

HEDAB AL KHALEEF FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

HEDAB ALKHALEEL FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UN AUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

<u>INDEX</u>	<u>Page</u>
Independent Auditor's Review Report on The Interim Condensed Financial Statements	1
Interim Condensed Statement of Financial Position (unaudited)	2
Interim Condensed Statement of Profit or Loss and Other Comprehensive Income (unaudited)	3
Interim Condensed Statement of Changes in Shareholders' Equity (unaudited)	4
Interim Condensed Statement of Cash Flows (unaudited)	5-6
Notes to the Interim Condensed Financial Statements (unaudited)	7 – 16

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF HEDAB ALKHALEEF FOR TRADING COMPANY
(A Saudi Joint Stock Company)

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of **Hedab Alkhaleef For Trading Company (the "Company")**, A Saudi Joint Stock Company as at 30 June 2025 and the related interim Condensed statements of comprehensive income, statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other 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") that is 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 Engagement 2410, "Review of Interim Condensed Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

For PKF Al Bassam
Chartered Accountants



Ahmed A. Mohandis
Certified Public Accountant
License No. (477)
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Corresponding to: 12 August 2025



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HEDAB ALKHALEEL FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2025

(All amounts are in Saudi Riyals)

	Note	30 JUNE 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment, net	5	72,848,577	72,628,860
Right-of-use assets, net	6/1	17,507,248	21,087,300
TOTAL NON-CURRENT ASSETS		90,355,825	93,716,160
CURRENT ASSETS			
Trade receivables, net	7	85,607,382	77,317,216
Prepayments and other debit balances		25,253,062	30,843,942
Due from related parties	13/1	--	199,471
Inventory, net	8	146,041,102	116,845,180
Cash and cash equivalents	9	34,296,003	20,736,570
TOTAL CURRENT ASSETS		291,197,549	245,942,379
TOTAL ASSETS		381,553,374	339,658,539
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	10	75,000,000	67,000,000
Reserve of land revaluation		21,874,754	21,874,754
Share Premium	10	30,510,000	
Other reserve		37,423	37,423
Retained earnings		68,468,945	65,045,374
TOTAL SHAREHOLDERS' EQUITY		195,891,122	153,957,551
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term loans – non-current portion	11/1	4,200,000	5,600,000
Lease liabilities – non-current portion	6/3	9,814,125	12,878,309
Employees' benefit obligation		2,390,680	2,023,989
TOTAL NON-CURRENT LIABILITIES		16,404,805	20,502,298
CURRENT LIABILITIES			
Bank facilities	11/1	135,097,608	134,996,697
Long term loans – current portion	11/1	2,800,000	2,800,000
Trade payables		929,538	1,572,836
Dividend payables	12	7,500,000	--
Lease liabilities – current portion	6/3	5,407,791	6,057,156
Accrued expenses and other credit balances		11,769,231	14,896,552
Zakat provision		5,753,279	4,875,449
TOTAL CURRENT LIABILITIES		169,257,447	165,198,690
TOTAL LIABILITIES		185,662,252	185,700,988
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		381,553,374	339,658,539

Chief Financial Officer

Abdulmohsin Mohana Abalkhail

Chief Executive Officer

Nayef Al-Rashid Al-Humaid

Chairman

Nasser Al-Rashed Al-Humaid

The accompanying notes form an integral part of these interim condensed financial statements.

HEDAB AL KHALEEJ FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
(UNAUDITED) FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025**
(All amounts are in Saudi Riyals)

	Note	For the six months period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Revenue	14	298,540,044	227,981,714
Cost of Revenue		(257,656,302)	(192,545,255)
Gross profit		40,883,742	35,436,459
Selling and Distribution expenses		(16,023,437)	(13,722,293)
General and administrative expenses		(5,279,128)	(4,616,658)
Reversal of Inventory Impairment	8/1	775,009	--
Provision for Expected Credit Losses	7/1	(1,652,224)	--
Profit from operation		18,703,962	17,097,508
Finance cost		(6,175,807)	(5,643,523)
Other (expenses) income	15	115,490	(137,186)
NET PROFIT BEFORE ZAKAT		12,643,645	11,316,799
Zakat expense		(1,720,074)	(1,286,225)
NET PROFIT FOR THE PERIOD AFTER ZAKAT		10,923,571	10,030,574
OTHER COMPREHENSIVE INCOME		--	--
TOTAL COMPREHENSIVE INCOME		10,923,571	10,030,574
Profit per share for the period			
Basic	16	1.51	1.50

Chief Financial Officer

Abdalmohsin Mohana Abalkhail



Chief Executive Officer

Nayef Al-Rashid Al-Humaid



Chairman

Nasser Al-Rashed Al-Humaid



The accompanying notes form an integral part of these interim condensed financial statement

HEDAB AL KHALEEL FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts are in Saudi Riyals)

	Note	Share capital	Share Premium	Reserve of land revaluation	Other reserve	Retained earnings	Total
<u>2024</u>							
Balance at 1 January 2024 (audited)		67,000,000	--	18,196,703	256,487	49,758,723	135,211,913
The comprehensive income for the period			--				
Net profit for the period		--	--	--	--	10,030,574	10,030,574
Other comprehensive income		--	--	--	--	--	--
Total comprehensive income for the period (unaudited)		--	--	--	--	10,030,574	10,030,574
Balance at 30 June 2024 (Unaudited)		67,000,000	--	18,196,703	256,487	59,789,297	145,242,487
<u>2025</u>							
Balance at 1 January 2025 (audited)		67,000,000	--	21,874,754	37,423	65,045,374	153,957,551
The comprehensive income for the period		--	--	--	--	--	--
Net profit for the period		--	--	--	--	10,923,571	10,923,571
Other comprehensive income		--	--	--	--	--	--
Total comprehensive income for the period (unaudited)						10,923,571	10,923,571
Capital Increase	10	8,000,000	--	--	--	--	8,000,000
Share Premium	10	--	33,600,000	--	--	--	33,600,000
Offering cost "IPO"	10	--	(3,090,000)	--	--	--	(3,090,000)
Dividends	12	--	--	--	--	(7,500,000)	(7,500,000)
Balance at 30 June 2025 (Unaudited)		75,000,000	30,510,000	21,874,754	37,423	68,468,945	195,891,122

Chief Financial Officer

Abdulmohsin Mohana Abalkhail



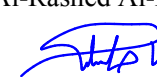
Chief Executive Officer

Nayef Al-Rashid Al-Humaid



Chairman

Nasser Al-Rashed Al-Humaid



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HEDAB AL KHALEEJ FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts are in Saudi Riyals)

	<i>Note</i>	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
<u>OPERATING ACTIVITIES:</u>			
Net profit for the period before zakat		12,643,645	11,316,799
Adjustment for:			
Depreciation of property plant and equipment	5	1,284,279	1,150,521
Amortization of right-of-use assets	6	3,074,489	1,973,206
Employees' benefit obligation		448,261	354,208
Finance costs		6,175,807	5,643,523
Loss from disposal of Property, plant and equipment	15	415,482	165,165
Provision for Expected Credit Losses		1,652,224	--
Gain from disposal of Finance Lease Contracts	6/4	(62,060)	(27,979)
Reversal of inventory impairment		(775,009)	--
Returns on Short-term Murabaha Deposits		(468,912)	--
		24,388,206	20,575,443
Change in operation assets and liability			
Trade Receivables		(9,942,390)	(2,143,309)
Inventory		(28,420,913)	21,369,957
Prepayments and other debit balances		3,964,452	13,144,433
Trade Payables		(643,298)	2,357,972
Due from related party		199,471	125,380
Accrued expenses and other credit balances		(3,727,321)	3,124,446
Due to related party		--	292,030
Cash (used in) generated from operation activities		(14,181,793)	58,846,352
Zakat paid		(842,244)	--
Employees' defined benefits paid during the year		(81,570)	(31,748)
Net cash (used in) generated from operation activities		(15,105,607)	58,814,604
<u>INVESTING ACTIVITIES:</u>			
Purchase of property, plant and equipment	5	(1,958,008)	(8,816,924)
Proceeds from the disposal of property, plant and equipment		38,530	243,479
Collected from returns on Short-term Murabaha Deposits		445,340	--
Net cash (used in) investing activities		(1,474,138)	(8,573,445)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>			
Proceeds from bank facilities		156,428,600	121,541,195
Proceeds from share capital increase	10	8,000,000	--
Proceeds from share premium	10	32,160,000	--
Dividends paid		--	(6,700,000)
Repayment of bank facilities		(156,327,689)	(149,166,910)
Repayment of long-term loans		(1,400,000)	(1,400,000)
Payment of lease liabilities		(3,053,860)	(2,238,247)
Finance costs paid		(5,667,873)	(5,243,853)
Net cash generated from (used in) financing activities		30,139,178	(43,207,815)
Change in cash and cash equivalents during the period		13,559,433	7,033,344
Cash and cash equivalents at beginning of period		20,736,570	10,992,470
Cash and cash equivalents at the end of the period		34,296,003	18,025,814

The accompanying notes form an integral part of these interim condensed financial statements.

HEDAB AL KHALEEJ FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts are in Saudi Riyals)

		For the six months period ended	
		30 June 2025	30 June 2024
<u>NON-CASH TRANSACTIONS:</u>	<i>Note</i>	(Unaudited)	(Unaudited)
Additions to right-of-use assets	6/1	(684,766)	(4,035,826)
Paid financing costs		(507,934)	(399,670)
Accrued expenses and other credit balances		(600,000)	(690,384)
Finance Lease Liabilities		1,792,700	5,125,880
Share Premium	10	1,650,000	--
Prepayments and other debit balances		(1,626,428)	--
Collected from returns on Short-term Murabaha Deposits		(23,572)	--
Retained earnings		(7,500,000)	--
Dividend payable	12	7,500,000	--

Chief Financial Officer

Abdulmohsin Mohana Abalkhail



Chief Executive Officer

Nayef Al-Rashid Al-Humaid



Chairman

Nasser Al-Rashed Al-Humaid



The accompanying notes form an integral part of these interim condensed financial statements.

HEDAB AL KHALEEF FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts are in Saudi Riyals)

1. COMPANY AND MAIN ACTIVITIES

Hedab Al Khaleej for trading Company is a Saudi joint-stock company. The company was registered under Commercial Registration No. 1131018691 (Unified number 7010473549) dated 12 Sha'ban 1424 H (corresponding to 8 October 2003) in Buraidah. The shareholders' meeting approved the amendment of the company's legal entity from a limited liability company to a closed joint-stock company. The company's articles of association were amended on 22 Dhu al-Hijjah 1442 H (corresponding to 1 August 2021).

The Extraordinary General Assembly decided by circulation on 10 June 2024 to increase the company's capital from SAR 67 million to SAR 75 million by issuing 800,000 new shares to be subscribed by new shareholders through offering the increase in the parallel market (Nomu). This was after obtaining the necessary approvals from the Capital Market Authority and the Saudi Tadawul Group. The company announced on the Saudi Stock Exchange (Tadawul) that the shares of Hedab Al khaleej Trading Company have been listed and trading has commenced on the Nomu market - Parallel as of 5 Ramadan 1446 AH (corresponding to 5 March 2025), with the trading code 9631 and the international code SA1690Q4MFH7. The company's Bylaws were amended to increase the capital and change the company's legal entity from a closed joint-stock company to a listed joint-stock company on 22 May 2025.

The company's activities include general construction of residential buildings, general construction of non-residential buildings such as schools, hospitals, and hotels, wholesale of bricks, blocks, tiles, stone, marble, ceramics, and porcelain, retail of marble, natural and artificial stone, ceramics, and porcelain, land transportation of goods, freight brokerage, purchase, sale, and division of land and real estate, off-plan sales activities, management and leasing of owned or leased residential properties, management and leasing of owned or leased non-residential properties, management and leasing of self-storage warehouses, land transportation of goods, truck rental with drivers, operation of storage facilities for all types of goods except food, general freight and distribution services, general warehouses housing a variety of goods, routing of freight transport vehicles, freight brokerage, and logistics services.

The company's registered address is a postal code. 52581 Buraidah, Kingdom of Saudi Arabia.

The attached financial statements include the accounts of the company and its branches:

Branch Name	CR Number	City
Hedab Al Khaleej Company Branch	1131016945	Buraidah
Hedab Al Khaleej Logistics Services Company	1131316324	Buraidah
Hedab Al Khaleej Trading Company	4700117060	Yanbu
Hedab Al Khaleej Building Materials Company Branch	4030435840	Jeddah
Hedab Al Khaleej Trading Company Branch	1010633001	Riyadh
Hedab Al Khaleej Trading Company Branch	5900125966	Jizan
Hedab Al Khaleej Trading Company Branch	2050141637	Dammam

2. BASIS OF PREPARATION

2-1 Statement of compliance

These Interim Condensed Financial Statements for the six-month period ended 30 June 2025 have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

They do not include all of the information required for a complete set of IFRS Financial Statements however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since 31 December 2024.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts are in Saudi Riyals)

2. BASIS OF PREPARATION (CONTINUED)

2-2 Basis of Measurement

The interim condensed financial statements have been prepared on a historical cost basis, unless it is allowed by the IFRS to be measured at other valuation method.

The preparation of interim condensed financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the financial statements. The estimate which is significant to the financial statements are disclosed in the annual financial statement for the year ended 31 December 2024.

2-3 Functional and presentation currency

Items included in the interim condensed financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Saudi Riyals (SR) that is the presentation and functional currency.

2/4 Going concern

The Company's management conducted an assessment of the Company's ability to continue as going concern basis, and concluded that the Company has the necessary resources to continue operating for the foreseeable future. In addition, the management did not notice any significant cases of uncertainty that might question the Company's ability to continue as an existing entity, and therefore the financial statements were prepared on the basis of going concern.

3. MATERIAL ACCOUNTING POLICIES SUMMARY

The accounting policies applied in these interim condensed financial statements are in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and publications issued by the Saudi Organization for Chartered and Professional Accountants, and they are the same policies applied in the annual financial statements of the Company for the year ending 31 December 2024.

The principal accounting policies applied in the preparation of these interim condensed financial statements have been consistently applied to all the periods presented.

3/1 New Standards, Amendments, and Interpretations

New standards have been issued; however, certain amendments to existing standards became effective on January 1, 2025. These amendments have been disclosed in the financial statements for the year ended December 31, 2024, and do not have a material impact on the Company's condensed interim financial statements

4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Interim Condensed Financial Statements requires management to use judgments and estimates that affect the application of accounting policies to the reported amounts of assets, liabilities, revenues, expenditures and the related disclosures. Uncertainty about assumptions and estimates may give rise to results that require a material adjustment to the carrying value of assets and liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis, and adjustments to accounting estimates are recognized in the period in which the estimate is revised and in future periods affected by the changes.

The significant accounting judgments made by the management when applying the company's accounting policies and the main sources of uncertainty about the accounting estimates were the same as shown in the latest annual financial statement.

HEDAB AL KHALEEJ FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts are in Saudi Riyals)

5. PROPERTY, PLANT AND EQUIPMENT, NET

The following is a statement of the net book value of property, plant and equipment:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cost of property, plant and equipment	84,497,186	83,191,618
Accumulated depreciation	(11,648,609)	(10,562,758)
Net book value	72,848,577	72,628,860

- During the six-month period ended 30 June 2025, the Company has purchased a property, plant and equipment for an amount of SR 1,958,008 (30 June 2024: SR 8,816,924).
- During the six-month period ended 30 June 2025, depreciation expense of property, plant and equipment amounted to SR 1,284,279 (30 June 2024: SR 1,150,521).
- During the six-month period ended 30 June 2025, Losses from the disposal of property, plant and equipment amounted to SAR 415,482 (30 June 2024: SAR 165,165), Note 15.
- Property, plant and equipment include a vacant land with an area of 49,747 square meters, with a historical cost of SAR 19,887,500 and a fair value of SAR 26,561,282 (December 31, 2024: SAR 26,561,282), which is mortgaged in favour of Banque Saudi Fransi against the facilities granted to the Company.

6. LEASE CONTRACTS

6/1 Right-of-use assets net:

Most of the lease contracts relate to long-term leases of warehouses, showrooms, and offices with terms ranging from 2 to 5 years. The lease payments are fixed for the majority of these agreements and are payable annually or semi-annually. These contracts have been capitalized in accordance with IFRS 16, using discount rates ranging from 3% to 6.5%.

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<u>Cost:</u>			
As at January 1		28,545,281	17,182,790
Additions and adjustment during the period/year		684,766	15,099,246
Disposals during the period/year	6/4	(3,196,103)	(3,736,755)
Balance at end of the period / year		26,033,944	28,545,281
<u>Accumulated Amortizations:</u>			
As at January 1		7,457,981	7,230,564
Amortizations during the period / year		3,074,489	3,519,997
Disposals and adjustments during the period/year	6/4	(2,005,774)	(3,292,580)
Balance at end of the period / year		8,526,696	7,457,981
<u>Net book value</u>			
Net Balance at end of the period / year		17,507,248	21,087,300

HEDAB AL KHALEEL FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts are in Saudi Riyals)

6. LEASE CONTRACTS (CONTINUED)

6/2 Lease Liabilities

The table below presents the book value of lease contract liabilities and the movements during the period/year as follows:

		30 June 2025	31 December
	Note	(Unaudited)	2024
			(Audited)
As at January 1		18,935,465	9,516,888
Additions during the period/year		684,766	15,099,246
Disposals during the period/year	4/6	(1,252,389)	(320,154)
Finance cost charged during the period/year		507,934	778,087
Payment during the period/year		(3,653,860)	(6,138,602)
Payments during the period/year		15,221,916	18,935,465

6/3 lease contracts obligation as presented in the financial statements

		30 June 2025	31 December
		(Unaudited)	2024
			(Audited)
Current portion of lease liabilities		5,407,791	6,057,156
Non-Current portion of lease liabilities		9,814,125	12,878,309
		15,221,916	18,935,465

6/4 The following table presents the lease contract disposals during the period/year as follows:

		30 June 2025	31 December
	Note	(Unaudited)	2024
			(Audited)
Cost of right-of-use assets	6/1	(3,196,103)	(3,736,755)
Accumulated amortization of right-of-use assets	6/1	2,005,774	3,292,580
		(1,190,329)	(444,175)
Lease liabilities	6/2	1,252,389	320,154
	15	62,060	(124,021)

7. TRADE RECEIVABLES, NET

		30 June 2025	31 December 2024
	Note	(Unaudited)	(Audited)
Trade receivables		95,460,744	85,518,354
Less: Expected credit loss provision	7/1	(9,853,362)	(8,201,138)
		85,607,382	77,317,216

7/1 The following is the movement in the expected credit losses provision during the period/year:

		30 June 2025	31 December 2024
		(Unaudited)	(Audited)
As at January 1		8,201,138	3,314,308
Recognized during the period/year		1,652,224	4,886,830
Balance at end of the period / year		9,853,362	8,201,138

HEDAB AL KHALEEJ FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts are in Saudi Riyals)

7. TRADE RECEIVABLES, NET (CONTINUED)

7/2 The following is an analysis of the aging of trade receivables:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Not due	49,184,905	49,328,839
From 1 to 90 days	25,546,452	17,733,742
From 91 Days to 180 days	8,660,584	10,978,341
From 181 to 360 days	7,307,152	2,900,138
More than 360 days	4,761,651	4,577,294
Total	95,460,744	85,518,354
Less:		
Provision for expected credit loss	(9,853,362)	(8,201,138)
	85,607,382	77,317,216

8. INVENTORIES, NET

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Ceramics		150,813,807	122,431,575
Marble		2,049,100	1,737,345
Building Materials		1,017,169	873,802
Others		14,714	431,155
		153,894,790	125,473,877
Less:			
Inventory impairment	8/1	(7,853,688)	(8,628,697)
		146,041,102	116,845,180

8/1 Movement in provision for inventory impairment during the period/year as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance as at January 1	8,628,697	6,208,670
Recognized during the period/year	--	2,420,027
Reversal during the period/year	(775,009)	--
Balance at end of the period/year	7,853,688	8,628,697

9. CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cash at banks	14,101,403	20,362,602
Cash on hand	194,600	373,968
Short-term Murabaha deposits*	20,000,000	--
	34,296,003	20,736,570

* Time deposits (due within three months) are held by commercial banks and yield finance income at prevailing market rates. The Company obtained income from these Murabaha deposits during the period ending on 30 June 2025 amounted to SR 468,912 (30 June 2024: SR Zero Saudi riyals).

HEDAB AL KHALEEJ FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts are in Saudi Riyals)

10. SHARE CAPITAL AND PREMIUM

As at 30 June 2025, the Company's issued and paid-up capital amounted to SAR 75,000,000, divided into 7,500,000 shares (2024: SAR 67,000,000 divided into 6,700,000 shares) with a par value of SAR 10 each. All shares are ordinary shares issued against cash contributions.

The Extraordinary General Assembly, by circulation, resolved on 10 June 2024 to increase the Company's share capital from SAR 67 million to SAR 75 million through the issuance of 800,000 new shares to be subscribed by new shareholders. The capital increase was offered at a par value of SAR 10 per share and an offering price of SAR 52 per share in the Parallel Market "Nomu," resulting in a share premium of SAR 42 per share (equivalent to a total amount of SAR 33,600,000). The total costs related to the offering in the Parallel Market "IPO cost" amounted to SAR 3,090,000 (of which SAR 1,650,000 was incurred during the year 2024 and SAR 1,440,000 during the period ended 30 June 2025). Accordingly, the net share premium amounted to SAR 30,510,000 as at 30 June 2025. The shares of Hedab Alkhaleej Trading Company were listed and commenced trading in the "Nomu" Parallel Market on 5 Ramadan 1446H, corresponding to 5 March 2025. The company's Bylaws were amended to increase the capital on 22 May 2025.

11. LOANS AND BANK FACILITIES AND BANK FACILITIES

The company signed several financing agreements with local banks, secured by guarantees and pledging land title deeds to one of the banks. The purpose of the facilities is to finance the company's operations and working capital. These facilities carry interest at SAIBOR plus 2% to 2.5%.

11/1 Movement in loans

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	143,396,697	136,198,757
Collections during the period/year	156,428,600	288,526,966
Payments during the period/year	(157,727,689)	(281,329,026)
Balance at end of the period/year	142,097,608	143,396,697
Bank facilities	135,097,608	134,996,697
Long-term loans – Current portion	2,800,000	2,800,000
Long-term loans – Non-current portion	4,200,000	5,600,000
	142,097,608	143,396,697

11/2 Loans facilities according to financing authorities

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Banque Saudi Fransi	51,588,556	53,397,363
Alrajhi Bank	90,509,052	89,999,334
	142,097,608	143,396,697

11/3 Loan Covenants

The long-term loan agreements with Banque Saudi Fransi require the Company to comply with certain covenants, including maintaining its financial position within specific levels and adhering to certain financial ratios, in addition to other covenants. The Company is in compliance with these covenants, which are as follows:

- 1- Tangible equity shall not be less than SAR 75,900,000.
- 2- At least 34% of the Company's operating revenues must be deposited with the bank.
- 3- The leverage ratio shall not exceed 1.5%.

HEDAB AL KHALEEJ FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts are in Saudi Riyals)

12. DIVIDENDS PAYABLE

The Extraordinary General Assembly held on 25 June 2025 approved the distribution of cash dividends to shareholders for the financial year 2024 at a rate of SAR 1 per share, totaling SAR 7.5 million. Eligibility shall be for shareholders who own the shares at the end of the trading day on the date of the General Assembly meeting and who are registered in the Company's shareholders register at the Securities Depository Center Company (Edaa) by the end of the second trading day following the date of the General Assembly meeting.

13. RELATED PARTIES:

Transactions with related parties mainly represent services, which are carried out according to agree upon terms and approved by management. Related party transactions, and balances arising there from during the period/year are described below:

13/1 Due from related parties:

Related party	Nature of relationship	Balance as in	
		30 June 2025 (Unaudited)	31 December 2024 (Audited)
Nashaat Mohammed Mohammed Ali Abdu	Board Member	--	199,471
		--	199,471

13/2 Transaction with related parties:

Related party	Nature of relationship	Nature of transaction	For the six months period ended	
			30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Nashaat Mohammed Mohammed Ali Abdu	Board Member	Sales Commissions	749,509	329,946
Nayef Al-Rashid Al-Humaid	Shareholder	Payments on Behalf of Others	44,408	27,867
World of Systems and Programs Company	Related Party	Services	73,721	159,179
Nasser Al-Rashed Al-Humaid	Shareholder	Repayments on Behalf of Others	26,640	50,000
		Rent	115,000	115,000

13/3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any manager (whether executive or otherwise). Salaries, wages and other similar items during the period amounted to the following:

Related party	Nature of transaction	For the six months period ended	
		30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Key senior management personnel	Total Salaries and Benefits of Key Management Personnel	798,675	507,520
	Employee Benefits Obligations	33,904	87,397
	Remuneration for Attending Board Meetings	33,000	--

HEDAB AL KHALEEJ FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts are in Saudi Riyals)

14. REVENUE, NET:

	For the six months period ended	
	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)
Ceramics and Marble Sales	279,941,740	212,973,553
Transportation Revenue	18,598,304	15,008,161
Total	298,540,044	227,981,714

15. OTHER (EXPENSES) INCOME

		For the six months period ended	
	Note	30 June 2025	30 June 2024
		(Unaudited)	(Unaudited)
Returns on Short-Term Murabaha Deposits	9	468,912	--
Gains on disposal of finance lease contracts	6/4	62,060	27,979
Losses on disposal of property, plant and equipment	5	(415,482)	(165,165)
		115,490	(137,186)

16. EARNINGS PER SHARE

Earnings per share were calculated based on the net profit for the period and the weighted average number of outstanding ordinary shares as at the date of the financial statements

	For the six months period ended	
	30 June 2025	30 June 2025
	(Unaudited)	(Unaudited)
Net profit for the period	10,923,571	10,030,574
Weighted Average Number of Shares	7,220,000	6,700,000
Earnings per share	1.51	1.50

HEDAB AL KHALEEJ FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts are in Saudi Riyals)

17. SEGMENTAL INFORMATION

The primary segment presentation approach has been determined on the basis that the risks and rewards associated with the company are significantly affected by the differences in the products offered by these segments. These segments are organized and managed separately based on the nature of their products and services, with each segment forming a distinct entity. The operating segments described below are identified by distinguishing the business activities from which the company earns revenues and incurs costs.

The economic characteristics are reviewed, and operating segments are aggregated based on an assessment conducted by the chief operating decision maker at least quarterly, which is approved by the company's senior management. The company operates through the following main business segments:

1- Ceramic and marble sales.

2- Transportation sector.

30 June 2025 (Unaudited)	Segment Reports		
	Ceramic and marble sales	Transportation sector	Total
Revenues	279,941,740	18,598,304	298,540,044
Cost of revenues	(239,789,430)	(17,866,872)	(257,656,302)
Net sector profit	10,459,310	464,261	10,923,571
Sector assets	362,661,428	18,891,946	381,553,374
Sector Liabilities	(185,057,053)	(605,199)	(185,662,252)

30 June 2024 (Unaudited)	Segment Reports		
	Ceramic and marble sales	Transportation sector	Total
Revenues	212,973,553	15,008,161	227,981,714
Cost of revenues	(178,193,720)	(14,351,535)	(192,545,255)
Net sector profit	9,895,088	135,486	10,030,574
Sector assets	268,643,871	17,816,308	286,460,179
Sector Liabilities	(139,962,173)	(1,255,519)	(141,217,692)

18. FINANCIAL INSTRUMENTS- RISK MANAGEMENT

The financial instruments recorded in the Company's interim condensed statement of financial position mainly consist of cash and cash equivalents, trade receivables, some of other debit balances, loans, trade payables and some other credit balances.

Foreign Currencies

Currency risk results on volatility and fluctuations of the value of a financial instrument due to changes in the foreign exchange rate, the company did not carry out any operations of relative importance in currencies other than the Saudi riyal and the US dollar. the exchange rate of the Saudi riyal is fixed against the US dollar, the company's management believes that it is not exposed to currency risk in a substantial way.

Credit risk

Credit risk represents one of the counterparty's liabilities under a financial instrument does not meet its liabilities, resulting in financial loss, The Company's financial instruments that may be exposed to credit risk mainly include cash and cash equivalents and trade receivables. The company deposits its funds in banks of high reliability and credit capacity. The company also has a policy regarding the amount of funds deposited in each bank, and the management does not expect the existence of significant credit risks resulting from that. Also, the management does not expect to be exposed to significant credit risks from customer accounts, given that it has a wide base of customers that operate in different activities and multiple locations, and it also monitors the existing commercial debtors periodically to cover any debts that are expected to be uncollected.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts are in Saudi Riyals)

18. FINANCIAL INSTRUMENTS- RISK MANAGEMENT (COTINUED)

Liquidity risk

Liquidity risk is represented in the company's inability to meet its obligations related to financial liabilities as they fall due. Liquidity needs are monitored on a monthly basis and management ensures that sufficient funds are available to meet any commitments as they fall due.

The company's financial liabilities consist of loans, facilities, trade payables and some other credit balances. The company operates to reduce liquidity risk by ensuring the availability of the necessary cash, in addition to making a harmonization between collection periods of trade receivable balances, loan repayment periods, trade payable balances and other credit balances.

Fair value

Fair value is the price to be received for the sale of an asset or payment to transfer an obligation in an traditionally organized transaction between market participants at the date of capital the differences may arise between book value and fair value estimate, the deflection of fair value are outstand based on measurement attributable to the market and estimates used by market anticipate.

Fair values are classified to different levels in the fair value hierarchy based on the inputs used in evaluation methods as follows:

Level 1: the declared market prices in active markets for the same financial instruments.

Level 2: Valuation method that rely on inputs that affect the fair value that are directly or indirectly observable in the market.

Level 3: Valuation method that rely on inputs that affect fair value that are not directly or indirectly unobservable in the market.

All the company's financial assets and liabilities are listed at amortized cost, and the company's management believes that the fair value of current assets and liabilities does not differ materially from their book value.

Concentration risk

The Company's net purchases during the period ended 30 June 2025 included 97% from two major suppliers (period ended 30 June 2024: 98% from two major suppliers)

19. CAPITAL COMMITMENTS

The capital commitments as of 30 June 2025 amounted to SAR 359,600 (31 December 2024: SAR 1,084,700).

20. SIGNIFICANT EVENTS

on 5 Ramadan 1446 H, corresponding to 5 March 2025, the company announced on the Saudi Stock Exchange (Tadawul) that the shares of Hedab Al Khaleej For Trading Company had been listed on the parallel market (Nomu) with the trading symbol 9631 and the international symbol SA1690Q4MFH7.

21. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The interim condensed financial statements for the period ended 30 June, 2025, were approved for issuance by the Board of Directors on 13 Safar 1447 (corresponding to 7 August 2025).