MARBLE DESIGN FACTORY COMPANY
(SAUDI JOINT STOCK COMPANY)
RIYADH - SAUDI ARABIA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

Index

forv/s mazars

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INDEPENDENT AUDITOR'S REPORT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

To the **Shareholders of Marble Design Factory Company**
(A Saudi Joint Stock Company)

Opinion

We have audited the attached consolidated financial statements of **Marble Design Factory Company** (A Saudi Joint Stock Company) ("The company"), and its subsidiary referred to together as ("the Group") which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for opinion:

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of professional conduct and ethics that are endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated. financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each key audit matter, a description of how our audit addressed the matter is set out below:

Key audit matters	How the matter was addressed in our audit
Revenue recognition: During the year ended 31 December 2024, the Company's revenue amounted to SAR 44,5 million (2023: SAR 51,2 million). Revenue is considered as a significant indicator for measuring performance, which results in an inherent risk of recording revenue at a value higher than its actual amount to increase profitability. Therefore, the revenue recognition process has been considered as a key audit matter. Please refer to Note 6-5 for the accounting policy and Note 21 for the relevant disclosure regarding the accompanying consolidated financial statements.	We have performed the following procedures regarding revenue recognition: - Evaluating the appropriateness of the accounting policies related to the revenue recognition of the Company by taking into consideration the requirements of IFRS 15 "Revenue from Contracts with Clients". - Evaluating the design, implementation and testing of the operational effectiveness of the Company's control procedures, including the control procedures to prevent fraud when recognizing revenue in accordance with the Group's policy. - Testing sales transactions, on a sample basis, and performing cut-off tests of revenue made at the beginning or end of the year to assess whether the revenue has been recognized in the correct period. - Testing revenue transactions, on a sample basis, and verifying supporting documents, to ensure the accuracy and validity of revenue recognition.

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INDEPENDENT AUDITOR'S REPORT ABOUT CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED

Key audit matters	How the matter was addressed in our audit
Inventory: As of December 31, 2024, the company's inventory balance amounted to SAR 43.4 million (December 31, 2023: SAR 49.8 million), representing 70% of total current assets and 46% of total assets as of December 31, 2024 (December 31, 2023: 66% of total current assets and 45% of total assets). The inventory consists of marble slabs, which are either used in manufacturing or sold as is Preliminary. In addition, management calculates the cost of sales and the value of inventory at year-end based on incurred costs, produced quantities, and the year-end inventory balance. Therefore, the existence and valuation of inventory, as well as the cost of sales, are influenced by the inventory count process described above at year-end. Due to the significance of the inventory balance and the related valuations and assumptions used, this has been considered a key audit matter. Please refer to Note (6-11) for the accounting policy and Note (13) for the related disclosures in the attached consolidated financial statements.	We performed the following procedures regarding the existence and valuation of inventory: • Attended the physical inventory count conducted by the group. • Assessed the design and effectiveness of internal control procedures over the inventory accounting cycle. • Evaluated the adequacy and appropriateness of the disclosures related to inventory in the consolidated financial statements • Testing the accuracy of inventory measurement at the lower of cost or net realizable value. • Verifying the adequacy of the provision for inventory impairment.

Other information

Management is responsible for other information and other information consists of information included in the Company's annual report for the year ended 31 December 2024, other than the consolidated financial statements and the auditors' report thereon. We obtained the report of the Board of Directors, prior to the date of our Auditors' report and we expect to obtain the remaining section of the 2024 Annual Report after the date of this auditor's report. The Company's management is responsible for the other information mentioned in its annual report .

Our opinion on the consolidated financial statements does not cover other information and we do not and will not express any form of assurance conclusion thereon. In our audit of the financial statements, it is our responsibility to read the information described above. In doing so, we consider whether the other information is not materially consistent with the financial statements or knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the regulations for companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 'The Board of Directors" are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists, Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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INDEPENDENT AUDITOR'S REPORT ABOUT CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information or commercial activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for directing, supervising, and implementing the audit process. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits of public interest such communication.

For Al-Kharashi Co.

Abdullah S. Al Msned
License No. (456)

Riyadh:
Ramadan 26, 1446 H
March 26, 2025

الخراشي وشركاه
محاسبون و مراجعون قانونيون
س.ت: C.R.: 1010327044
Certified Accountants
& Auditors
AL-Kharashi Co.

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	December 31,2024	December 31,2023
Assets			
Non-current assets:			
Property, plant and equipment	7	30,004,242	32,516,725
Right -of- use assets	8	191,234	2,261,097
Projects in progress	9	2,266,180	-
Total non-current assets		**32,461,656**	**34,777,822**
Current assets:			
Financial assets at fair value through profit or loss	10	2,583,068	-
Trade receivables	11	5,362,793	2,477,954
Other debit balances	12	5,748,028	7,250,263
Inventories	13	43,425,873	49,831,521
Cash and cash equivalents	14	4,507,860	15,408,351
Total current assets		**61,627,622**	**74,968,089**
Total assets		**94,089,278**	**109,745,911**
Equity and Liabilities			
Equity:			
Share capital	15	60,000,000	60,000,000
Statutory reserve		7,877,149	7,230,071
General reserve	17	-	3,500,000
Retained earning		16,972,201	28,048,500
Accumulated changes in other comprehensive income items		406,833	333,356
Total equity		**85,256,183**	**99,111,927**
Liabilities			
Non-current liabilities:			
Non-current portion of leases liabilities	8	-	1,504,473
Employees define benefits obligations	18	1,527,229	1,509,227
Total non-current liabilities		**1,527,229**	**3,013,700**
Current liabilities:			
Current portion of leases liabilities	8	61,789	518,067
Trade payables		118,984	272,635
Other credit balances	19	5,683,759	4,933,720
Zakat provision	20	1,441,334	1,895,862
Total Current Liabilities		**7,305,866**	**7,620,284**
Total liabilities		**8,833,095**	**10,633,984**
Total equity and liabilities		**94,089,278**	**109,745,911**

CFO　　　　CEO　　　　Chairman

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

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31,2024
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	December 31,2024	December 31,2023
Revenues	21	44,534,983	51,182,558
Cost of revenues	22	(24,847,378)	(18,738,057)
Gross profit		**19,687,605**	**32,444,501**
Selling and distribution expenses	23	(2,951,923)	(1,299,314)
General and administrative expenses	24	(9,273,563)	(8,650,076)
Profit from operations		**7,462,119**	**22,495,111**
Other income (expenses):			
Fair value remeasurement gains of financial assets through profit or loss		83,068	-
Finance cost		(167,001)	(118,747)
Other income	25	529,579	400,373
Gain on disposal Property, plant, and equipment	7	4,348	1,031,843
Profit before zakat		**7,912,113**	**23,808,580**
Zakat	20	(1,441,334)	(1,895,862)
Net profit for the year		**6,470,779**	**21,912,718**
Other comprehensive income items:			
Re-measurement of actuarial gains on defined benefits obligation		73,477	333,356
Total other comprehensive income for the year		**6,544,256**	**22,246,074**
Profit per Share			
From net profit for the year	28	**1.08**	**3.65**

CFO CEO Chairman

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

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31,2024
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share capital	Statutory reserve	General reserve	Retained earning	Accumulated changes in other comprehensive income items	Total
Balance as at January1,2023	**60,000,000**	**5,038,799**	**3,500,000**	**18,527,054**	**-**	**87,065,853**
Net profit for the year	-	-	-	21,912,718	-	21,912,718
Transfer to statutory reserve	-	2,191,272	-	(2,191,272)	-	-
Re-measurement of actuarial gains on defined benefits obligation	-	-	-	-	333,356	333,356
Dividends (Note 16)	-	-	-	(10,200,000)	-	(10,200,000)
Balance as at December 31,2023	**60,000,000**	**7,230,071**	**3,500,000**	**28,048,500**	**333,356**	**99,111,927**
Balance as at January1,2024	**60,000,000**	**7,230,071**	**3,500,000**	**28,048,500**	**333,356**	**99,111,927**
Net profit for the year	-	-	-	6,470,779	-	6,470,784
Transferred to retained earnings	-	-	(3,500,000)	3,500,000	-	-
Transfer to statutory reseerve (Note 17)	-	647,078	-	(647,078)	-	-
Re-measurement of actuarial gains on defined benefits obligation	-	-	-	-	73,477	73,477
Dividends (Note 16)	-	-	-	(20,400,000)	-	(20,400,000)
Balance as at December 31,2024	**60,000,000**	**7,877,149**	**-**	**16,972,201**	**406,833**	**85,256,183**

CFO

CEO

Chairman

The accompanying notes form an integral part of these consolidated financial statements

MARBLE DESIGN FACTORY COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,2024
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	December 31,2024	December 31,2023
Cash flows from operating activities:		
Net profit for the year before zakat	7,912,113	23,808,580
Adjustments for non-cash items:		
Impairment in value of inventory provision	5,412,123	-
Depreciation of property, plant, and equipment	2,922,927	2,793,169
Employee defined benefit obligation expenses	258,431	226,490
Finance cost of employee defined benefit obligation	65,795	52,449
Amortisation of right-of- use assets	1,103,794	984,913
Fair value revaluation of financial assets through profit or loss	(83,068)	-
Right-of- use assets aadjustments	102,710	377,404
Finance cost of lease liabilities	5,996	66,298
(Gain) losses on disposals property, plant, and equipment	(4,348)	(1,031,843)
Change in working capital:		
Trade receivables	(2,884,838)	902,328
Other debit balances	1,502,235	(874,106)
Inventories	993,525	4,042,675
Trade payables	(153,651)	(469,823)
Other credit balances	750,038	(4,341,086)
Employees defined benefit obligation paid	(232,747)	(256,532)
Proceeds from Zakat, Tax, and Customs Authority	-	45,783
Zakat paid	(1,895,862)	(1,770,757)
Net cash flow generated from operating activities	**15,775,173**	**24,555,942**
Cash flows from investing activities:		
Additions to property, plant, and equipment	(410,444)	(7,023,850)
Proceeds from disposal of property, plant, and equipment	4,348	4,094,659
Additions to projects in progress	(2,266,180)	-
Investments in equity instruments through profit or loss	(2,500,000)	-
Net cash flow used in investing activities	**(5,172,276)**	**(2,929,191)**
Cash flows from financing activities:		
Lease liabilities payments	(1,103,388)	(916,898)
Dividends	(20,400,000)	(10,200,000)
Net cash flow used in financing activities	**(21,503,388)**	**(11,116,898)**
Net change in cash and cash equivalents	(10,900,491)	10,509,853
Cash and cash equivalent at the beginning of the year	15,408,351	4,898,498
Cash and cash equivalents at end of the year	**4,507,860**	**15,408,351**
Non-cash transaction		
Addition to right-of- assets	1,102,782	2,949,142

CFO

CEO

Chairman

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

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. ACTIVITIES

1/1- Company information

The marble design factory company - a Saudi joint stock company (referred to below the "company") was established its main center, Riyadh, according to Commercial Register No. 1010423253 on 12/11/1435 AH to practice its activities in:

Cut and spread marble, marble installation, and the activities of the company's articles of association are in the manufacturing industries, construction and construction, transportation and storage, real estate activities, administrative services, and support services.

The company has the following sub -commercial records:

Statement	Commercial Registration No	Register history	Headquarters	Activity
Marble Design Company for Contracting	1010232822	26/4/1428 AH	Riyadh	General contracting and buildings
Marble design factory company	2051239375	03/06/1443 AH	Al Khobar	Retailing for marble, natural stone, artificial, ceramic, porcelain, and marble installation
Marble design factory company	1010772826	13/06/1443 AH	Riyadh	Retailing for marble, natural stone, artificial, ceramic, porcelain, and marble installation

- The marble design factory company (a Saudi joint stock company) obtained a national industrial facility license No. (431110119818) on 13/10/1439 AH.
- During the previous year, on 27/06/1443 AH (corresponding to 30/01/2022), the shareholders decided to transfer the company from a limited liability company to a closed Saudi joint stock company.
- The Ordinary General Assembly, which was held on 19/07/1443 AH (corresponding to 20/02/2022 AD), approved the offering of 600,000 ordinary shares in the parallel market (Nomu), representing 10% of the company's total shares, which amount to 6,000,000 ordinary shares. The registration and listing in the parallel market were to take place after obtaining the necessary approvals from the Capital Market Authority and the Saudi Stock Exchange Group. On 05/01/1445 AH (corresponding to 23/07/2023 AD), 10% of the company's shares were offered for subscription in the "Nomu" market, and the offering period lasted for one week, ending on 27/07/2023. The company was listed on 08/08/2023.

The main center is in the following address:
Kingdom of Saudi Arabia, Riyadh- 8416 Sadous, the industrial zone, p. 59268, postal code 13968

1/2- Consolidated financial statements:

For the company's financial statements, they are consolidated with the financial statements of the Al -Maskan Road Real Estate Development Company "The subsidiary" - a limited liability company - one person whose main position in Riyadh is according to commercial registry No. 1010250230 dated 13/05/1429 AH and ends on 19/1/1445 AH - to practice Its activity in: "General construction of residential buildings, general construction of non -residential buildings such as schools, hospitals and hotels, retail marble, natural, artificial, ceramic and porcelain, buying and selling lands and real estate and dividing them and selling activities on the map, managing and leasing real estate owned or leased (residential), management and rental Realized or leased properties (non -residential). The acquisition of the subsidiary company was as follows:

- On the date of 16/04/1443 AH (corresponding to 21/11/2021) The founding contract for the subsidiary (Al -Maskan Road Real Estate Development Company) was amended by the partner Muhammad Abdul Rahman Abdullah Al -Naeem and the partner Ahmed Abdullah Abdul Rahman Abdullah Al -Kharashi and the waiver of all their shares in the company of 21,300 Classification of capital value 21,300,000 to the new capital owner, a marble design factory company- a closed Saudi joint stock company - and the company's status is modified to become a limited liability company - one person. The entire subsidiary company was acquired by the marble design factory company 100%. The following is the ownership data of the subsidiary included in these unified financial statements:

The subsidiary company	Year Founded	Ownership percentage		Activity	Headquarters
		2024	2023		
Al -Maskan Road for Real Estate Development	2008 AD	%100	%100	Real estate activities and retail sales of marble, natural and artificial stone, ceramics, and porcelain	Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

2/1 Statement of compliance:

These consolidated financial statements have been prepared in accordance with the International Financial Reports Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

3. BASIS OF MEASUREMENT

3/1 The principle of historical cost:

These consolidated financial statements have been prepared in accordance with the principle of historical cost and using Accrual basis and the concept of continuity of activity, except some of the financial tools that are measured by the amortized cost using the effective interest rate and others that are measured by fair value through the other comprehensive income.

3/2 Presentation currency and activity:

The financial statements are prepared in Saudi Riyals, which is the functional and presentation currency of the Group.

4. BASIS OF CONSOLIDATION OF FINANCIAL STATEMENTS

These consolidated financial statements comprising the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flow and notes to the consolidated financial statements of the Group, include assets, liabilities, and results of the operations of the Company business and subsidiaries. Subsidiaries are the companies controlled by the Group, and in particular, the group controls the invested company only when the group has:

- Authority over the invested company (the existence of rights that give the group a current ability to direct activities related to the company invested in it).
- Exposure to risks or has rights to obtain different returns through its relationship with the company in which it invests.
- The ability to use its powers over the invested company to influence its returns.

In general, there is an assumption that the majority of voting rights result in control. In support of this assumption, when the group has less than a majority in voting rights or similar rights in the company in which it is invested, the Group takes into account all the facts and circumstances involved in this when ascertaining whether it exercises control over the company in which it invests, including:

- Contractual arrangements with other voting rights holders of the company in which the investor is invested.
- Rights resulting from other contractual arrangements.
- The voting rights of the group and the potential voting rights.

Subsidiaries are consolidated from the date they begin to control and until they cease to exercise that control. The group accounts for business combinations using the acquisition method when the control is transferred to the group. The converted compensation in the acquisition is generally measured at fair value, as is the case with the net identifiable assets acquired. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill in the consolidated statement of financial position. Non- controlling equity is measured by its share of net assets identifiable to the company acquired at the date of acquisition. The share in profit or loss and net assets not controlled by the Group is listed as a separate item in the consolidated statement of profit or loss and other comprehensive income and within the equity in the consolidated statement of financial position. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group.

5. CHANGES IN ACCOUNTING POLICIES:

5-1 New Standards, Amendments to Standards, and Interpretations

The amendments to the standards effective from January 1, 2024, are as follows:

5-1-1 Amendments to IFRS 16 - Lease Liabilities in Sale and Leaseback Transactions

These amendments include requirements for sale and leaseback transactions in IFRS 16 to clarify how a company should account for sale and leaseback transactions after the transaction date. In sale and leaseback transactions where some or all lease payments are considered to be variable lease payments based on an index or rate that is highly likely to be affected.

5-1-2 Amendments to International Accounting Standard 1 – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current

These amendments clarify how compliance with the conditions that a company must meet within twelve months after the reporting period affects the classification of liabilities. The amendments also aim to enhance the information that the company provides regarding liabilities subject to these conditions.

5-1-3 Amendments to International Accounting Standard 7 and IFRS 7 – Supplier Financing Arrangements

These amendments require disclosures to enhance the transparency of supplier financing arrangements and their impact on the entity's liabilities, cash flows, and exposure to liquidity risks. The above amendments have no material impact on the financial statements for the year.

5. CHANGES IN ACCOUNTING POLICIES (CONTINUED):

5-1 New Standards Issued But Not Yet Applied

Below is a list of new standards and amendments to standards that are applicable for years starting on or after January 1, 2025, with early adoption permitted, but which the company has not yet applied when preparing these financial statements. The company is currently assessing the impact of applying these standards on its financial statements.

5-1-1 Amendments to International Accounting Standard 27 – Non-convertibility

The entity is affected by these amendments when it has a transaction or operation in a foreign currency that is non-convertible into another currency at the measurement date for a specific purpose.

5-1-2 Amendments to IFRS 9 and IAS 7 – Classification and Measurement of Financial Instruments The amendments:

- Clarify the timing requirements for the recognition of certain financial assets and liabilities and their derecognition, with a new exception for certain financial liabilities settled through an electronic cash transfer system.
- Clarify and provide additional guidance for evaluating whether a financial asset meets the criteria of only making payments of principal and interest.
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as instruments with features linked to achieving environmental, social, and governance objectives); and
- Update disclosures for equity instruments measured at fair value through other comprehensive income.

5-1-3 IFRS 18 – Presentation and Disclosure in Financial Statements

The new standard for presentation and disclosure in financial statements, effective on or after January 1, 2027, focuses on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 include:

- The structure of the statement of profit or loss;
- Required disclosures in the financial statements for certain performance measures of profit or loss reported outside the entity's financial statements (i.e., performance measures defined by management); and
- Enhanced principles of aggregation and classification that apply to primary financial statements and notes in general.

6. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES:

6/1 Judgments, estimates and important accounting assumptions:

The preparation of these consolidated financial statements requires management to use provisions and estimates that affect the application of accounting policies and the amounts listed assets and obligations and the disclosure of possible assets and obligations in the history of financial statements, revenues and expenses, and although estimates are based on the best information and events available to the administration on the date of issuing financial statements However, the actual final results may vary fundamentally different from these estimates. These estimates and assumptions are reviewed periodically, the impact of the amendments resulting from changing accounting estimates is shown in the period in which it occurs if the impact of the amendment on the year in which the change occurred only or the year in which the change and the coming years occurred if the impact of the amendment extends to the year in which it occurred Change and coming years.

Going concern

In the context of applying the group's accounting policies, the administration has set the following estimates and provisions, which are essential in the financial statements:

- Measuring specific benefits obligations, major actuarial assumptions (Note 6/12 and Note 18)
- Measurement of the landing allowance of receivables, which is a basic assumption of estimating the weighted average of losses (Note 4/6 and Note 11)

The company's management conducted an evaluation of the company's ability to continue according to the principle of continuity, and it has a conviction that the company has sufficient resources for its continued work in the near future. In addition, the management has no fundamental doubts about the company's ability to continue. Therefore, the financial statements are still prepared based on the principle of continuity.

Useful life for property, plant, and equipment

The Group's management determines the estimated useful lives of property, plant, and equipment for the purpose of calculating depreciation. These estimates are determined after considering the expected usage of the assets or the depreciation to which these assets are exposed. The management reviews the residual value and the useful lives annually, and the annual depreciation expenses are adjusted when the management believes that the useful lives differ from previous estimates.

Provisions

By their nature, the measurement of provisions depends upon estimates and assessments whether the criteria for recognition have been met, including estimates the amounts that are possible to pay. The allocations for lawsuits are based on the estimation of costs, after considering the legal advice and other information currently available. The allocations related to non -confirmed liabilities include the best management estimates if it is likely to occur.

6. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) :

Employees defined benefit obligation

The cost of employee benefit obligations and other after-service benefits are determined by actuarial valuation exercises. The actuarial estimates involve making many assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate and future salary increases. Given the complexity of the estimates and the underlying assumptions and their long-term nature, the estimated dues are very sensitive to any change in those assumptions. All actuarial assumptions are reviewed in the history of each consolidated financial position prepared for a special purpose.

Significant judgements in determining the lease term for contracts that include renewal and terminate options:

The Group defines the lease term as the irrevocable term of the lease, together with any periods covered by the option to extend the fee if that right can reasonably be exercised, or any periods covered by the option to terminate it is reasonably certain that it will not exercise this right.

6/2 Lease Contracts:

The international criterion for preparing financial reports No. (16) defines rental contracts how to recognize, measure supply and disclosure of rental contracts. The standard provides one accounting model, which requires tenants to recognize the assets and liabilities of all rental contracts unless the lease contract period is 12 months or less or that the original contract is of a low value. The lessors continue to classify rental contracts as operational or financing within the concept of the international standard for the preparation of financial reports No. (16) related to accounting for the lessor without fundamental change of international accounting standard No. (17). This standard shall apply from the beginning of January 1, 2019, Saudi Organization for Chartered and Professional Accountants has approved the amendment made by the International Accounting Standards Council for the International Financial Report No. (16) rental contracts, which gives the rented option to deal with the rental discounts granted to them due to the Kovid-19 pandemic in order to facilitate the application of the standard.

When applying the international standard for financial report No. (16), the group recognized the rental obligations and the right to use relevant assets regarding contracts that were classified as lease contracts according to the standard. By measuring the obligations of the current value of the remaining rental payments, using the additional borrowing price, and measuring the assets of the right to use related to the amount equivalent to the rental commitment to a rate according to the amount of payments due and related to this rent.

6/3 Investments in subsidiary companies (Equity method):

The subsidiary is the facility that is under the control of the parent company. Control is the authority to control the financial and operational policies of the facilities invested in them in order to obtain benefits from their activities. On each date, the financial statements of the facility are unified within the unified financial statements of the parent company. Control is assumed when the group owns directly or indirectly, through.more than half -power facilities - voting for a facility. This may not be assumed in exceptional circumstances when it can be clearly demonstrated that this property is not.

Form control. Control is also - when the parent company has half, or less than half, the voting force of a facility but has:

A. Salad on more than half of the voting rights in accordance with an agreement with other investors; or

B. The authority to control the facility's financial and operational policies under legislation or agreement, or

C. The authority to appoint or isolate the majority of the members of the Board of Directors or the equivalent ruling body and that controlling the facility is through that council or that body; or

D. The authority to cast a majority of votes in the meetings of the board of directors or the equivalent ruling body and that controlling the facility is through that council or that body.

The results of the assets and affiliates of the affiliated facilities are included in the standard financial center list using the equity method. And according to which the investment in the affiliated facility is recorded in the cost of the unified financial center and the cost is adjusted after that so that the group's share in the profits or losses and the other comprehensive income of the affiliated facility is recorded. When the group's share in the losses of its affiliated facility exceeds its property in the affiliated facility (which includes any long -term property, in its content, part of the group's net investment in the affiliated facility), the group stops admitting its share of additional losses. Additional losses are recorded only to the extent that the group incurs legal or contractual liabilities or made payments on behalf of the affiliated facility. And if the affiliated facility in a later period records profits, the group resumes its share of these profits only when its share of profits is equal to its share of unregistered losses.

Accounting is made about the group's investment in the affiliated facility from the date in which the facility becomes an invested facility. Upon acquiring investment in the affiliated facility, any increase in the cost of investment from the group's share in the net fair value of the assets and liabilities specified for the facility invested in it as fame and included in the book value of the investment.

Any increase in the group's share of the net fair value of the assets and liabilities specified for the facility on the cost of investment after the re -evaluation directly in the list of profits or unified losses in the year in which the investment is acquired.

When one of the group's companies deals with a group of the group, the profits and losses resulting from this deal in the unified financial statements of the group are recorded only as it owns in the subsidiary facility related to the group.

6. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) :

6/4 Financial Instruments

A) Recognition and measurement

The trade receivables are initially proven when they are established. All other financial assets and liabilities are proven in principle when the company becomes a party to the contractual provisions of the tool.
The financial asset (unless it is trade receivable without an important financing element) or the financial commitment in principle is measured by a fair value in addition to a clause that is not fair through profits and losses, the costs of transaction that are attributed directly to their possession or issuance. Accounts receivables are proven to be without a large financing component initially at the price of transaction.

B) Classification and measurement of financial assets and financial liabilities

-Financial assets

At first proof, financial assets are classified as measured financial assets at the amortized cost, or by fair value through other comprehensive income - investments in debt tools, or by fair value through the other comprehensive income or by fair value through profit or loss - investments in tools Property rights. The classification of financial assets in accordance with the international standard - for financial report No. (9) is usually based on the business model through which the financial assets are managed as well as the characteristics of their contractual cash flow. The derivatives included in the contracts where the financial assets are never the host within the scope of the standard, and instead, the mixed financial tool is eliminated with the aim of classifying them.
The financial assets are measured by the amortized cost if both conditions are fulfilled below and are not classified as fair by profit or loss.

It is kept within the workers' model that aims to maintain assets to collect contractual monetary flows,

- Its contractual provisions arise on specific dates of cash flows, which are only payments for the amount and the benefit of the original amount.

All the financial assets that are not categorized by the amortized cost or fair value through the other comprehensive income according to what was indicated above, are measured by fair value through profit or loss, and this includes all derived financial assets. Upon preliminary proof, the group has the right to permanently allocate the financial assets that in another way that meets the measurement requirements at the amortized cost or by fair value through the other comprehensive income, as financial assets of fair value through profit or loss, and if it does, you delete the accounting mismanagement that may It arises in another way or reduces it significantly.
The following accounting policies are applied to the subsequent measurement of financial assets:

Financial assets classified as FVPL-

The subsequent measurement of these assets is done at a fair value. The net gains and losses are proven, and include any interest or profit income, within profit or loss.

Financial assets classified as amortized cost- The subsequent measurement of these assets is carried out at the amortized cost using the actual interest method. The amortized cost is reduced by the losses of the decrease in value. Interest revenues, profits and losses are proven to transfer foreign currencies and decrease in value within profit or loss. Any profit or loss is proven within profit or loss.
The financial assets installed at the amortized cost of the commercial city, contractual and cash assets and the like.

The amounts due from trade receivable and others

Most revenues are made based on regular credit conditions, and do not carry benefits. When the credit is extended until after regular credit conditions, the amounts due from the trade receivable are measured and unavoidable at the cost of amortized using the real interest method. At the end of each report, the book's values are reviewed by the amounts due from the trade receivable and others to determine whether there is any objective evidence of a decline in the value of those receivables. If there is objective evidence of the value of the value, the loss of value falls within the profit or the loss is proven directly.

Financial liabilities

Financial liabilities are classified when measured by the amortized cost or fair value through the profit or loss menu. Financial liabilities are categorized by fair value through the profit or loss menu if they are classified as being retained for trading, and they are derived or dedicated in this way when initial recognition. Financial liabilities at fair value through the list of R on or loss are measured by fair value and net gains or losses, including any interest expenses that are proven in profit or loss. Other financial liabilities are later measured by the amortized cost using the real interest method.

The amounts due to trade payable and others

Trade payables are required based on regular credit conditions and do not carry benefits. Commercial credit for foreign currency is transferred to the Saudi riyal using the exchange rate on the date of the report. Foreign exchange profits or losses are included within the revenues or other expenses in the list of profit and losses.

6. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

De-recognition

Financial assets:

The group excludes the financial asset when the contractual rights end of the cash flows from the financial origin or transfer the rights to receive the contractual cash flows in a large -scale process in which all the risks and benefits of the financial origin are transferred, or the group does not transfer or retain all the risks and benefits of ownership And do not keep controlling the financial asset.

The group enters operations according to which it transports the assets recognized in its financial position list, but it maintains all or fundamentally all the risks and benefits of the converted assets. In this case, the converted assets are not excluded.

Financial liabilities:

The group de-recognizes financial obligations upon fulfillment of its contractual obligations, abolishing or ending its interest. The group, that is, also cancels the financial obligations when its conditions are adjusted and the cash flows of the amended obligations are fundamentally different, in this case the new financial obligations based on the modified conditions are recognized by fair value.

Compensation:

Financial assets and financial liabilities are compensated, and the net amount is presented in the list of financial position when the group is currently the right to be legally implemented in settling the amounts and intends to settle them on a net or to achieve the original and settle the requirements at the same time.

When excluding financial liabilities, the difference between the amortized book value and the paid -up return (including any non -transformed cash assets or supposed obligations) are recognized in profit or loss.

Impairment in value of financial assets

The group recognizes the allocations for the expected credit losses on the financial assets measured by the amortized cost and the assets of the contracts.

The group measures losing allocations with an amount equal to expected credit losses for life.

Under the International Standard of Financial Reports 9, the allocations of losses are measured on any of the following establishes:

- The expected credit losses over a period of 12 months: It is the result of possible stumbling events during a period of 12 months from the date of the financial statements; And
- The expected credit losses over the life of the financial tool: the credit losses that are produced from all possible faltering events over the expected age of the financial tool.

The group considers that the financial asset is behind the payment when:

- The debtor is unlikely to pay his credit obligations to the entire group, without resorting to the group to measures such as achieving the guarantee (if any); or
- The financial assets are more than 4 years from the date of entitlement from government agencies and more than two years from the date of entitlement from the commercial authorities.

Measuring expected credit losses:

The expected credit losses are potentially likely credit losses. Credit losses are measured as the current value of all the shortage of cash (i.e., the difference between the cash flows of the contract and the cash flows that the company expects to receive). The expected credit losses are deducted at the real interest rate of the financial asset.

Low financial assets whose credit value:

The company's date of financial statements assess whether the financial assets listed at the amortized cost are low -value. The financial asset is evaluated as low -valuable credit when an event occurs or has a negative impact on future cash flows estimated at that financial asset.

Evidence that indicates lower financial assets includes data on the following observation:

- Great financial difficulty for the debtor.
- Back to the contract, such as negligence or delays more than 4 years from the date of entitlement from government agencies and more than two years from the date of entitlement from the commercial authorities.
- Restructuring the loan or advance by the company on conditions that the company does not see otherwise.
- It is possible that the debtor will enter bankruptcy or other financial reorganization, or

The disappearance of an active securities market due to financial difficulties.

Value decrease:

Loss allowances are deducted for financial assets that are measured at the cost of amortized the book value of the assets. Low losses in the value of the city's commercial and other city receivables are displayed separately in the list of profits or losses.

6. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

The decrease in the value of non-financial assets:

The company, on the date of preparing all financial lists, assesses whether there is an indication of a decrease in the value of a non-financial origin. In the event of any indicator or when it is required to test a decrease in the annual value of the original, the company estimates the recovered value of the original.

The recovered value is the fair value of the original or the unit produced for the cash, minus the costs of exclusion and the value used, whichever is higher. The recovered value of individual origin is determined separately, unless the original does not produce a largely independent cash flow from cash flows from assets or other assets. When the book value of the original or the cash unit increases its recovered value, the asset is considered low value and is reduced to its recovered value.

When assessing the current value, future cash flows are estimated at their current value using a discount rate that reflects the current market assessments of the time value of money and private risks of the original. When determining the fair value minus exclusion costs, the good market transactions are considered.

If such transactions are not determined, an appropriate evaluation form is used. These calculations are recognized by complications of evaluation, arrow prices listed for traded companies or other fair value indicators available.

As for the assets except for goodwill, an evaluation is made on the date of each financial report to determine whether there is any indication that the losses of decreased value previously did not exist or have decreased. In the event of such an indicator, the company estimates the recovered value of the asset or the cash produced unit. The loss of the decrease in the previously recognized value is reflected only if there is a change in the assumptions used to determine the recovered value of the original since the last recognition of a decrease in the value. It determines the opposite so that the book value of the original does not exceed the recovered value and does not exceed the book value that could have been determined in net after consumption if the loss of the value of the asset is not recognized in the previous years.

6/5- Revenues and revenues recognition:

Revenue is recognized when controlling one of the assets either over time or at a certain time. Know control of one of the assets with the ability to direct use and all the benefits related to these assets.

Revenue from the main activity:

Revenue is recognized when transporting goods or performing the required service to customers in an amount that reflects the financial compensation that the group expects to deserve in exchange for those goods. Revenue is recognized when the following steps are met:

1. Determine the sale contract with the customer. This contract does not have to be written.
2. There is a performance commitment.
3. Determine the price of the transaction.
4. Distributing the price of the transaction to the performance commitment.
5. Acknowledging the revenues when fulfilling the performance obligations.

When evaluating these steps, the administration puts the following in its account:

- The approval of the parties (the buyer and the seller) to sell, while transferring the rights of each party for these goods under sale. The payment conditions should also be studied to ensure that the contract has a commercial basis and that material compensation for the sale of these goods is likely to be collected.
- Determine independent goods agreed under the contract. These independent goods are referred to as a performance commitment. When studying whether these goods are independent, the administration assesses whether these goods can provide benefit in themselves, and that the group's promise has been determined to convert these goods to the customer separately. All group sales are independent.
- The financial compensation expected to be entitled to the transfer of these goods. All the group's sales have Compensate fixed.
- Distributing the price of the transaction on commodities under the contract.
- Fulfillment of the performance commitment.

6/6 Other revenues:

Other revenues are recognized when it is accrual and are measured by the fair value of the obtained or accrued compensation.

6/7 Revenues returns:

No commitment to the recovery of funds was put in place because of the level of goods returns, as indicated by the group's previous experiences.

6/8 The cost of revenues:

The cost of sales includes direct costs of production that includes the costs of raw materials, contracts and consumption services associated with property, machines, equipment, and extinguishing associated with postponed expenses and indirect costs related directly to production.

6. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

6/9- Expenses:

General and administrative expenses include some direct and indirect costs, which are not necessarily part of the cost of revenues in accordance with the accepted accounting principles, and the costs are distributed between the cost of revenues and general and administrative expenses, if necessary, on a regular basis.

6/10 Property, plant, and equipment:

Property, machines, and equipment are recognized by cost after accumulated depreciation and any decrease in value. The cost includes direct expenses for the acquisition of the original. Improvements that are essentially more than the production of the asset are reinforced. All other expenses for repair and maintenance are loaded on the list of profits or losses at the time of their occurrence.

The depreciation of property and equipment is calculated using the straight-line method, after deducting the remaining estimated value, over its expected production ages according to the following annual ratios.

Statement	Depreciation rate	Statement	Depreciation rate
• Buildings	%5	• Decorations	%15
• Building equipment on the lands of others	%10	• Cars	%20
• Furniture, furnishing, and office equipment.	%10	• Computer devices and software	%25
• Property and equipment	%12.5		

If the item of property, machinery and equipment consists of the components of individual parts that have the application of other appropriate methods or depreciation methods, then each part is consumed separately. The separate part is a material part or a non -material part that represents a major examination or reform.

The recognition of the item of property, machines and equipment is stopped when excluding the asset or when the future economic benefits are not expected to use it. Any gains or losses resulting from the exclusion of the asset (calculated in the difference between the net exclusion proceeds and the book value of the original) is included in the income list when stopping recognition of the original.

When there are indicators on changing the remaining estimated value or the expected useful of property, machines and equipment, previous estimates are reviewed by the administration and based on this review, the remaining estimated values, the expected useful or depreciation methods of property and equipment are modified in a future impact.

6/11-Inventory:

The company's inventory is the value of raw materials, work in process, complete production and spare parts that appear as stock balances in the history of the financial center list, and the stock is measured at the cost of cost or net valuable value, whichever is less, and the cost is determined based on the weighted average. The cost includes the net purchase value and other direct expenses related to the purchase value, and the net value that can be verified is made up of the estimated sale price minus the costs of completing the sale. It avoids allocated when necessary for any limitable or slow inventory.

- The group follows the continuous inventory method for the inventory.

6/12-Employees define benefits obligations:

The group has a system of end -of -service benefits for employees within a specific benefits plan that is consistent with work and workers systems in the Kingdom of Saudi Arabia based on the last salary and number of years of service. End service benefits plans are not funded. Consequently, the assessments of obligations under plans are implemented by an independent actuary expert based on the estimated additional unit. The costs related to these plans consist of the current value of the benefits attributed on an equal basis in each year of service years and the benefit of this commitment regarding the employee service in previous years.

The current and previous service costs related to post -service benefits are proven and reflect the commitment to the discount rates used in profit or loss. Any changes in net commitment due to actuarial assessments and changes in assumptions are considered as a reinstallation in the other comprehensive income. Realization of profits and losses that arise from the amendments to experience and changes in the actuarial assumptions in the period in which it occurs, directly in the other comprehensive income, and are displayed separately in the list of changes in the rights of unified partners in the period in which it occurs.

Changes in the current value are proven to adhere to the specific benefits resulting from the amendments or reductions of the system immediately in the profit or loss menu and the other comprehensive income as previous service costs. End of service payments depend mainly on the salaries of the final employees, allowances, and the accumulated years of service, as shown in the work system in the Kingdom of Saudi Arabia.

6. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

6/13- Provision for zakat

Zakat is calculated according to the instructions issued by the Public Authority for Zakat and Income, and a dedicated to the administer of the legal zakat due annually and is loaded on the income menu, and any differences between the calculated provision and the final link are recorded when the final link is approved on the income list at the time.

6/14- Value -added tax:

The company is subject to the value -added tax system, and the tax is calculated upon the issuance of the bill, the delivery of the service, the receipt of the price or a part of it, and the approval of the value -added tax is submitted monthly.

6/15- Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and that it is likely that it is necessary to use resources that include economic benefits to pay the obligation and that the amount of the commitment can be reliably estimated. In cases where the group expects to recover some or all provisions through a third party, for example, according to an insurance contract, the recovered amounts are recognized as an independent asset only, only when the recovery process is really confirmed. The expenses related to the provision in the income statement are recognized after deducting any recovered amounts.

6/16- Possible assets and liabilities:

Possible assets are not proven in the financial statements, but they are disclosed when it is possible to achieve economic benefits. An evaluation is made in the date of each financial period to recognize possible liabilities, which are possible liabilities arising from previous events that can only occur with the occurrence of the occurrence of one or more of the future events that are not subject to the full control of the company.

6/17- Statutory Reserve

In accordance with its By-laws and the Regulations for Companies in Kingdom of Saudi Arabia, the Company is required to transfer 10% of its net profit for the year to a statutory reserve until such reserve equals 30% of its share capital. Thi Statutory Reserve is not available for distribution to shareholders.

6/18- Foreign currencies

The Group's consolidated financial statements are presented in Saudi Riyals, which is the presentational and functional currency in Kingdom of Saudi Arabia. Transactions in foreign currencies are initially recorded by the Group at their market exchange rate against the functional currency at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. And all the differences resulting from the settlement or translation of cash clauses are included at prices that differ from those that were translated with at the initial evidence within the profit or loss directly in the period in which they arise.

6/19- Cash and cash equivalents

Cash and cash equivalents include bank balances and short-term deposits with original maturities of three months or less, if any, which are not subject to fundamental risks to change in their value. Cash and cash equivalents are excluded from banking restrictions and not available for use of cash and cash equivalents for the purpose of preparing a cash flow statement.

6/20- Transactions with the related parties:

The person or a member is close to the family of that person with the company, if that person is a member of the company's senior management employees, or has joint control or control over the company, or has an important impact on the company.

The employee working in the company is a member of the company's senior management employees, if that employee is one of the company's shareholders, or has the powers of taking administrative decisions affecting the company.

A facility related to the company is considered if any of the following conditions applies:

- The facility and the company are members of the company itself.
- To be a colleague or joint venture facility with the company.
- The facility and the company are joint projects for the third party itself.
- One of the facilities is a joint venture for a third facility and the other facility is a colleague of the third facility.
- The facility is a post -employment benefits plan for employees, either in the company or in a company related to the company.
- The fact that the company is under control or control by a specific person in the first paragraph above.
- The facility or any member of the company, which is part of which provides services for the group's senior management staff.
- A specific person in the first paragraph above has an important impact on the company or he is a member of the group's senior management employees.

6. SUMMARY FOR SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

6/21 Foundations for measuring and classifying assets and liabilities to "current" and "non-current ":
The company shows the assets and liabilities in the financial position list based on current / non-current.

The assets are current:
• When it is expected to be achieved, intended to sell or rescue it during the regular operations course
• If it is mainly acquired for the purpose of trading
• When it is expected to be achieved within twelve months after the financial period, or
• When you are criticism and equivalent to criticism unless there are restrictions on replacing or using them to pay any liabilities for a period of no less than twelve months after the financial period.
All other assets are classified as " non-current ".

The liabilities are considered current:
• When it is expected to be paid, during the regular operations course
• If it is mainly acquired for trading purposes
• When you deserve to pay within twelve months after the financial period, or
• When there is no unconditional right to postpone the payment of liabilities for a period of not less than twelve months after the financial period.
All other liabilities are classified as "non-current."

6/22- Fair value measurement:
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
A- In the principal market for the asset or liability; or
B- In the absence of a principal market, in the most advantageous market for the asset or the liability.
The principal or the most advantageous market must be accessible by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or the liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.
All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7. Property, plant, and equipment:

	Lands	Buildings	Buildings on the lands of others	Furniture and fixture	Plant and equipment	Decorations	Vehicles	Computers and programs	Total
Cost:									
Balance as of January 1,2024	13,441,724	13,271,986	295,343	3,547,741	11,564,972	791,441	2,828,611	756,613	**46,498,431**
Addition during the year	-	-	-	290,954	77,967	-	-	41,523	**410,444**
Disposals during the year	-	-	-	-	-	-	(50,000)	-	**(50,000)**
Balance as of December 31,2024	**13,441,724**	**13,271,986**	**295,343**	**3,838,695**	**11,642,939**	**791,441**	**2,778,611**	**798,136**	**46,858,875**
Accumulated Depreciation:									
Balance as of January 1,2024	-	3,244,004	295,343	1,079,115	6,471,251	791,441	1,547,151	553,401	**13,981,706**
Depreciation the year	-	631,208	-	313,350	1,412,919	-	439,950	125,499	**2,922,927**
Disposals during the year	-	-	-	-	-	-	(50,000)	-	**(50,000)**
Balance as of December 31,2024	-	**3,875,212**	**295,343**	**1,392,465**	**7,884,169**	**791,441**	**1,937,101**	**678,900**	**16,854,633**
Net book value:									
Balance as of December 31,2024	**13,441,724**	**9,396,774**	-	**2,446,230**	**3,758,769**	-	**841,510**	**119,236**	**30,004,242**

- The total carrying amount of fully depreciated property, plant, and equipment that are still in use amounted to SAR 3,887,818 as of December 31, 2024 (December 31, 2023: SAR 2,802,278).
- Depreciation expenses were distributed as follows:

	Note	December 31, 2024	December 31, 2023
Cost of revenues	22	1,899,902	1,815,559
General and administrative expenses	24	1,023,025	977,610
		2,922,927	**2,793,169**

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7- Property, plant, and equipment(continued):

The movement of property, plant and equipment during the year ending on December 31, 2023, is as follows:

	Lands	Buildings	Buildings on the lands of others	Furniture and fixture	Plant and equipment	Decorations	Vehicles	Computers and programs	Total
Cost:									
Balance as of January 1,2023	10,524,560	14,271,717	295,343	2,625,913	11,366,792	791,441	2,467,091	688,428	**43,031,285**
Addition during the year	5,256,575	-	-	1,084,390	198,180	-	416,520	68,185	**7,023,850**
Disposals during the year	(2,339,411)	(999,731)	-	(162,562)	-	-	(55,000)	-	**(3,556,704)**
Balance as of December 31,2023	**13,441,724**	**13,271,986**	**295,343**	**3,547,741**	**11,564,972**	**791,441**	**2,828,611**	**756,613**	**46,498,431**
Accumulated Depreciation:									
Balance as of January 1,2023	-	3,511,095	295,343	837,373	5,067,235	791,441	1,219,659	446,067	**12,168,213**
Depreciation the year	-	632,667	-	266,660	1,404,016	-	382,492	107,334	**2,793,169**
Disposals during the year	-	(899,758)	-	(24,918)	-	-	(55,000)	-	**(979,676)**
Balance as of December 31,2023	-	**3,244,004**	**295,343**	**1,079,115**	**6,471,251**	**791,441**	**1,547,151**	**553,401**	**13,981,706**
Netbook value:									
Balance as of December 31,2023	**13,441,724**	**10,027,982**	-	**2,468,626**	**5,093,721**	-	**1,281,460**	**203,212**	**32,516,725**

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

8. Leases:

8/1- Right of use assets, net

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	2,261,097	1,186,949
Addition during the year	1,102,782	2,949,142
Disposals	(2,068,851)	-
Less:		
Depreciation during the year	(1,103,794)	(984,913)
Adjustments	-	(890,081)
Right of use assets, net	**191,234**	**2,261,097**

8/2- Lease liability

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	2,022,540	436,676
Addition during the year	1,102,782	2,949,142
Finance cost	5,996	66,298
Less:		
Repayments of lease liability during the year	(1,103,388)	(916,898)
Adjustments	102,710	(512,678)
Disposals	(2,068,851)	-
Balance at the end of the year	**61,789**	**2,022,540**
Lease liability- current portion	**61,789**	**518,067**
Lease liability- non-current portion	-	**1,504,473**

9. Projects in progress:

	December 31, 2024	December 31, 2023
Additions during the year	2,266,180	-
	2,266,180	-

*During the year ended December 31, 2024, the company established showrooms and warehouses to display its products, which are still under construction as of the date of the attached consolidated financial statements.

10. Financial assets at fair value through profit or loss:

	December 31, 2024	December 31, 2023
Cost of investments in equity instruments	2,500,000	
Fair value revaluation gains on investment at year-end	83,068	-
Value of the investment at year-end	**2,583,068**	-

"During the year ended December 31, 2024, the company entered into an agreement with Al Khair Capital to invest an amount of SAR 2,500,000 in equity instruments (listed shares), resulting in fair value revaluation gains of SAR 83,068 at year-end. The investment gains at fair value were recognized through the profit or loss statement.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

11. Trade receivables:

	December 31, 2024	December 31, 2023
Trade receivables	5,915,883	3,031,044
Less: expected credit losses	(553,090)	(553.090)
	5,362,793	**2,477,954**

11-A. The movement of the expected credit loss provision during the year was as follows:

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	553,090	553,090
Provided during the year	-	-
Balance at year-end	**553,090**	553,090

12. Other debit balances:

	December 31, 2024	December 31, 2023
Advances to suppliers	5,145,217	6,480,348
Less: impairment in value of advances to suppliers	(96,975)	(96.975)
	5,048,242	6,383,373
Employee receivable	619,215	771,832
Prepaid expenses	80,571	52,551
Accrued interest Revenue	-	42,507
	5,748,028	**7,250,263**

13. Inventories:

	December 31, 2024	December 31, 2023
Marble and natural stone.	48,837,996	49,723,320
Raw materials	-	108,201
	48,837,996	**49,831,521**
Less: Provision for impairment in value of inventory	**(5,412,123)**	**-**
Net book value of inventory	**43,425,873**	**49,831,521**

13-A. The movement of the provision for inventory impairment during the year was as follows::

	December 31, 2024	December 31, 2023
Balance at the beginning of the year		
Provided during the year	5,412,123	-
Balance at year-end	**5,412,123**	-

14. Cash and cash equivalents:

	December 31, 2024	December 31, 2023
Cash at bank	507,860	1,408,351
Short-term deposits*	4,000,000	14,000,000
	4,507,860	**15,408,351**

*It consists of Murabaha deposits held by Al Khair Capital Company due within three months from the acquisition date.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

15. Share Capital:

The company's capital reached 60,000,000 Saudi riyals divided into 6,000,000 equal value shares, the value of each share is 10 riyals, distributed to the Shareholders as of December 31, 2024 and December 31, 2023 as follows: -

	Number of shares	Value	The value of the shares	ownership percentage
		SAR	SAR	%
Ahmed Abdullah Abdul Rahman Abdullah Al -Kharashi	2,592,000	10	25,920,000	%43.20
Adel Abdulaziz Hawas Al -Hawas	1,020,000	10	10,200,000	%17
Mohammed Abdul Rahman Abdullah Al -Naeem	750,000	10	7,500,000	%12.5
Saleh Abdullah Saleh Al -Saleh	675,000	10	6,750.000	%11.25
Abdulaziz Saleh Muhammad Al -Jarbou	675,000	10	6,750.000	%11.25
Meshaal Muhammad Abdul Rahman Al - Kharashi	288,000	10	2,880,000	%4.8
Total	**6,000,000**		**60,000,000**	**%100**

16. Dividends:

On August 4, 2024, the company's Board of Directors, based on prior authorization from the General Assembly in its meeting held on April 25, 2024, decided to distribute semi-annual and quarterly cash dividends to the company's shareholders. Accordingly, the Board of Directors approved a cash dividend distribution for the first half of the 2024 fiscal year amounting to SAR 10,200,000, distributed over 6,000,000 shares, with a dividend of SAR 1.7 per share, representing 17% of the nominal value.

The Extraordinary General Assembly of the company, in its meeting held on April 25, 2024, approved the Board of Directors' recommendation to distribute cash dividends to shareholders for the second half of the 2023 fiscal year, amounting to SAR 10,200,000, distributed over 6,000,000 shares, with a dividend of SAR 1.7 per share, representing 17% of the nominal value. The General Assembly also authorized the Board of Directors to distribute semi-annual and quarterly cash dividends to the company's shareholders for the fiscal year ending on December 31, 2024.

On August 23, 2023, the company's Board of Directors, based on prior authorization from the General Assembly in its meeting held on March 22, 2023, decided to distribute semi-annual and quarterly cash dividends to the company's shareholders. Accordingly, the Board of Directors approved a cash dividend distribution for the first half of the 2023 fiscal year amounting to SAR 10,200,000, distributed over 6,000,000 shares, with a dividend of SAR 1.7 per share, representing 17% of the nominal value.

17. Statutory reserve:

The company announced the results of the Extraordinary General Assembly meeting held on April 28, 2024, approving the transfer of the general reserve balance of SAR 3,500,000 to the retained earnings balance as of December 31, 2024.

18. Employees define benefit obligations:

The benefits plan is based on the employee's final salary, and the company has not investigated the assets of the specified benefits and therefore there are no risks.

	December 31, 2024	December 31, 2023
Movement in provision during the year		
Balance at the beginning of the year	1,509,227	1,820,176
Charged to profit and loss:		
Current service cost	258,431	226,490
Interest cost	65,795	52,449
Charged to other comprehensive income		
Actuarial gain from remeasurement of employees' defined benefits	(73,477)	(333,356)
Net charged to other comprehensive income	**1,759,976**	**1,765,759**
Paid during the year	(232,747)	(256,532)
Balance at the end of the year	**1,527,229**	**1,509,227**

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

18. Employees define benefit obligations (continued):

	December 31, 2024	December 31, 2023
Assumptions used for calculating the provision are as follows:		
Discount rate	5.7%	%4,88
Salary increases rate	%5,00	%5.00
Staff turnover rate	Medium	Medium
Death rate	-	-

19. Trade payables and other credit balances:

	December 31, 2024	December 31, 2023
Advance payments from customers	4,491,038	4,186,304
Employees accrued expenses	678,080	101,990
Travel tickets and accrued vacations	91,546	105,144
Zakat, Tax and Customs Authority - VAT	423,095	540,282
Total	**5,683,759**	**4,933,720**

20. Zakat provision:

Zakat position:

The company submitted its consolidated Zakat declaration to the General Authority for Zakat, Tax and Customs until the fiscal year 2023 and obtained a certificate from the Public Authority for Zakat, Tax and Customs valid until 10/10/1444 AH corresponding to 30/4/2024.

	December 31, 2024	December 31, 2023
Net profit for the year	7,912,113	23,808,580
Additions	-	278,939
Adjusted net profit	7,912,113	24,087,519
The significant components of the zakat base are as follows:		
Total base	88,224,746	109,386,161
Total discount of the base	(32,461,656)	(35,111,178)
The net zakat base estimated	55,763,093	74,834480
Zakat 2.5%	**1,441,334**	**1,895,862**

Zakat provision movement:

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	1,895,862	1,724,974
Zakat paid during the year	(1,895,862)	(1,770,757)
Zakat differences for previous years	-	45,783
Zakat for year	1,441,334	1,895,862
Balance at the end of the year	**1,441,334**	**1,895,862**

21. Revenues:

	December 31, 2024	December 31, 2023
Marble revenues	**44,534,983**	**51,182,558**

- All sales result from the sale of marble to independent customers, and the relationship with them is based on direct purchase orders and requests.
- There are no sales channels; instead, branches are used to display products to customers, followed by manufacturing and then delivering the goods at a time convenient for the customer.
- The method used for revenue recognition is the customer's signature upon receipt after the goods have been delivered.
- All revenue is recognized at a specific point in time.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

22. Cost of revenues:

	December 31, 2024	December 31, 2023
Cost of goods sold	12,052,772	14,720,542
Provision for impairment in value of inventory	5,412,123	-
Operation expenses	3,258,999	896,126
Salaries and employees' benefits	1,912,539	1,126,667
Depreciation of property, plant and equipment	1,899,902	1,815,559
Commission and Bonus	203,400	89,800
Employees define benefit	80,821	57,470
Transfer, shipping, and customs expenses	26,822	31,893
	24,847,378	**18,738,057**

23. Selling and distribution expenses:

	December 31, 2024	December 31, 2023
Commissions and Bonus	1,462,915	596,994
Salaries and employees' benefits	881,000	676,000
Marketing expanses	570,778	-
Benefits of specific employees	37,230	26,320
	2,951,923	**1,299,314**

24. General and administrative expenses:

	December 31, 2024	December 31, 2023
Salaries and employees' benefits	2,660,122	3,309,849
Amortization of Right of use	1,103,794	984,913
Depreciation of property, plant and equipment	1,023,025	977,610
Board of Directors and Committees' Members Bonus and Attendance Allowances	970,000	970,000
Commissions and Bonus	892,368	82,202
Social insurance	477,885	402,324
Consultations and Legal fees	464,460	205,500
Maintenance	463,389	319,525
Medical insurance	203,435	186,226
Residencies	176,628	85,848
Water, electricity and utilities	170,654	89,865
Fuels	143,296	121,308
Employees define benefit	140,379	142,700
Phone and Email	137,445	118,328
Fees & Subscription	134,616	138,923
Stationary	66,236	87,882
Bank commissions	45,831	30,214
Other	-	396,859
	9,273,563	**8,650,076**

25. Other income:

	December 31, 2024	December 31, 2023
Deposits interest income	376,181	221,935
Support for the National Employment Portal (Netaqat)*	144,050	156,500
Local Content Support	-	12,338
Revenue from Scrap Sales	9,348	9,600
	529,579	**400,373**

*These grants represent support for the National Employment Portal (Netaqat) affiliated with the Human Resources Development Fund to support employment.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

26. Capital Commitments and Contingent Liabilities:

The Group does not have banking facilities in the form of guaranteed letters and documentary credits by commercial banks, nor is there capital contingencies to buy machines and equipment.

27. Segment information:

The group's activities are mainly in the industrial sector, which is the marble manufacturing sector and is completely sold to local clients, and the group is completely sales within the Kingdom of Saudi Arabia.

28. Earnings per share:

The basic earnings per share were calculated by dividing the profit of the year on the weighted average of the number of existing shares.

	December 31, 2024	December 31, 2023
Net profit for the year	6,470,779	21,912,718
Number of shares	6,000,000	6,000,000
Earnings per share from net profit for the year	**1.08**	**3.65**

The diluted earnings per share are the same as the basic earnings per share since the company has no discounting instruments.

29. Related parties' disclosure:

- The dividends to shareholders during the year 2023 amounted to 20,400,000 Saudi riyals (2023 is 10,200,000 Saudi riyals) and the following is dividends to shareholders:

Name of the shareholder	Nature of relationship	Type of transaction	The volume of transactions during the year	
			2024	2023
Ahmed Abdullah Abdul Rahman Abdullah Al -Kharashi	Shareholder	Dividends	7,931,520	3,965,760
Adel Abdulaziz Hawas Al -Hawas	Shareholder	Dividends	3,121,200	1,560,600
Mohammed Abdul Rahman Abdullah Al -Naeem	Shareholder	Dividends	2,295,000	1,147,500
Saleh Abdullah Saleh Al -Saleh	Shareholder	Dividends	2,065,500	1,032,750
Abdulaziz Saleh Muhammad Al -Jarbou	Shareholder	Dividends	2,065,500	1,032,750
Other Shareholders	Shareholder	Dividends	2,921,280	1,460,640
			20,400,000	**10,200,000**

- **Compensation for senior management employees**

	Nature of relationship	Type of transaction	The volume of transactions during the year	
			2024	2023
Senior management employees	Employees	Salaries, benefits and rewards	2,572,340	902,935
Board of Directors	Board of Directors and Committees' Members Bonus and Attendance Allowances	Bonus and Attendance Allowances	970,000	970,000

- **Financial transactions with related parties:**

Related party	Nature of relationship	Type of transaction	The volume of transactions during the year	
			2024	2023
Ahmed Abdullah Abdulrahman Al-Kharashi	Shareholder	Rent.	641,913	-

30. Financial instruments-fair value and risk management:

Fair value risk:

The fair value of each of the cash in the fund and the banks, the trade receivables, the inventory, the trade payables, the assets and the other liabilities is an approach to the value recorded in it as a result of the nature of its short period.

The company does not use the financial tools derived to manage the risk of commission rates and fluctuations in foreign currency rates.

Currency rates risk

Currency rates risk is the risk related to the impact of changes in commission rates in the market on the financial position of the company and its cash flows, the company does not have fundamental assets or requirements that bear floating commission rates as on December 31, 2024, and the company manages its cash flow by monitoring the timing between the cash flow obtained and the cash flow used.

Foreign currency risk

The Company does not have assets or liabilities in foreign currency as at the reporting date and it was et exposed to the fluctuation risk of foreign currency, Company transactions are made in Saudi Riyals. The Management monitors currency rate fluctuations and believes that a currency risk is not material.

Credit risk

Credit risk is the risk that other parties will not be able to meet their contractual obligations to the Company, which may result in a financial loss to the Company. The concentrations of potential credit risk include mainly trade receivables and cash.. The company deposits its monetary assets in a number of financial institutions with high credit capacity and begins a policy to reduce the size of its assets deposited in each financial institution, and the company does not believe that there are significant incompetence risks in these financial institutions.

The company is formed for the expected credit losses, which, as on December 31, 2024 , reached an amount of 553,090 Saudi riyals, and the following ages of the city's receivables as in the history of the financial statements:

	December 31,2024	December 31, 2023
From 1 Day to 30 Day	2,410,946	1,033,339
From 31 Day to 60 Day	1,233,699	54,955
From 61 Day to 90 Day	28,573	217,083
From 91 Day to 180 Day	937,147	765,637
From 181 Day to 360 Day	875,149	362,453
More than 360 Day	430,369	597,577
	5,915,883	**3,031,044**

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, The company does not believe that it is subject to fundamental risk of liquidity. The company does not think it is subject to any relatively important risks related to the above.

As of December 31, 2024, the consolidated statement of financial position showed that current assets exceeded current liabilities by SAR 54 million, indicating a current ratio of 8.43.

Sales price risk

Sales price risk is the risk associated with changes in the prices of some commodities that the company is exposed to from an unwanted impact on the company costs and cash flows.

These risks sales in the prices of basic goods from the expected purchases of some goods from the raw materials used by the company.

Capital Managements

The Board of Directors' policy is to maintain an effective capitalist base to maintain the confidence of investors, creditors and the market and support the future development of the Board of Directors. The Board of Directors monitors the return on the capital used and the level of profits of ordinary shareholders.

31. Subsequent events

Based on management's opinion, there were no significant subsequent events after December 31, 2024, up until the date of approval of the financial statements that could have a material impact on the financial statements.

32. Approval of the financial statements:

The consolidated financial statements for the year ended December,31 2024 were approved by the Group's Board of Directors on 13 Ramadan 1446H (March 13, 2025)