Gross profit (loss)	(1.373)	24.921	(3.587)	**19.961**
Net profit (loss) for the period	(1.595)	785	(6.792)	**(7.602)**
Property, plant and equipment - net	3.718	422.695	21.037	**447.450**
Total assets	65.126	1,334,718	144.385	**1,544,229**
Total liabilities	40.660	186.197	123.823	**350.680**

18. Financial instruments and risk management

The Group’s activities are exposed to various financial risks including: Liquidity risk, credit risk, and market risk (include currency risk, fair value risk, cash flow of commission rate and price risk). The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance.

Group's financial instruments comprise financial assets (cash and cash equivalents, trade receivables, investments at fair value through profit or loss, and other receivables) and financial liabilities (banks, credit facilities, trade and other payables) and include the following risks:

18.1 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The Group manages and monitors liquidity risks on a regular basis to ensure that sufficient funds are available through bank facilities to meet any future commitments.

The Group's sales conditions stipulate that payments are to be made in cash upon delivery of the goods or on a credit basis.

All current liabilities are expected to be settled within 12 months as of the date of the financial statements.

18.2 Credit risks

A credit risk refers to the risk that a customer or a counter party in a financial instrument will default on its contractual obligations resulting in financial loss to the Group and arises principally from the cash at banks and receivables. The Group minimizes credit risks associated with receivables by establishing procedures for credit limits for each customer and monitoring outstanding receivables in line with a set of procedures and policies. Cash is deposited with high credit rated banks.

18.3 Market risks

- Market risk is the risk of fluctuations in a financial instrument due to changes in prevailing market prices such as foreign exchange rates, interest rates, and equity rates, which affect the Group’s income or the value of its financial instruments. Market risk management aims to manage and control market risk exposure within acceptable parameters while maximizing returns.

The Group is exposed to the following market risks:

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates affecting foreign currency payments and receipts along with assessment of assets and and liabilities in foreign currencies.

The Group is subject to fluctuations in foreign exchange rates in the normal course of its business. The Management regularly monitors changes in foreign exchange rates and manages the impact on the financial statements.

18. Financial instruments and risk management. (Continued)

18.3 Market risks... (Continued)

Fair value risk
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. Since the Group’s financial statements are prepared under the historical cost in which case differences may arise between the carrying amount and the fair value estimates. The Group’s Management believes that case fair value of financial assets and liabilities approximates book balances.
A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

When measuring fair value, the Group uses observable market information whenever possible. Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:
Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability. either directly (i.e. as prices) or indirectly (i.e. derived from prices);
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of the asset or liability fall into different levels of the hierarchy, the fair value measurement is categorized entirely in the same level of the fair value hierarchy as the lowest level input is considered material to the full measurement.
The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period in which the change occurred. During the period there were no transfers between the fair value levels of Level 1 and Level 2.
The Group’s financial instruments are grouped using the historical cost principle except investments and the derivative financial instruments that are charged according to the fair value. Differences between the carrying amount and the fair value estimates might arise. The Management believes that the fair value of the Group’s financial assets and liabilities are not materially different to the carrying amount.

The financial assets measured at fair value are as follows:

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments at fair value through other comprehensive income	-	-	69.553	69.553
Investments at fair value through profits or losses	1.471	-	-	1.471
Total assets at fair value	**1.471**	**-**	**69.553**	**71.024**

Interest rate risk (commissions)
Interest rate risk (commissions) represents the risk related to the effects of fluctuations in interest rates (commissions) prevailing in the market to the Group’s financial position and its cash flows.

Commodity price risk
Commodity price risk is the risk associated with changes to the prices of certain commodities to which the Group is exposed as a result of adverse impact on the Group’s costs and cash flows. This commodity price risk arises from the expected purchases of commodities or the services which the Group is expected to receive.

(Expressed in thousands of Saudi Riyals)

19. Assets held for sale and discontinued operations

19.1 Assets held for sale

On 09/11/1446H (corresponding to 07/05/2025), one of the Group's subsidiaries (Al-Wataniya Spinning Company) entered into a binding agreement to assign a land lease contract with the Saudi Authority for Industrial Cities and Technology Zones (MODON) in the Second Industrial City in Riyadh, together with the factory situated thereon, including all related facilities and warehouses, complete with all specifications and components, as well as the civil defense, electricity, and gas systems at their current capacity and in their existing condition, to Lamina Company Limited for an amount of SR 41 million. The purchaser shall be entitled to proceed with the assignment procedures, subject to a grace period for delivery within 120 days from the date of amendment of the lease agreement. The net carrying amount of the buildings subject to the assignment amounted to SR 3 thousand, and the net carrying amount of the right-of-use asset assigned amounted to SR 592 thousand.
Certain machinery and equipment related to the site have been transferred to other operational locations for use in production operations, and a portion of the machinery and equipment is planned to be offered for sale.

Below is the statement of the assets held for sale

	30/06/2025 (unaudited)	31/12/2024 (audited)
Right-of-use assets – net (note 7/1)	592	-
Property, plant and equipment – net (note 5)	3	-
	595	**-**

19.2 Discontinued Operations

19.2.1 Below is the interim condensed statement of profit or loss and other comprehensive income for discontinued operations:

	For the three-month period ended		for the six-month period ended	
	30/06/2025 (unaudited)	30/06/2024 (unaudited)	30/06/2025 (unaudited)	30/06/2024 (unaudited)
	National Spinning Company		National Spinning Company	
Revenue	11.395	7.889	13.893	19.994
Cost of revenue	(5.306)	(9.616)	(15.731)	(21.367)
Gross profit (loss)	**6.089**	**(1.727)**	**(1.838)**	**(1.373)**
Selling and marketing expenses	-	-	(16)	-
General and administrative expenses	(53)	(156)	(173)	(309)
Other income	-	812	-	812
Profit (loss) from operating activities	**6.036**	**(1.071)**	**(2.027)**	**(870)**
Finance cost	(56)	(439)	(116)	(724)
Profit (loss) before Zakat	**5.980**	**(1.510)**	**(2.143)**	**(1.594)**
Zakat	-	-	-	-
Net profit /(loss) for the period	**5.980**	**(1.510)**	**(2.143)**	**(1.594)**

19.2.2 The statement of financial position for discontinued operations is as follows:

	30/06/2025 (unaudited)	31/12/2024 (audited)
Property, plant and equipment	3.852	3.852
Accumulated depreciation of property, plant and equipment	(3.852)	(3.852)
	-	**-**

20. Comparative figures

During the six-month period ended 30 June 2025, the Group reclassified certain items in the comparative period to conform with the current period's presentation. and this is due to the implementation of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (as disclosed in Note 19).

21. Subsequent events

On 28/01/1447H (corresponding to 23/07/2025G), one of the Group's subsidiaries (Al-Wataniya Spinning Company) executed the agreement previously signed on 19/11/1446H (corresponding to 07/05/2025G), which is binding for the assignment of a land lease contract with the Saudi Authority for Industrial Cities and Technology Zones (MODON) in the Second Industrial City in Riyadh, together with the factory situated thereon, including all related facilities and warehouses, complete with all specifications and components, as well as the civil defense, electricity, and gas systems at their current capacity and in their existing condition, to Lamina Company Limited for an amount of SR 41 million. The Group received an instalment of SR 30 million from the agreed consideration, and the procedures for the assignment of the land lease contract are in progress (Note 5).

- On 24/07/2025G, the Group's Board of Directors resolved to approve an increase in the share capital of Red Sea Cables Company from SR 148 million to SR 180 million, through the subscription to 864 thousand shares at a nominal value of SR 10 per share and a share premium of SR 8 per share, amounting to SR 15,552 thousand. The Group's ownership interest in the company will remain at 27% (note 8).

Other than what has been mentioned above, Management believes that there are no subsequent significant events as of the date of the interim condensed consolidated statement of financial position at June 30, 2025 until the date of approval of these financial statements that may have a material impact on the interim condensed consolidated financial statements.

22. Approval of interim condensed consolidated financial statements

The interim condensed consolidated financial statements for the six-month period ended June 30, 2025 were approved by the Group's Board of Directors on 13 Safar 1447H (07 August 2025).