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ANAAM INTERNATIONAL HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

ANAAM INTERNATIONAL HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

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INDEPENDENT AUDITOR'S REPORT

The Shareholders'
Anaam International Holding Group Company
(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of **Anaam International Holding Group Company** ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material 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 31 December 2024, and 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 the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We have conducted our audit in accordance with the International Standards on Auditing (ISAs) as adopted in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further detailed in the section "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" in our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as adopted in the Kingdom of Saudi Arabia, which is relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with that code. In our opinion, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2.4 to the consolidated financial statements which indicates that at the reporting date, the Group has accumulated losses amounted to SR 47.8 million and its current liabilities exceeded current assets by SR 253.6 million. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matters

We draw attention to note 37 to the consolidated financial statements, which outlines the material adjustments made to the consolidated statement of comprehensive income for the year ended 31 December 2023, and the consolidated statement of financial position as of 1 January 2023, and 31 December 2023. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2023, were audited by another auditor, who issued an unmodified report on 5 Shawwal 1445H (corresponding to 14 April 2024).

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

The Shareholders'
Anaam International Holding Group Company
(A Saudi Joint Stock Company)

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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters include the following:

Key Audit Matter

Fair value of investment properties	How the matter was in our audit
The Group recorded investment properties as of December 31, 2024, amounting to SR 442.6 million, and a net fair value gain of SR 10.8 million for the year ended 31 December 2024. In accordance with the Group's accounting policy, investment properties are measured at their fair value based on external valuations conducted by independent valuers. The Group's determination of fair value for the investment properties requires management to make significant estimates and assumptions. We considered the fair valuation of investment properties as a key audit matter due to existence of significant estimates and assumptions which require specific attention in this area as any bias or error in determining the fair value could lead to a material misstatement in the consolidated financial statements. The Group's accounting policy for investment properties is disclosed in note 4.3, and the significant accounting estimates and assumptions related to investment properties are disclosed in note 3. Relevant disclosures regarding investment properties are provided in note 8 of the accompanying consolidated financial statements.	The audit procedures we performed included the following: • We obtained two valuation reports from independent real estate valuators accredited by the Saudi Authority for Accredited Valuers ("Taqeem") for each investment property as of 31 December 2024, and verified that the valuation methods were appropriate for determining fair values as of the report date; • We evaluated the independence of the external valuators, their professional qualifications, expertise, and experience, and ensured that they were accredited by Taqeem. We also assessed whether there were any matters that could affect their objectivity or impose limitations on the scope of their work. • Performed recalculation and checked the arithmetical accuracy of the determination of the net fair value gain. • We involved our expert to evaluate the key assumptions and estimates used by the independent valuators for the Group and to determine the fair values of the investment properties. • Evaluated the adequacy and appropriateness of disclosures made in the consolidated financial statements in accordance with IFRS.

Other Information

Other information consists of the information included in the Group's annual report for the year ended at 31 December 2024, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Group's annual report for the year ended at 31 December 2024 is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, we consider whether the other information is materially inconsistent with the consolidated financial statements or with the knowledge we obtained during the audit, or if it appears to be materially misstated in any other way. If, based on the work we have performed, we conclude that there is a material misstatement in this information, we are required to report it to those charged with governance. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

The Shareholders'
Anaam International Holding Group Company
(A Saudi Joint Stock Company)

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 IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the SOCPA and 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 International Standards on Auditing 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement 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 omission, misrepresentations, or the override of internal control.

- 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 consolidated 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 a fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

The Shareholders'
Anaam International Holding Group Company
(A Saudi Joint Stock Company)

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

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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 public interest benefits of such communication.

شركة حلول كرو للإستشارات المهنية
C.R. No. 1010466353
سجل تجاري رقم ١٠١٠٤٦٦٣٥٣
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Mohammad A. Mohandes
License No. 564

26 Ramadan 1446H (26 March 2025)
Jeddah, Kingdom of Saudi Arabia

ANAAM INTERNATIONAL HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	As of 31 December 2024	As of 31 December 2023 (Restated)	As of 1 January 2023 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	6	**60,359,814**	60,336,369	62,628,796
Right-of-use assets	7	**825,989**	853,445	-
Investment properties	8	**442,577,942**	460,421,549	447,511,852
Intangible asset	9	**439,506**	601,296	65,482
Prepayments and other receivables - non-current portion	13	**17,892,249**	485,441	-
Long-term investments	10	**7,085,000**	5,335,000	3,951,250
Total non-current assets		**529,180,500**	528,033,100	514,157,380
Current assets				
Inventories	11	**473,361**	742,921	3,401,663
Trade receivables	12	**20,444,348**	18,362,140	9,119,312
Prepayments and other receivables - current portion	13	**9,541,917**	3,068,971	2,563,346
Short-term investments	14	**12,085,135**	8,109,803	44,033,654
Cash and cash equivalents	15	**994,531**	33,727,977	4,854,876
		43,539,292	64,011,812	63,972,851
Assets of the Group classified as held for sale	16	**-**	8,476,205	-
Total current assets		**43,539,292**	72,488,017	63,972,851
TOTAL ASSETS		**572,719,792**	600,521,117	578,130,231
EQUITY AND LIABILITIES				
Equity				
Share capital	17	**315,000,000**	315,000,000	315,000,000
Accumulated losses		**(47,788,885)**	(42,257,959)	(56,835,540)
Equity attributable to the Parent Company		**267,211,115**	272,742,041	258,164,460
Non-controlling interests	18	**2,467,647**	5,283,941	6,795,044
Total equity		**269,678,762**	278,025,982	264,959,504
Non-current liabilities				
Long-term loans – non-current portion	19	-	127,687,541	618,579
Government grant – non-current portion	19.6	**1,287,744**	1,447,812	1,607,907
Lease liabilities – non-current portion	7	**850,664**	875,303	-
Employees' benefits obligations	20	**3,802,318**	2,669,749	4,704,397
Total non-current liabilities		**5,940,726**	132,680,405	6,930,883
Current liabilities				
Trade payables		**3,040,833**	2,081,899	1,526,003
Accrued expenses and other liabilities	21	**16,142,222**	14,072,103	11,215,634
Dividends due to shareholders	22	**13,820,000**	13,837,843	13,848,165
Due to related parties	23	**3,007,335**	4,335,454	8,633,341
Long-term loans – current portion	19	**157,453,913**	43,779,771	168,354,906
Government grant – current portion	19.6	**160,095**	160,122	160,122
Lease liabilities – current portion	7	**24,637**	15,697	-
Zakat provision	24.3	**103,451,269**	102,857,655	102,501,673
		297,100,304	181,140,544	306,239,844
Liabilities directly associated with the assets of the Group classified as held for sale	16	**-**	8,674,186	-
Total current liabilities		**297,100,304**	189,814,730	306,239,844
Total liabilities		**303,041,030**	322,495,135	313,170,727
TOTAL EQUITY AND LIABILITIES		**572,719,792**	600,521,117	578,130,231

Chief Financial Officer | Chief Executive Officer | Authorized Board Member

The accompanying notes from 1 to 38 form an integral part of these consolidated financial statements.

ANAAM INTERNATIONAL HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the year ended 31 December 2024	2023 (Restated)
Rental income	26	**29,482,879**	31,100,036
Revenue from contracts with customers	26.1	**14,391,831**	20,055,517
Gross revenue	26	**43,874,710**	51,155,553
Cost of revenue	27	(17,937,097)	(18,296,457)
Gross profit		**25,937,613**	32,859,096
Selling and marketing expenses	28	**(2,866,879)**	(3,712,580)
General and administrative expenses	29	(32,039,104)	(20,578,439)
(Loss) / profit from operations		**(8,968,370)**	8,568,077
Gain from investments at fair value through profit or loss - net	30	**5,982,854**	2,940,541
Finance costs	19	**(13,072,948)**	(13,041,081)
Fair value gain on investment properties - net	8	**10,776,463**	16,966,408
Other income	31	**754,190**	2,100,967
(Loss) / profit before zakat		**(4,527,811)**	17,534,912
Zakat expense	24.1	**(2,000,000)**	(1,490,000)
(Loss) / profit after zakat from continuing operations		**(6,527,811)**	16,044,912
Discontinued operations			
Profit / (loss) from discontinued operations – net of zakat	16.4	**4,440,860**	(5,382,431)
Net (loss) / profit for the year		**(2,086,951)**	10,662,481
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement (loss) /gain on employees' benefits	20	**(2,346,586)**	2,403,997
Total comprehensive (loss) / income for the year		**(4,433,537)**	13,066,478
(Loss) / profit for the year attributable to:			
Owners of the Parent Company	32.1	**102,528**	12,136,424
Non-controlling interests	18	**(2,189,479)**	(1,473,943)
		(2,086,951)	10,662,481
Total comprehensive (loss) / income for the year attributable to:			
Owners of the Parent Company		**(2,236,092)**	14,577,581
Non-controlling interests	18	**(2,197,445)**	(1,511,103)
		(4,433,537)	13,066,478
Basic and diluted (loss) / earnings per share attributable to owners of the Parent Company			
Earnings per share for the year	32.4	**0.0002**	0.019
(Loss) / earnings per share for the year from continuing operations	32.2	**(0.007)**	0.024

Chief Financial Officer | Chief Executive Officer | Authorized Board Member

The accompanying notes from 1 to 38 form an integral part of these consolidated financial statements.

ANAAM INTERNATIONAL HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Saudi Riyals unless otherwise stated)

	Attributable to the owners of the Parent Company				
	Share capital	Accumulated losses	Total	Non-controlling interests	Total Equity
As of 1 January 2023 (before adjustments for prior years)	315,000,000	(40,335,540)	274,664,460	6,795,044	281,459,504
Prior year adjustments (note 37)	-	(16,500,000)	(16,500,000)	-	(16,500,000)
As of 1 January 2023 (after prior year adjustments)	315,000,000	(56,835,540)	258,164,460	6,795,044	264,959,504
Profit / (loss) for the year (restated)	-	12,136,424	12,136,424	(1,473,943)	10,662,481
Other comprehensive income / (loss) for the year	-	2,441,157	2,441,157	(37,160)	2,403,997
Total comprehensive income / (loss) for the year	-	14,577,581	14,577,581	(1,511,103)	13,066,478
Balance as of 31 December 2023 (restated)	315,000,000	(42,257,959)	272,742,041	5,283,941	278,025,982
Acquisition of additional shares in a subsidiary (note 1)	-	(3,294,834)	(3,294,834)	(1,505,166)	(4,800,000)
Disposal of subsidiary (note 16.1)	-	-	-	886,317	886,317
Profit / (loss) for the year	-	102,528	102,528	(2,189,479)	(2,086,951)
Other comprehensive loss for the year	-	(2,338,620)	(2,338,620)	(7,966)	(2,346,586)
Total comprehensive loss for the year	-	(2,236,092)	(2,236,092)	(2,197,445)	(4,433,537)
Balance as at 31 December 2024	315,000,000	(47,788,885)	267,211,115	2,467,647	269,678,762

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

The accompanying notes from 1 to 38 form an integral part of these consolidated financial statements.

(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the year ended 31 December 2024	2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before zakat from continuing operations		**(4,527,811)**	17,534,912
Loss before zakat from discontinued operations	16	**(53,696)**	(5,372,431)
(Loss) / profit before zakat		**(4,581,507)**	12,162,481
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	6	**3,665,406**	4,045,489
Depreciation of right-of-use assets	7	**27,456**	27,457
Amortization of intangible asset	9	**206,790**	201,542
Fair value gain on investment properties	8	**(10,776,463)**	(16,966,408)
Unrealized fair value gain on long-term investments	10	**(1,750,000)**	(1,383,750)
Unrealized fair value loss on FVTPL investments	14.2&30	**(3,685,546)**	(961,148)
Realized fair value loss on FVTPL investments	14.2&30	**(126,769)**	(249,388)
Expected credit losses – Trade receivables	12.1	**4,545,178**	1,122,618
Expected credit losses – Prepaid expenses and other receivables	13	**2,455,561**	-
Reversal of expected credit losses – Trade receivables	12.1	**(224,222)**	-
Provision for inventories		-	1,099,011
Loss on sale of property, plant and equipment		**56,017**	2,302
Loss on sale of investments property		**557,570**	-
Finance costs	19	**13,072,948**	13,117,776
Amortization of government grant	19.6	**(160,095)**	(160,095)
Employees' benefits obligations	20	**1,032,056**	970,896
Dividend income	30	**(420,539)**	(346,255)
		3,893,841	12,682,528
Changes in working capital			
Inventories		**269,560**	460,720
Trade receivables		**(6,382,836)**	(10,929,168)
Prepayments and other receivables		**(5,455,099)**	(1,284,915)
Accrued expenses and other liabilities		**4,672,649**	3,332,232
Due to related parties		**(1,276,059)**	794,734
Trade payables		**47,477**	1,543,506
Cash used in operations		**(8,124,308)**	(6,082,891)
Employee benefits paid and advance payment	20	**(2,245,719)**	(447,938)
Finance costs paid		**(8,744,241)**	(12,105,041)
Zakat paid	24.3	**(1,383,861)**	(1,123,442)
Net cash used in operating activities		**(16,604,288)**	(7,076,784)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	**(3,787,368)**	(4,513,291)
Proceeds from sale of investment properties		**10,445,000**	-
Proceeds from sale of property, plant and equipment		**42,500**	-
Purchase of intangible asset	9	**(45,000)**	(26,665)
Purchase of investments in FVTPL	14.2	**(1,927,851)**	-
Proceeds from sale of investments in FVTPL	14.2	**1,764,834**	36,977,407
Purchase of additional shares in a subsidiary	23	**(4,800,000)**	-
Dividend income from investments		**618,933**	147,861
Net cash from investing activities		**2,311,048**	32,585,312

Chief Financial Officer — Chief Executive Officer — Authorized Board Member

The accompanying notes from 1 to 38 form an integral part of these consolidated financial statements.

ANAAM INTERNATIONAL HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the year ended 31 December 2024	2023 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends and due to shareholders paid		**(17,843)**	(10,322)
Proceeds from long-term loans		**-**	12,999,922
Payments of long-term loans		**(18,347,597)**	(9,512,738)
Payments of lease liabilities	7	**(52,000)**	(51,988)
Net cash (used in) / from financing activities		**(18,417,440)**	3,424,874
Net change in cash and cash equivalents		**(32,710,680)**	28,933,402
Cash and cash equivalents disposed from the sale of a subsidiary	16.1	**(83,067)**	-
Cash and cash equivalents at beginning of the year		**33,788,278**	4,854,876
Cash and cash equivalents at end of the year	15.1	**994,531**	33,788,278
NON-CASH TRANSACTIONS			
Net assets disposed from the sale of a subsidiary	16.1	**227,051**	-
Net assets disposed	16.3	**197,981**	-
Remeasurement of employees' benefit obligations	20	**(2,346,586)**	2,403,997
Due balance from the disposal of a subsidiary within other receivables	13	**3,000,000**	-
Due amounts from the disposal of investment properties within other receivables	13	**17,617,500**	-
Non-controlling interests disposed	16	**886,317**	-
Dividend distributions from investments within other receivables.		-	198,394
Transferred from investment properties to property, plant, and equipment	6&8	-	4,056,711
Transferred from property, plant, and equipment to intangible assets	6&9	-	710,691
Addition of right-of-use assets through lease liabilities	7	-	906,082
Disposal of right-of-use assets	7	-	25,181

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

The accompanying notes from 1 to 38 form an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION

Anaam International Holding Group Company (the "Company") is a Saudi joint stock Company established in accordance with Commercial Registration No. 4030035073 dated 7/9/1402(H) corresponding to 29 June 1982.

The Company and its subsidiaries (together "the Group") main activities were performing all operations of marine transport of livestock within and outside the Kingdom, possession of all means of marine and overland transport necessary to the Group, trading of marine equipment necessary for the ships of the Group, trading of livestock and fodder, related operations of meat production and its transportations, management and operation of slaughterhouses and meat manufacturing, establishing, managing and operating centers and industrial projects, wholesale and retail trade in foodstuff, carryout import, export and marketing to third parties and public services in the fields of trading and distribution agencies.

On 3 December 2020, the Group has changed its activities of cultivation and trading of feedstuffs, wholesale and retail trade in foodstuffs, warehousing and leasing services to managing subsidiaries or participating in the management of other companies in which the Group contributes, providing the necessary support for them, investing their money in shares and other securities, owning real estate and movables necessary to conduct its activities, and providing loans, guarantees and financing for its subsidiaries.

The following is a list of subsidiaries included in these consolidated financial statements. All of these companies were established in the Kingdom of Saudi Arabia

Subsidiaries	Main activity	Commercial registration	Ownership share 2024	Ownership share 2023
Saudi Cold Store Company	Foodstuff trading & rental storage (dormant entity)	4030007971	**100%**	100%
Anaam International Food Co., Ltd.	Foodstuff trading	4030166809	**100%**	100%
Anaam International Agricultural Company (*)	Agricultural production (dormant entity)	4030035281	**100%**	100%
Anaam International Investment Company	Real estate and services (dormant entity)	4030165735	**100%**	100%
Saudi Wasit Factory for Entertainment and Beauty Systems (**)	Entertainment and Beauty	1126002218	**63%**	51%
ARW Industry Company (***)	Manufacturing of medical equipment and healthcare products	4030288106	--	55%

(*) The Board of Directors resolved to liquidate the entity on 18 Muharram 1444H (corresponding to 16 August 2022), and a liquidator was appointed during the subsequent period to the consolidated financial statements. The liquidation process is still ongoing.

(**) On 1 January 2024, the Group acquired an additional 12% stake in this Company. Accordingly, the entity's "Articles of Association" were updated.

(***) During the year, the entity was fully disposed of, and the comparative figures were presented as discontinued operations (note 16).

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (collectively referred to as "IFRSs as endorsed in KSA").

2.2 Basis of measurement

These consolidated financial statements are prepared under the historical cost convention, using the accruals basis of accounting, except for i) provision for employee benefits, which are measured at present value for the future obligations, ii) investment properties and investments at fair value through profit or loss which are measured at fair value, as well as iii) Group assets classified as held for sale, which have been measured at the lower of their carrying amount or fair value less costs to sell.

2.3 Functional and presented currency

These consolidated financial statements are presented in Saudi Riyals, which is the functional currency of the Group as well as the presentation currency.

(All amounts are in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

2.4 Going concern

The Group's accumulated losses amounted to SR 47.8 million and its current liabilities exceeded current assets by SR 253.6 million as at 31 December 2024. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. These consolidated financial statements have been prepared on a going concern basis, taking into consideration the following points:

- Alinma Bank waived the Company's breach of loan covenants after the end of the financial year.
- Total equity is positive at 31 December 2024;
- Zakat provision, amounting to SR 103.4 million, represents 35% of current liabilities. This provision relates to assessments issued by the Zakat, Tax, and Customs Authority ("ZATCA"), which are currently under appeal. Management believes there is a strong case for a substantial reduction in the liability and for the remaining balance to be settled in installments over multiple years.
- The Group also plans to increase its capital to finance working capital, reduce borrowing levels, and support, develop, and enhance its future business activities.
- The Group is working on finding suitable investment opportunities to generate additional income.
- The Company's management has assessed its ability to continue using the going concern basis, and according to what mentioned above, management has concluded that it has the necessary resources to continue its activities in the future. Additionally, management is not aware of any material uncertainties that would cast doubt on the Company's ability to continue as a going concern. Therefore, these consolidated financial statements have been prepared on a going concern basis.

2.5 Acquisition of Additional Shares in a Subsidiary

On 21 Dhul-Qi'dah 1442H (corresponding to 1 July 2021), the Group gained control over Saudi Wasit Factory for Entertainment and Beauty Systems Industry by acquiring 51% of its share capital, making it a subsidiary from that date.

	As of December 31,	
	2024	2023
Ownership percentage at the beginning of the year	**51%**	51%
Additional acquired stake percentage	**12%**	-
Ownership percentage at the end of the year	**63%**	51%

* The carrying amount of the additional shares purchased during the first quarter of 2024 amounted to SR 1.5 million (2023: SR Nil).

The purchase was accounted for as an equity transaction with the owner, with no impact on profit or loss. The difference between the carrying amount of the non-controlling interests and the consideration paid was recorded within equity amounting to SR 3.3 million for the year ended 31 December 2024.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the recognized amounts of revenues, cost, assets and liabilities, and disclosures of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates may result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities in the future period.

These estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying amounts of assets and liabilities that cannot be determined from other sources. Estimates and assumptions are reviewed periodically, and adjustments to accounting estimates are recognized in the period in which the estimates are revised or recognized in the adjustment period, and future periods if the modification changes the current and future periods.

Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates and the useful lives of assets.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

Provision for expected credit loss

The Group measures the loss allowance for trade receivables using a provision matrix expected credit loss (ECL) model by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group reviews its trade receivables at each reporting date to assess whether a provision for credit losses should be recorded in the profit or loss.

Assessment of significant influence

When the Group holds voting rights in a particular investment, the determination of whether it has significant influence is based on its ability to participate in the financial and operational policy decisions of the investee. If significant influence exists, the investment is classified as an associate and accounted for using the equity method. In the absence of significant influence, the investment is measured either at fair value through profit or loss or at fair value through other comprehensive income, in accordance with the Group's adopted accounting policies.

Estimate of zakat

The Group is subject to zakat in accordance with the regulations of the ZATCA in the Kingdom of Saudi Arabia. The calculation of zakat involves assessing and interpreting zakat laws and regulations to evaluate the impact of the zakat obligation at the end of a given period. This obligation remains an estimate until the final assessment is issued by ZATCA, and until then, the Group remains exposed to the risk of additional zakat liabilities.

Useful lives of property, plant and equipment

Management determines the estimated useful lives of property, plant, and equipment for calculating depreciation. The cost of property, plant and equipment is depreciated over the estimated useful life which estimated based on the expected use and obsolescence of the assets and the maintenance and repair programs as well as the technical obsolescence and the recoverable amount of the assets. Management reviews the residual value and useful lives annually and future depreciation charges are adjusted where management believes the useful lives differ from previous estimates.

Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value recognized in the profit or loss.

The fair value of investment properties is determined by independent real estate valuation experts using recognized valuation methods. These methods comprise the market comparison method, cost method and income capitalization method and residual value method.

The market comparison method is based on comparing the property with similar properties from the market, to find the capital or rental value of the property directly. The market value can be identified by looking for evidence about the transactions and deals that took place recently in the real estate market.

The cost method for fair valuation is a technique used to value an investment or asset based on its original cost. Under the cost method, an investment is valued at the cost to acquire it, plus any additional costs incurred to bring it to its current condition or location. This method assumes that the original cost is a reliable indicator of fair value, as long as there have been no significant changes to the investment or asset since it was acquired.

Under the income capitalizations method, the income receivable under existing lease agreements and projected future rental streams are capitalized at appropriate rates to reflect the investment market conditions at the valuation dates.

According to the residual value method, the value of the land or property is calculated by deducting development costs and profit margin from the expected market value after development.

The Group's undiscounted future cash flows analysis and the assessment of expected remaining holding period and income projections on the investment properties requires management to make significant estimates and judgements related to future rental yields and capitalization rates.

Actuarial valuation of the provision for employee benefits

Cost of employees' benefits obligations is determined under the defined unfunded benefits program, which is measured using actuarial valuation. The actuarial valuation includes many assumptions that may differ from actual developments in the future. These assumptions include determining the discount rate, future salary increases, employee behavior, and employee's turnover. Given the complexity of the evaluation and its long-term nature, the specific unfunded benefits obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed once or more per year when necessary.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

Provision of damaged and slow-moving inventories

Factors affecting the estimation of the provision based on the Group's previous experience include the current stock situation, current, and future sales projections. Accordingly, the Group considers these factors and takes them into account to calculate a provision for damaged inventories and slow-moving items. Estimates of the provision may change substantially from year to year. Any adjustments that may result from the difference in these factors are periodically reviewed.

Lease liabilities

The determination of lease term for lease contract in which the Group is a lessee, including whether the Group is reasonably certain to exercise lessee options and the determination of incremental borrowing rate used to measure the lease liabilities.

Measurement of fair value

Fair value is the amount to be received for the sale of an asset, or its payment to convert any of the liabilities in a regular transaction between the market participants on the measurement date under prevailing market conditions for example, the present price regardless of whether it is directly observable or estimated using another valuation method.

The fair value measurement is based on the assumption that the sale of the asset or the transfer of the obligation will be either:

- Through the main market of the asset or liability, or

- Through the most beneficial market for the asset or liability in the absence of the main market.

- The main or most beneficial market must be available to the Group to access.

The fair value of an asset or liability is measured using assumptions commonly accepted by market participants when pricing the asset or liability, assuming that market participants act in their best economic interests.

The measurement of the fair value of a non-financial asset takes into account the ability of market participants to provide economic benefits by using the asset to obtain the best benefit from it or to sell it to another party for use in the best interest. The Group uses valuation techniques that are appropriate to the circumstances and have sufficient data to measure fair value, maximize the use of relevant observable data and minimize the use of undisclosed data.

All assets and liabilities that are measured at fair value or whose fair values are disclosed in the consolidated financial statements are classified according to the hierarchy of the fair values shown below based on the lower-level data that is material to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities matching those that are measured.

- Level 2: inputs that are observable for the asset or liability, either directly or indirectly other than prices quoted in level one and

- Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

Impairment of non-financial assets

An impairment loss is recognized for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flow management makes assumptions about future operating results. These assumptions are related to future events and circumstances. The actual results may vary and may cause significant adjustments to the Group's assets within the next financial year.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

These consolidated financial statements include the assets, liabilities, and results of the company and its subsidiaries as outlined in note (1). Subsidiaries are companies controlled by the Group. The subsidiaries are consolidated from the date control is transferred to the Group until the cessation of control. The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The acquisition cost is measured at the fair value of the identified assets acquired and the fair value of any previously held equity interest in the subsidiary. Any excess acquisition cost over the fair value of the acquired identifiable net assets and non-controlling interests is recorded as goodwill in the consolidated statement of financial position. Non-controlling interests are measured at their share of the fair value of the acquired net assets at the acquisition date.

If the business combination is achieved in stages, the carrying amount of the Group's previously held interest in the acquired company is remeasured at fair value on the acquisition date, and any resulting gains or losses are recognized in profit or loss. Transactions, balances, and unrealized income and expenses arising from intra-group transactions are eliminated. The accounting policies of subsidiaries are adjusted when necessary to ensure consistency with the Group's accounting policies. The Company and its subsidiaries have the same reporting periods.

Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities, if any.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Non-Controlling Interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

4.2 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Non-current assets held for sale and discontinued operations (continued)

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of Comprehensive income.

Additional disclosures are provided in note 16. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

4.3 Investment properties

Investment properties consist of land, buildings, or portions thereof that the Group holds to earn rental income, for capital appreciation, or both. They do not include land and buildings used for the production or supply of goods or services, administrative purposes, or regular sales.

Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in consolidated profit or loss in the period in which they arise. Fair values are determined based on annual valuations performed by accredited external independent valuers applying valuation models recommended by the International Valuation Standards Committee.

Transfers are made to / from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. If a property is reclassified as an investment property, the difference between its fair value at the date of transfer and its previous carrying amount is recognized in profit or loss.

The carrying amount of the investment property is derecognized when it is disposed (either through sale or through as finance lease) or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between (a) the net proceeds from the disposal of the investment property and (b) the carrying amount of the investment property is recognized in the profit or loss in the year in which the asset is disposed or written off.

4.4 Classification of current and non-current items

Assets and liabilities are presented in the consolidated statement of financial position are classified as current and non-current. The asset is classified as current when:

- The Group expects the asset to be recognized, intended to be sold or used during a normal operating cycle.
- The Group retains the assets for trading purposes.
- The Group expects to realize the asset within a period of twelve months after the financial year (Period).
- The asset is in cash or its equivalents unless it is subject to restrictions on its replacement or uses to settle an obligation for more than twelve months after the financial period.

All other assets are classified as non-current assets.

The liabilities are classified as current when:

- The settlement of the liability is expected during a normal operating cycle.
- Retains the liability primarily for the purpose of trading.
- The liability is the duty of settlement within twelve months after the financial period.
- The Group has no unconditional right to defer settlement of the liability for more than twelve months after the financial period.

All other liabilities are classified as non-current.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Financial Instruments

Financial instrument is a contract that give rise to a financial asset of one entity and financial liability or equity instrument of another entity.

4.5.1 Financial assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of debt financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a debt financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

c) Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognized in the consolidated statement comprehensive income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade and other receivables.

d) Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

e) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to consolidated statement of comprehensive income. Dividends are recognized as other income in the consolidated statement of comprehensive income, when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Financial instruments (Continued)

4.5.1 Financial assets (Continued)

f) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognized as other income in the profit or loss when the right of payment has been established.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

h) Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through the profit or. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.5.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings and due to related parties.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Financial instruments (Continued)

4.5.2 Financial liabilities (Continued)

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below: Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

c) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the profit or loss.

d) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the profit or loss.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.6 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 Impairment of non-financial assets (Continued)

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

4.7 Property, plant and equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses (except land where they are not depreciated). Expenses incurred to replace any component of the asset are recognized as a separate item and are capitalized against the write-off of the carrying amount of the replacement portion. Any other capitalization is recognized only when the future economic benefits relating to the asset increase. The repair and periodic maintenance costs of the property, plant, and equipment are recognized in the profit or loss as incurred.

The useful lives of property, plant, and equipment are reviewed at the end of each year. If the estimated useful life is different than previously estimated, the residual value of the asset is depreciated over the remaining useful life after a reassessment of the year in which the revaluation was made.

In respect of the current obligations for derecognition, restoration and similar obligations (dismantling or eliminating the assets), changes in the liability are added to or deducted from the cost of the related asset in the current period so that the amount deducted from the cost of the asset does not exceed its recorded amount and in case the amount of the loss decrease, then it must be recognized immediately in the profit or loss. If the adjustment results any addition to the cost of the asset, the Group considers whether this indicates that the new amount of the asset may not be fully recoverable, and if so, the Group tests the asset for impairment by estimating its recoverable amount and loss of impairment in the profit or loss.

Depreciation expense is recognized in the profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Assets on leased land (leasehold improvements) are depreciated over the lease term or on the shorter useful lives of the assets.

When the useful life of items of property, plant and equipment is different, they are accounted for as separate items.

Depreciation is charged to all items of property, plant and equipment to reduce their carrying amount through their estimated useful lives as follows:

Type	Useful lives (Years)
Buildings	5-40
Machinery and Equipment	4-10
Cars and Trucks	5-10
Furniture, office equipment and computers	4-5

The Group reviews the useful lives and residual values of property, plant, and equipment at each financial year-end to ensure that it reflects the benefit obtained, and if any is traded as changes in accounting estimates (in the year of change and subsequent years).

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The daily cost and expenses incurred by the group for the maintenance and operation of property, plant, and equipment are recognized in the profit or as incurred. Improvements that subsequently increase the value of the assets or the useful life of the assets are capitalized.

Capital Work in Progress

Capital work in progress represents all costs directly related to projects under construction, which are capitalized as property, plant, and equipment or intangible assets upon completion of the project. Work in progress is recorded at cost less any impairment losses. The historical cost includes expenses directly related to the acquisition of these items. These assets are depreciated on the same basis as other assets in the same category, and depreciation begins when the asset is available for its intended use.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses if any. Intangible assets are amortized on a straight-line basis over their four years of economic life.

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the expenditure can be measured reliably.

The residual values of intangible assets, their useful lives, and impairment indices are reviewed at the end of each financial year and adjusted prospectively where necessary.

4.9 Leases

The Group assess whether a contract contains a lease, at inception of the contract. For all such lease arrangements the Group recognize right of use assets and lease liabilities except for the short-term leases and leases of low value assets as follows:

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the year on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of land and buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional renewable periods. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Trade receivables

Trade receivables are amounts due from customers for products sold in the ordinary course of business. Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less the expected credit loss allowance in value, which is recognized in the profit or loss.

4.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and other highly liquid investments with original maturities of three months or less from the date of acquisition.

4.12 Inventories

Inventories are measured at the lower of cost or net realizable value after deducting any slow-moving inventory provision. The cost of inventories is based on the weighted average method and includes expenditure incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business for the group, less the estimated costs of completion and selling expenses.

4.13 Provision for zakat

Zakat provision is calculated annually for the Group based on the consolidated financial statements prepared for the purpose of submitting the Group's zakat declaration, except for Wasit Factory for Entertainment and Beauty Systems, which submits its zakat declaration separately from the Group, in accordance with the regulations of ZATCA in the Kingdom of Saudi Arabia. Any adjustments that may result from the final zakat assessment are recorded within profit or loss in the year the final assessment is received, at which the provision is settled.

4.14 Value Added Tax (VAT)

The Group is subject to the value-added tax system and the tax is calculated immediately after the invoice is issued or the commodity is delivered or the price or part of it is received. The VAT return is submitted on a monthly basis for the holding Group and on a quarterly basis to the subsidiary companies.

4.15 Employees' end of service benefits

The Group contributes to the pension and social security for its employees in accordance with the Saudi Labor Law.

a) Annual leave

The estimated liabilities of employees for annual leave are calculated according to the Saudi Labor Law.

b) Provision for employee benefits

The employees benefits obligation is payable to all working employees according to the terms and conditions of the Saudi Labor Law followed by the Group, upon the termination of their service contracts.

The Group's obligation related to defined benefit plans is calculated by estimating the future benefits that employees are entitled to in both the current and future periods, which are then discounted to determine the present value. The Group establishes the assumptions used to determine key cost elements for meeting these future obligations, which are set after consulting with an actuary and include those used to determine the current service cost as well as the financing elements related to the liabilities. A qualified actuary calculates the defined benefit obligation using the Projected Unit Credit Method, and actuarial remeasurements, including actuarial gains and losses, are recognized directly in the consolidated statement of comprehensive income. The Group determines the net interest expense on defined benefit obligations for the year by applying the discount rate used at the beginning of the year to the net defined benefit liability, considering any changes in the net obligation during the year and any payments made. Net interest expense and other costs related to defined benefit plans are recognized in profit or loss.

4.16 Provisions

Provisions are recognized when the Group has a liability (statutory or constructive) arising from a past event and there is a possibility that costs to settle the obligation will arise which can be reliably measured. When the Group expects to receive compensation for some or all of the provision - for example, under an insurance contract - compensation is recognized as an independent asset but only in the event that the compensation is asserted in practice. Expenses related to the provision are presented in the profit or loss net of any compensation.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 Transactions in foreign currencies

Transactions carried out by the Group in currencies other than the currency of the major economic environment in which the Group operates (its functional currency - Saudi Riyal) are recorded using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities are revalued using the exchange rates prevailing at the date of preparation of the consolidated financial statements. The resulting exchange gains and losses are recognized immediately in the profit or loss. Non-monetary assets and liabilities are stated at historical cost using the prevailing rate at the date of those transactions. Non-monetary items at fair value are translated using the prevailing price at the date of valuation and evaluation profits and losses are recognized as a part of this fair value.

4.18 Revenue recognition

a) Revenue from contracts with customers

The Group recognizes revenue from contracts with customers based on a five-step model as defined in International Financial Reporting Standard (IFRS) 15

- Step 1: Identify the contract(s) with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and specifies the criteria that must be met for each contract.
- Step 2: Identify the performance obligations in the contract: A performance obligation is a promise in a customer contract to transfer a good or service to the customer.
- Step 3: Determine the transaction price: The transaction price is the amount of consideration the Group expects to receive in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of other parties.
- Step 4: Allocate the transaction price to the performance obligations in the contract: For contracts that involve more than one performance obligation, the Group allocates the transaction price to each performance obligation based on the amount of consideration the Group expects to receive in exchange for fulfilling each of the performance obligations.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognized when performance obligations are satisfied, meaning when control of the goods or services related to a specific obligation is transferred to the customer, enabling them to use the goods for the intended purpose and without restrictions, or when they benefit from the services provided under the contract for the preparation and delivery of the required products across different product categories and geographic regions.

Revenue is recognized when there is a contract with the customer for the transfer of products across various product categories and geographic regions.

Revenue is recognized in profit or loss when the performance obligation is fulfilled at the allocated price for that obligation. This is defined as the point in time when control of the goods is transferred to the customer, the amount of revenue can be reliably measured, and collectability is probable. Control is transferred to customers according to the terms of the commercial agreement.

Revenue is represented by the fair value of the consideration received or receivable for goods sold, after deducting returns, trade discounts, and rebates.

The following is a description of the main activities from which the company generates its revenues:

b) Revenue from Entertainment products

The Group's revenue is generated from contracts with customers through the sale of entertainment products. Control of the products transfers at a specific point in time when they are delivered directly to the customers.

c) Rental income

Rental income arising from operating leases on investment properties is recognised, in accordance with the terms of lease contracts over the lease term on a straight-line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

Financing Element

The company's contracts consist of selling products to customers and collecting the amount during the year according to the terms of the contract. Therefore, none of the transaction prices are adjusted for the time value of money.

Returns and Warranties

Due to the nature of the Group products, there are no conditions for returning products after receipt, and the Group does not provide any warranties on the products sold.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 Deferred income from government grant

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities. The definition of "Government" refers to Governments, Government agencies and similar bodies, whether local, national or international.

Government grant is recognized at fair value, as deferred income, when there is reasonable assurance that the grant will be received and the Group will be able to comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

The loan is initially recognized at fair value in accordance with IFRS 9, which is determined by discounting the expected future cash flows using the prevailing market interest rate. If the loan is granted at a rate below the market rate, the benefit arising from the government grant is measured as the difference between the fair value of the loan at initial recognition and the amount received. This grant is accounted for under International Accounting Standard (IAS) 20, where it is recorded as deferred income and then recognized gradually in accordance with the nature of the grant.

4.20 Earnings per share

Basic earnings per share and diluted earnings per share (if any) are presented for ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year, adjusted by the number of ordinary shares repurchased or issued during the year.

The diluted earnings per share are adjusted by adjusting the profit or loss attributable to ordinary equity holders of the Parent Company and the weighted average number of shares outstanding during the year with the effect of all dilutive potential ordinary shares issued during the year.

4.21 Trade Payables

Trade payables are obligations to settle the value of goods or services acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if they are due for settlement within one year or less, otherwise, they are presented as non-current liabilities. Trade payables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method.

4.22 Operating segments

The operating segment is a component of the Group:

a) Which carries out business activities from which it may earn revenues and incur expenses (including profit and expenses relating to transactions with the components of the same group).

b) Whose operating results are regularly reviewed by the chief operating decision maker at the facility to make decisions about the resources to be allocated to the sector and to evaluate its performance.

c) For which separate financial information is available.

Operating segment results reported to operational decision makers include the direct items relating to the operating segment and the items that are allocated to the operating segment to a reasonable extent. The Group has operating segments as described in note 34.

4.23 Expenses

Selling, marketing, general, and administrative expenses include direct and indirect expenses not considered part of the cost of sales. Selling and marketing expenses are all related to sales activity and delivery vehicles as well as other marketing related expenses. All other expenses are classified as general and administrative expenses. Joint expenses are divided between the cost of sales, selling and marketing expenses, administrative and general expenses on a consistent basis when required.

4.24 Cost of Revenues

The cost of revenues includes materials, consumables, and other direct costs. The cost is allocated between the cost of revenues and other operating expenses, when applicable, on a consistent basis.

(All amounts are in Saudi Riyals unless otherwise stated)

5. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The following new accounting standards, interpretations and amendments to existing standards have been published by IASB and are mandatory for the accounting period beginning on 1 January 2024 or later.

a) New Standards, Interpretations, and Amendments Applied by the Group

A number of other new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Group's consolidated financial statements.

Amendments to standard	Description	Effective for annual years beginning on or after
Amendments to International Accounting Standard (IAS) 1 "Presentation of Financial Statements"	Non-Current Liabilities with Commitments and Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to IFRS 16 "Leases"	Lease Liabilities in Sale and Leaseback Transactions	1 January 2024
Amendments IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Statements: Disclosures"	Supplier Financing Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

b) Accounting Standards Issued but Not Yet Effective

The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective. Several amendments will be applied for the first time in 2025 or in subsequent years; however, they are not expected to have a material impact on the Group's consolidated financial statements.

Amendments to standard	Description	Effective for annual years beginning on or after
IAS 21 "The Effects of Changes in Foreign Exchange Rates"	Non-Convertibility of Currencies – Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"	1 January 2025
IFRS 10 and IAS 28	Sale or Contribution of Assets Between an Investor and an Associate or Joint Venture	Optional Application Available / Effective Date Deferred and Not Yet Determined
New Standard: IFRS 18	Presentation and Disclosure in the Financial Statements	1 January 2027
New Standard: IFRS 19	Reduction of Disclosures for Subsidiaries	1 January 2027
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026

(All amounts are in Saudi Riyals unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT

	Lands	Buildings***	Machinery and Equipment	Cars and trucks	Furniture, office equipment and computers	Capital projects **	Total
Cost							
Balance as at 1 January 2023	14,000,000	48,445,931	20,166,023	3,663,905	7,406,135	1,647,859	95,329,853
Additions	-	37,043	310,327	133,500	205,341	3,827,080	4,513,291
Transferred from capital projects	-	2,401,517	328,742	-	245,835	(2,976,094)	-
Transferred from investment properties	-	4,056,711	-	-	-	-	4,056,711
Transferred to intangible asset	-	-	-	-	-	(710,691)	(710,691)
Disposals	-	-	-	-	(3,446)	-	(3,446)
Assets held for sale (note 16)	-	(3,496,312)	(3,838,107)	(834,094)	(517,643)	(20,250)	(8,706,406)
Balance as of 31 December 2023 (restated)	14,000,000	51,444,890	16,966,985	2,963,311	7,336,222	1,767,904	94,479,312
Additions	-	**25,749**	-	-	**125,398**	**3,636,221**	**3,787,368**
Disposals	-	-	-	**(263,343)**	-	**(89,466)**	**(352,809)**
Balance as at 31 December 2024	**14,000,000**	**51,470,639**	**16,966,985**	**2,699,968**	**7,461,620**	**5,314,659**	**97,913,871**
Accumulated Depreciation							
Balance as at 1 January 2023	-	18,418,474	5,559,222	2,251,167	6,472,194	-	32,701,057
Depreciation for the year	-	1,468,756	1,871,959	438,281	266,493	-	4,045,489
Disposals	-	-	-	-	(1,144)	-	(1,144)
Assets held for sale (note 16)	-	(1,022,504)	(1,061,164)	(355,975)	(162,816)	-	(2,602,459)
Balance as at 31 December 2023 (restated)	-	18,864,726	6,370,017	2,333,473	6,574,727	-	34,142,943
Depreciation for the year	-	**1,544,291**	**1,556,444**	**267,683**	**296,988**	-	**3,665,406**
Disposals	-	-	-	**(254,292)**	-	-	**(254,292)**
Balance as at 31 December 2024	-	**20,409,017**	**7,926,461**	**2,346,864**	**6,871,715**	-	**37,554,057**
Net book value as of							
31 December 2024	**14,000,000**	**31,061,622**	**9,040,524**	**353,104**	**589,905**	**5,314,659**	**60,359,814**
31 December 2023 (Restated)	14,000,000	32,580,164	10,596,968	629,838	761,495	1,767,904	60,336,369

(*) The Group has property, plant and equipment amounting to SR 24.41 million as of 31 December 2024 (31 December 2023: SR 23.89 million) which have been fully depreciated but are still in use.

(**) Capital projects consist of the Group's real estate development projects, part of which was completed after the date of the financial statements. The capital commitments related to these projects amount to SR 552,117 as of 31 December 2024 (2023: SR 4,188,338).

(***) The buildings category includes buildings constructed on land leased from the Saudi Industrial Cities and Technology Zones Authority "MODON", with a net book value of SR 18.6 million as of 31 December 2024 (2023: SR 19.13 million). These buildings are depreciated over the term of the lease, which is 33.5 years.

(All amounts are in Saudi Riyals unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment of the Group as of 31 December 2024 includes assets with net book value amounting to SR 27.4 million (2023: SR 29.33 million) which are pledged against loan obtained from the Saudi Industrial Development Fund (note 19).

Property, plant and equipment of the Group as of 31 December 2024 includes land amounting to SR 14 million (2023: SR 14 million) under sale and lease back agreement with Kirnaf Investment and Installment Company with an area of 9,987 square meters. The Group fulfilled and completed all the contractual terms and conditions, subsequent to the financial statements date, on 12 Sha'ban 1446H (corresponding to 11 February 2025), the land title deed was transferred to the name of the Group.

6.1 The depreciation of property, plant, and equipment for the year ended 31 December was charged to the consolidated statement of comprehensive income as follows:

	Note	2024	2023
Cost of sales	27	**2,952,984**	2,718,295
General and administrative expenses	29	**655,370**	310,067
Selling and marketing expenses	28	**57,052**	197,700
Depreciation on assets held for sale		**-**	819,427
		3,665,406	4,045,489

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has a lease contract for land with a duration of 33.5 years, obtained from the Saudi Industrial Property Authority (MODON). The annual lease value is SR 52,000

Set out below is the carrying amount of right-of-use assets and the related movement:

	2024	2023
Balance as at 1 January	**853,445**	-
Additions, net	-	906,083
Disposal	-	(25,181)
Depreciation charge for the year	**(27,456)**	(27,457)
Balance at 31 December	**825,989**	853,445

The following is the movement of lease liabilities during the year:

	2024	2023
Balance as at 1 January	**891,000**	-
Additions	**-**	906,083
Finance cost	**36,301**	36,915
Payments	**(52,000)**	(51,998)
As at 31 December	**875,301**	891,000
Distributed as follows:		
Current	**24,637**	15,697
Non-current	**850,664**	875,303
	875,301	891,000

The following are the amounts recognized in profit or loss:

	2024	2023
Depreciation expense of right-of-use assets	**27,456**	27,457
Finance cost on lease liabilities	**36,301**	36,915
Total recognized in profit or loss	**63,757**	64,372

(All amounts are in Saudi Riyals unless otherwise stated)

8. INVESTMENT PROPERTIES

	Land	Buildings	Total
Fair Value			
As at 1 January 2023 (restated)	184,075,904	263,435,948	447,511,852
Fair value difference	21,644,127	(4,677,719)	16,966,408
Transferred to property, plant, and equipment (**)	-	(4,056,711)	(4,056,711)
Balance as at 31 December 2023 (restated)	205,720,031	254,701,518	460,421,549
Fair value difference	**3,332,214**	**7,444,249**	**10,776,463**
Dispose of Land in Al- Khumra District (Warehouse) - Jeddah City	**(5,002,209)**	-	**(5,002,209)**
Dispose land in Al-Wadi District - Jeddah	**(4,030,947)**	-	**(4,030,947)**
Dispose Hyatt Al-Fursan Hotel	-	**(19,586,914)**	**(19,586,914)**
Balance as at 31 December 2024	**200,019,089**	**242,558,853**	**442,577,942**

The Group has assessed its investment properties based on valuations conducted by two independent valuers: Global Ideas Real Estate for Property Valuation (Registration No. 1210000033) and Abdulaziz Ahmed Al-Azab Office for Property Valuation (Registration No. 1210000177). Both valuers are registered with the Saudi Authority for Accredited Valuers (Taqeem). Accordingly, the fair value of the investment properties was determined based on the lower of the two valuations, in accordance with the instructions of the Capital Market Authority, as per the announcement dated 31 December 2019, which came into effect on 1 January 2023.

Details of investment properties are mentioned below:

	31 December 2024	31 December 2023 (Restated)
Land and Building in Prince Sultan Street – Jeddah City (*)(**)	**342,626,796**	331,850,333
Land in Al-Khumra District - Jeddah City	**69,700,000**	69,700,000
Land and Building in Taliah Street Building – Jeddah City (*)	**28,914,113**	28,914,113
Land in Jubail City	**977,000**	977,000
Land in Yanbu City	**360,033**	360,033
Hayat Al Fursan Hotel	-	19,586,914
Land in Al-Khumra District (Warehouse) - Jeddah City	-	5,002,209
Land in Al-Wadi District - Jeddah City	-	4,030,947
	442,577,942	460,421,549

(*) During the year ended 31 December 2022, the Group purchased two plots of land and two buildings located on Prince Sultan Street and Tahlia Street in Jeddah for an amount of SR 325 million and SR 24.15 million, respectively. The purchase of the investment properties was financed by Alinma Bank, and the properties are pledged against this financing (note 19).

(**) During the year ended 31 December 2023, the Group's management occupied a prtion of the property as the Group's headquarters. Accordingly, the fair value of the utilized space at the date of occupancy, amounting to SR 4 million, was reclassified to property, plant, and equipment (note 6).

9. INTANGIBLE ASSET

	Software
Cost	
Balance as at 1 January 2023	3,483,073
Additions	26,665
Transferred from property, plant and equipment	710,691
Balance as at 31 December 2023	4,220,429
Additions	**45,000**
Balance as at 31 December 2024	**4,265,429**
Accumulated Amortization	
Balance as at 1 January 2023	3,417,591
Amortization for the year	201,542
Balance as at 31 December 2023	3,619,133
Amortization for the year	**206,790**
Balance as at 31 December 2024	**3,825,923**
Net book value	
31 December 2024	**439,506**
31 December 2023	601,296

(All amounts are in Saudi Riyals unless otherwise stated)

10. LONG-TERM INVESTMENTS

The Group has an investment at fair value through profit or loss in Al Wasatah Al Maliah Company (Wasatah Capital) (a closed joint-stock company) which does not have a publicly quoted price in the market. The Group owns 533,500 shares as of 31 December 2024, representing 2.1% of the share capital (2023: 533,500 shares representing 2.1% of the share capital) with a nominal value of SR 10 per share. The Group's management conducts a fair value assessment of the investment based on an evaluation performed by Saudi Ethraa Consulting (Registration No.: 3912000028) through appraisers registered with the Saudi Authority for Accredited Valuers (Taqeem). The movement of the investment during the year is as follows:

	2024	2023
Balance at beginning of the year	5,335,000	3,951,250
Fair value difference (note 30)	1,750,000	1,383,750
Balance at the end of the year	7,085,000	5,335,000

11. INVENTORIES

	31 December 2024	31 December 2023
Raw material and consumables	336,315	633,117
Finished goods	137,046	109,804
	473,361	742,921

12. TRADE RECEIVABLES

	31 December 2024	31 December 2023
Trade receivables	25,734,785	19,331,621
Allowance for expected credit losses	(5,290,437)	(969,481)
	20,444,348	18,362,140

The summary for the movement of allowance for expected credit loss is as follows:

	2024	2023
Balance as at 1 January	969,481	558,124
Allowance for expected credit losses	4,545,178	1,122,618
Reversal of provision during the year.	(224,222)	-
Allowance held for sale	-	(711,261)
Balance as at 31 December	5,290,437	969,481

* The aging of trade receivables schedule was shown in note 34.

13. PREPAYMENTS AND OTHER RECEIVABLES

	Note	31 December 2024	31 December 2023 (Restated)
Other receivables	13.1	23,666,948	60,394
Employees loans and deposits	13.2	4,555,081	2,270,753
Bank guarantee		1,055,821	694,857
Prepaid expenses		570,025	523,215
Advances to suppliers		41,852	5,193
Total		29,889,727	3,554,412
Expected credit losses (ECL)		(2,455,561)	-
Net		27,434,166	3,554,412
Current portion		9,541,917	3,068,971
Non-current portion		17,892,249	485,441
		27,434,166	3,554,412

(All amounts are in Saudi Riyals unless otherwise stated)

13. PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

13.1 As of 31 December 2024, the balance includes an amount of SR 5.6 million due from the buyer, of which SR 3 million and partner in Arw Industrial Company (formerly a subsidiary). This amount represents the value of selling the Group's divested share in Arw Industrial Company. Additionally, SR 2.6 million represents receivables from Arw Industrial Company, previously granted by the Group to fund the company's working capital requirements while it was a subsidiary, this liability was transferred to the buyer during the year. The Group has obtained promissory notes from the buyer for the amount of SR 3.5 million and has recorded an expected credit loss provision of SR 2.4 million against the entire amount. During the year ended 31 December 2024, the company filed a legal claim for SR 3.5 million through judicial notification and requested a precautionary attachment against the buyer. The case is still under review in the courts.

In addition to the aforementioned amounts, this balance includes an amount of SR 17.6 million as of 31 December 2024 (2023: nil) related to the disposal of investment properties. This amount is guaranteed by promissory notes in favor of the Group and is scheduled to be settled in four annual installments, commencing in 2025 and concluding in 2028.

13.2 Employees loans and deposits amount to SR 4.5 million as of 31 December 2024 (2023: SR 1.4 million), provided to key management employees (note 23).

14. SHORT TERM INVESTMENTS

Fair value through profit or loss (FVTPL)

14.1 The investments at fair value through profit or loss consist of shares in Saudi companies and investment funds listed in the financial market. Below are the details of these investments in terms of the number of shares owned by the Group as of 31 December and their fair value on the same date:

	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
	Number of shares		**Fair Value**	
Raoom Trading Company	**65,858**	65,758	**11,420,201**	7,719,989
Saudi Telecom Company	**9,408**	-	**376,320**	-
Investment Fund	**23,668**	-	**160,089**	-
Al Majid for Oud Company	**65**	-	**9,490**	-
United International Group	**113**	-	**20,340**	-
The Savola Group	**2,447**	-	**89,805**	-
Nice One Company	**254**	-	**8,890**	-
Al Rajhi REIT Fund	**-**	43,898	**-**	389,814
Total	**101,813**	109,656	**12,085,135**	8,109,803

(All amounts are in Saudi Riyals unless otherwise stated)

14. SHORT TERM INVESTMENTS (CONTINUED)

14.2 Movement in short term investments:

	Balance as of 1 January 2024	Additions	Disposals	Unrealized Gains / (Losses)	Realized (Losses) / Gains	Balance as of 31 December 2024
Raoom Trading Company	7,719,989	12,897	-	3,687,315	-	11,420,201
Saudi Telecom Company	-	412,379	(20,639)	(14,546)	(874)	376,320
Investment Fund	-	200,000	(15,438)	(22,515)	(1,958)	160,089
Al Taiseer Group Talco Industrial Company	-	85,872	(119,811)	-	33,939	-
Asq Plastic Factory Company	-	61,556	(76,253)	-	14,697	-
Saudi Manpower Solutions Company	-	20,992	(21,319)	-	327	-
Rasan Information Technology Company	-	185,417	(237,421)	-	52,004	-
Dr. Suleiman Abdulqader Fakieh Hospital Company	-	8,510	(8,613)	-	103	-
Maihana Company	-	4,439	(11,907)	-	7,468	-
Takween Advanced Industries Company	-	434,534	(495,886)	-	61,352	-
Al Rajhi REIT Fund	389,814	-	(385,380)	-	(4,434)	-
Human Wealth Company	-	109,120	(95,072)	-	(14,048)	-
Arabian Drilling Company	-	207,269	(189,480)	-	(17,789)	-
Al Majid for Oud Company	-	6,110	-	3,380		9,490
Arabian Mills Company	-	23,100	(17,365)	-	(5,735)	-
Fourth Milling Company	-	39,288	(30,119)	-	(9,169)	-
Tamkeen Human Resources Company	-	6,500	(8,630)	-	2,130	-
United International Group	-	14,916	-	5,424	-	20,340
The Savola Group	-	86,062	(31,501)	26,488	8,756	89,805
Nice One Company	-	8,890	-	-	-	8,890
	8,109,803	1,927,851	(1,764,834)	3,685,546	126,769	12,085,135

15. CASH AND CASH EQUIVALENTS

	Note	31 December 2024	31 December 2023
Cash at banks	15.2	676,812	33,108,318
Cash in hand		217,613	321,581
Cash in investment portfolios		100,106	298,078
		994,531	33,727,977

15.1 For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	Note	31 December 2024	31 December 2023
Cash at banks	15.2	676,812	33,108,318
Cash in hand		217,613	321,581
Cash in investment portfolios.		100,106	298,078
Cash and cash equivalents attributable to discontinued operations	16	-	60,301
		994,531	33,788,278

15.2 Cash at bank is held in a current account with commercial banks in Saudi Arabia. Balances in current account does not earn any interest.

(All amounts are in Saudi Riyals unless otherwise stated)

16. GROUP ASSETS CLASSIFIED AS HELD FOR SALE

On 11 December 2023, the Board of Directors decided to discontinue the Medical Equipment and Healthcare sector, which consists of Arw Industries, a subsidiary owned 55%, following the approval of the Group's Board of Directors on the sale plan. On 18 February 2024, the Group entered into an agreement to sell Arw Industries. As a result, the Group's investment in Arw Industries was classified as a discontinued asset held for sale. The operations of Arw Industries represent the entire Medical Equipment and Healthcare sector of the Group. With Arw Industries classified as held for sale, the Medical Equipment and Healthcare sector is no longer presented in the Group's segment information.

16.1 The gain from the disposal of the subsidiary was determined as follows:

	Note	As of the date of disposal 18 February 2024
Assets		
Property, plant and equipment	6	**6,103,947**
Inventories		**1,099,011**
Trade receivables		**543,395**
Prepayments and other receivables		**188,113**
Cash and cash equivalents		**83,067**
		8,017,533
Liabilities		
Long-term loans	19	**1,902,215**
Employees benefits obligation		**153,963**
Trade payables		**191,581**
Accrued expenses and other liabilities	16.2	**2,962,865**
Zakat provision	24.3	**43,101**
Due to related parties		**5,144,681**
		10,398,406
Net assets at the date of disposals		**(2,380,873)**
Non-controlling interests related to the disposal		**886,317**
Consideration from the disposal		**(3,000,000)**
Profit from disposal of a subsidiary		**(4,494,556)**

16.2 This amount includes SR 2.6 million payable to the Group.

16.3 The assets and liabilities balances of Arw Industrial Company as of 31 December 2024, were not presented due to the sale of the subsidiary during the year. The major categories of assets and liabilities of Arw Industrial Company classified as held for sale as of 31 December 2023, are as follows:

	31 December 2023
Assets in disposal group classified as held for sale	
Property, plant and equipment	6,103,947
Inventories	1,099,011
Trade receivables	563,723
Prepayments and other receivables	649,223
Cash and cash equivalents	60,301
	8,476,205
Liabilities directly associated with assets in disposal group classified as held for sale	
Long-term loans	1,944,007
Employees benefits obligation	153,609
Trade payables	1,103,038
Accrued expenses and other liabilities	360,335
Zakat provision	20,576
Due to related parties	5,092,621
	8,674,186

(All amounts are in Saudi Riyals unless otherwise stated)

16. GROUP ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

16.4 The results of ARW Industry Company up to the date of disposal, as included in the consolidated statement of comprehensive income, are presented below:

	From 1 January 2024 to 18 February 2024	1 January 2023 to 31 December 2023
Revenue from contracts with customers	-	2,702,738
Cost of revenue	-	(8,123,072)
Operating loss	-	(5,420,334)
General and Administrative Expenses	(39,260)	-
Finance costs	(14,436)	(76,695)
Other income	-	124,598
Loss before zakat from discontinued operations	(53,696)	(5,372,431)
Zakat expense	-	(10,000)
Loss for the period / year	(53,696)	(5,382,431)
Gain on Disposal of Subsidiary (note 16.1)	4,494,556	-
Net profit / (loss) from disposal after zakat	4,440,860	(5,382,431)

The net cash flows incurred by ARW Industry Company are, as follows:

	2024	2023
Operating	64,558	496,910
Investing	-	(342,674)
Financing	(41,792)	(303,493)
Net cash outflow	22,766	(149,257)

The basic and diluted loss per share as follows:

	Note	2024	2023
Basic and diluted loss per share	32.3	(0.00005)	(0.005)

17. SHARE CAPITAL

As of 31 December 2018, the Company's capital was amounting to SR 196 million, consisting of 19.6 million fully paid shares of SR 10 for each.

During December 2019, and based on the Extraordinary General Assembly Meeting held on 31 December 2019, the shareholders decided to cancelling the accumulated losses as on 10 November 2019 amounting to SR 181 million and reduce the capital by that amount. Subsequent to the cancelling, the capital of the Company was SR 15 million, with a decrease of 92.35%, and the number of shares after the reduction become 1.5 million shares at SR 10 per share instead of, and the Company's articles of association and commercial registration have been amended accordingly.

On 2 September 2020, the Board of Directors of the Company recommended the increase in the Company's capital by an amount of SR 90 million through the issuance of priority rights shares. On 22 September 2020 corresponding to 2 Safar 1442, the CMA approved the request and the Extraordinary General Assembly Meeting of the shareholders dated on 27 October 2021 approved the increase of the Company's capital to SR 105 million and number of shares to 10.5 million. The Company amended its Bylaw and the Commercial Registration accordingly.

On 8 February 2021, the Group's Board of Directors recommended an increase in the company's share capital by SR 210 million through a rights issue. On 17 May 2022, the shareholders, in an Extraordinary General Assembly meeting, approved the capital increase of SR 210 million through a rights issue to finance working capital, invest in real estate, and acquire shares in privately owned entities. The issuance process was completed during 2022. Additionally, the above issuance resulted in an oversubscription amounting to SR 42.3 million, which was refunded to subscribers, except for SR 0.88 million, which remains payable.

With reference to the Company's announcement dated 4 October 2022 and the addendum dated 18 May 2023 regarding the Board of Directors' recommendation to increase the Company's capital by issuing priority rights shares at a value of 236.25 million, subject to the approval of the relevant official authorities and the Extraordinary General Assembly. The Company has announced its submission on 17 July 2023 corresponding to 29 Dhul Hijjah 1444, a file requesting approval to increase the Company's capital by offering priority rights shares, to the CMA.

(All amounts are in Saudi Riyals unless otherwise stated)

17. SHARE CAPITAL (CONTINUED)

On 9 July 2023, the shareholders in the Extraordinary General Assembly Meeting resolved to split the shares by adjusting the nominal value of share from SR 10 per share to SR 0.5 per share. Accordingly, the number of shares has been increased from 31.5 million to 630 million during the year. There is no change in the Company's share capital before and after the share split.

On 5 February 2024, the CMA has announced the approval of request made by the Group to increase in capital through offering of rights shares at a value of 236.25 million. The Group's management invited shareholders to the Extraordinary General Assembly Meeting on 3 March 2024, but the quorum was not met. On 2 July 2024, the Group announced an invitation to shareholders to attend the Extraordinary General Assembly Meeting (3rd), which included an increase in the Group's capital, scheduled for 30 July 2024. The meeting resulted in the shareholders' rejection of the proposed capital increase.

On 31 December 2024, the share capital of the Company is SR 315 million, divided into 630 million shares of SR 0.5 each. (31 December 2023: SR 315 million share capital divided into 31.5 million shares of SR 10 each).

On 5 January 2025, the Company announced the Board of Directors' recommendation to increase the Company's capital through a rights issue worth SR 105 million, subject to the approval of the relevant regulatory authorities and the Extraordinary General Assembly. The invitation to hold the Extraordinary General Assembly meeting has not yet been issued.

On 12 February 2025, an Extraordinary General Assembly Meeting was held, where it was approved to amend the nominal value of the share from SR 0.5 to SR 10 per share. This was achieved by reducing the number of shares from 630 million shares to 31.5 million shares.

18. NON-CONTROLLING INTERESTS

The following table summarizes the information relating to each of the Group's subsidiaries that has non-controlling interests (NCI).

31 December 2024

	Saudi Wasit	ARW	Total
NCI percentage	37%	45%	
Non-current assets	28,963,993	-	28,963,993
Current assets	18,562,556	-	18,562,556
Non-current liabilities	(1,706,811)	-	(1,706,811)
Current liabilities	(39,150,422)	-	(39,150,422)
Net assets	6,669,316	-	6,669,316
Net assets attributable to NCI	2,467,647	-	2,467,647
Loss for the year	(5,852,203)	(53,696)	(5,905,899)
Other comprehensive loss	(21,530)	-	(21,530)
Total comprehensive loss	(5,873,733)	(53,696)	(5,927,429)
Loss allocated to NCI	(2,165,315)	(24,164)	(2,189,479)
Other comprehensive loss allocated to NCI	(7,966)	-	(7,966)
Total comprehensive loss allocated to NCI	(2,173,281)	(24,164)	(2,197,445)

(All amounts are in Saudi Riyals unless otherwise stated)

18. NON-CONTROLLING INTERESTS (CONTINUED)

31 December 2023

	Saudi Wasit	ARW	Total
NCI percentage	49%	45%	
Non-current assets	31,242,474	6,103,947	37,346,421
Current assets	18,625,955	2,372,259	20,998,214
Non-current liabilities	(1,256,544)	(589,892)	(1,846,436)
Current liabilities	(35,700,313)	(10,203,490)	(45,903,803)
Net assets	12,911,572	(2,317,176)	10,594,396
Net assets attributable to NCI	6,326,670	(1,042,729)	5,283,941
Profit/(loss) for the year	1,925,818	(5,372,430)	(3,446,612)
Other comprehensive income/(loss)	1,551	(84,267)	(82,716)
Total comprehensive income/(loss)	1,927,369	(5,456,697)	(3,529,328)
Profit/(loss) allocated to NCI	943,651	(2,417,594)	(1,473,943)
Other comprehensive income/(loss) allocated to NCI	760	(37,920)	(37,160)
Total comprehensive income/(loss) allocated to NCI	944,411	(2,455,514)	(1,511,103)

19. LONG-TERM LOANS

	Note	31 December 2024	31 December 2023
Saudi Industrial Development Fund loans	19.1-2	**13,253,932**	14,659,057
Facility arrangement with Alinma Bank	19.4-6	**144,199,981**	158,108,255
Facility arrangement with Riyadh Bank	19.3	-	644,007
Total loans and facilities		**157,453,913**	173,411,319
Liabilities held for sale	16	-	(1,944,007)
Total long-term loans and facilities		**157,453,913**	171,467,312
Less: current portion of long-term loans		**157,453,913**	(43,779,771)
Non-current portion of long-term loans		-	127,687,541

Finance costs related to loans represent 99.7% for the year ended 31 December 2024 (2023: 99.7%) of the total finance costs recorded in the statement of comprehensive income.

Saudi Wasit Factory for Entertainments and Beauty System

19.1 The entity has a long-term facility from the Saudi Industrial Development Fund (SIDF) amounted of SR 16.87 million. The total outstanding balance of the loan as at 31 December 2024 amounted to SR 13.25 million (31 December 2023: SR 13.36 million). The loan has a zero-interest rate It is a government grant, and the relevant conditions for government grants have been fully complied with, accordingly, the difference between the fair value of loan and book value (being the discount present value of the loan using effective interest rate) is considered as a deferred income (Government Grant) that is amortization over the period of the loan duration (note 19.6). These facilities are secured by the promissory notes, corporate guarantees from the subsidiary's shareholders and mortgaged by the assets of the Company (note 6). The semi-annual repayment of the loan begins on 18 March 2024 and final payment is due on 3 February 2026. The loan agreements contain certain covenants which among others, require that the entities maintain specified financial ratios.

As at 31 December 2024 and 31 December 2023, the entity has not complied with certain covenants as stipulated in the loan agreement. Accordingly, the total loan amount is classified under current liabilities as of 31 December 2024, and 2023.

ARW Industry Company

19.2 During 2017, the company obtained a long-term facility from SIDF, with total outstanding balance of the loan as of 28 February 2024 (the company's disposal date - note 16.1) amounting to SR 1.3 million (31 December 2023: SR 1.3 million). The loan is secured by promissory notes and corporate guarantees from the shareholders. The loan is being repayable semi-annually basis over a period of 6 years, starting from 15 Sha'ban 1441 H (corresponding to 8 April 2020).

19.3 During 2021, the company entered into a three-year financing agreement with Riyad Bank with a credit limit of SR 1.1 million to fund working capital requirements. The total outstanding balance as of 18 February 2024 (the date of the company's disposal – note 16.1) was SR 0.60 million (note 16.1) (as of 31 December 2023: SR 0.64 million).

As of 31 December 2023, these loans were reclassified as liabilities directly associated with the Group of assets classified as held for sale (note 16.3).

(All amounts are in Saudi Riyals unless otherwise stated)

19. LONG-TERM LOANS (CONTINUED)

Parent Company

19.4 During 2022, the Parent Company obtained a long-term loan of SR 153.23 million from Alinma Bank to finance the purchase of an investment property consisting of land and a building on Prince Sultan Street, Jeddah. As of 31 December 2024, the total outstanding balance of the loan amounted to SR 131.68 million (2023: SR 144.7 million). Under the loan agreement, the loan carries an interest rate based on SAIBOR plus a 2% profit margin. It is repayable in semi-annual installments over 10 years, starting from 29 December 2023, until 29 June 2032. The loan is secured by a mortgage on investment properties (note 8).

As at 31 December 2024, the entity has not complied with certain covenants as stipulated in the loan agreement. However, after the financial statements reporting date, the parent company obtained a waiver from Alinma Bank regarding the breached financial covenants. Nevertheless, the total non-current portion of the loan has been classified under current liabilities.

Anaam International Investment Company

19.5 In 2023, the Company obtained a long-term loan of SAR 13 million from Alinma Bank to finance the acquisition of a stake in United Inks Production Company. As of 31 December 2024, the total outstanding balance of this loan amounted to SAR 12.51 million (2023: SAR 13 million). According to the loan agreement, the loan carries an interest rate based on SAIBOR plus 3%. It is repayable over 15 years on a semi-annual basis, starting from 24 February 2024, until August 24, 2038. The loan is secured by a mortgage on an investment property consisting of land and a building located on Tahlia Street, Jeddah (note 8).

The loan was not used for a purpose as stipulated in the loan agreement. Accordingly, the total loan amount is classified under current liabilities as at 31 December 2024.

19.6 **Government grant**

The movement of the government grant during the year is as follows:

	2024	2023
Balance as at 1 January	**1,607,934**	1,768,029
Deferred income amortized during the period (note 31)	**(160,095)**	(160,095)
Balance as at 31 December	**1,447,839**	1,607,934
Current portion	**(160,095)**	(160,122)
Noncurrent portion	**1,287,744**	1,447,812

20. EMPLOYEES' BENEFITS OBLIGATIONS

	Note	2024	2023
As at 1 January		**5,846,566**	7,771,149
Current service		**737,583**	711,133
Interest cost		**294,473**	259,763
Re-measurement loss / (gain) in other comprehensive income	20.1	**2,346,586**	(2,403,997)
Benefits paid during the year		**(159,218)**	(337,873)
Liabilities held for sale	16	**(354)**	(153,609)
As at 31 December		**9,065,636**	5,846,566
Less: Advance against employees' benefits		**(5,263,318)**	(3,176,817)
Net employees' benefits obligations		**3,802,318**	2,669,749

20.1 This amount includes discontinued operations, which management considers immaterial at the consolidated financial statement level.

The following are the main actuarial assumptions:

	2024	2023
Discount rate	**5.5% - 5.74%**	4.91%
Salary increase rate	**5.5% - 5.74%**	4.91%
Employee Turnover Rate *	**0% - 22%**	0% - 22%
Defined Benefit Plan Obligation Period	**2 – 14 years**	9 – 15 years
Retirement age	**60 years**	60 years

* Based on the assumed attrition rate for each age group.

(All amounts are in Saudi Riyals unless otherwise stated)

20. EMPLOYEES' BENEFITS OBLIGATIONS (CONTINUED)

The sensitivity analysis presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Assumptions	Movement	31 December 2024		31 December 2023	
		Increase	**Decrease**	Increase	Decrease
Discount rate	0.5%	**8,922,124**	**9,222,406**	5,744,793	5,957,874
Salary increases rate	0.5%	**9,221,632**	**8,921,455**	5,957,324	5,744,322
Employee turnover	10%	**9,038,449**	**9,094,713**	5,828,175	5,866,317

The current cost of service differences and the interest cost of the provision for employee benefits are charged to general and administrative expenses and cost of revenue.

The following are the expected payments for the benefit plan in the coming years:

	2024	2023
Within the next 12 months.	**6,328,285**	3,924,582
From one year to two years.	**477,315**	75,946
From two to five years.	**440,113**	617,257
More than five years.	**4,800,867**	2,918,599

21. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 December 2024	31 December 2023 (Restated)
Accrued employee benefits and incentives	**4,067,018**	3,430,877
Advance payments from customers	**3,208,205**	3,139,745
Fines due to Custom Authority	**2,560,000**	2,560,000
Accrued expenses	**2,294,680**	2,687,422
Others	**4,012,319**	2,254,059
	16,142,222	14,072,103

22. DIVIDENDS AND DUE TO SHAREHOLDERS

	31 December 2024	31 December 2023
Shares sold by auction	**5,104,671**	5,116,649
Refund of excess capital increase	**2,910,743**	2,910,743
Allocation of surplus stock	**2,127,617**	2,127,617
Shareholder cheques not paid	**1,252,369**	1,252,369
IPO Surplus refund 2020	**1,073,722**	1,079,587
Dividends not paid	**939,007**	939,007
Differences resulting from capital reduction	**233,122**	233,122
IPO Surplus refund 2019	**178,749**	178,749
	13,820,000	13,837,843

23. RELATED PARTIES TRANSACTIONS AND BALANCES

In the ordinary course of its activities, the Group transacts business with its related parties. Related parties include its shareholders and their affiliated companies, the Board of Directors, and key management personnel, including non-executive directors, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The transactions with related parties are carried out on mutually agreed terms approved by the management of the Group.

a) Key transactions with related parties are as follows:

Nature of transaction	Nature of relationship	Transaction Value	
		2024	2023
Expenses paid on behalf of Company	Non-controlling	**-**	807,100
Repayment	shareholder in a subsidiary	**(1,328,119)**	-
Legal consulting services.	Related party to CEO.	**360,000**	842,000

(All amounts are in Saudi Riyals unless otherwise stated)

23. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

b) Due to related parties

	31 December 2024	31 December 2023
Mr. Mohammad Ibrahim Haidari	**2,562,451**	2,572,451
Mr. Tariq Mohammad Ibrahim Haidari	**444,884**	1,763,003
	3,007,335	4,335,454

* During the year ended 31 December 2024, the Group acquired an additional 12% equity interest in a subsidiary (Wasit Saudi Factory Company for Entertainment and Beauty Systems Industry) for a total consideration of SR 4.8 million (Note 1).

c) Key management personnel compensation

Remuneration of key management can be shown as follows:

	2024	2023
Short-term employee benefits	**5,008,986**	5,325,492
Long-term employee benefits *	**7,492,082**	1,300,000
Board of Directors' meeting and committee attendance fees.	**1,356,000**	2,192,000
Net long-term employee benefits.	**1,662,297**	2,734,823
Prepaid long-term employee benefits.	**4,931,925**	2,831,925
Incentives	**1,221,831**	681,872

*The employees loans and deposits include an amount of SR 4.5 million as of 31 December 2024 (2023: SR 1.4 million) (note 13), provided to key management personnel after deducting prepaid end-of-service benefits and monthly salary deductions for employees. The remaining balance will be repaid through monthly deductions in the coming years. These loans do not incur any interest.

24. PROVISION OF ZAKAT

24.1 Amount recognized in consolidated statement of other comprehensive income:

	2024	2023
Zakat for the year	**924,919**	1,490,000
Prior years adjustment	**1,075,081**	-
Zakat expense related to discontinued operations	**-**	10,000
	2,000,000	1,500,000

24.2 The main elements of zakat are as follows:

	2024	2023 (Before restatement)
Non-current assets	**529,180,500**	544,144,483
Non-current liabilities	**5,940,726**	132,680,405
Equity of at the beginning of the year	**278,025,982**	281,459,504
(loss) / Profit before zakat	**(4,227,811)**	17,631,736

24.3 Movement for provision during the year is as follows:

	Note	2024	2023
1 January		**102,857,655**	102,501,673
Charge during the year	24.1	**2,000,000**	1,500,000
Payments during the year		**(1,383,861)**	(1,123,442)
Liabilities held for sale	16	**(22,525)**	(20,576)
31 December		**103,451,269**	102,857,655

(All amounts are in Saudi Riyals unless otherwise stated)

24. PROVISION OF ZAKAT (CONTINUED)

24.4 Zakat status

The Parent Company and its Subsidiaries, excluding Saudi Wasit Company

The Group submitted its zakat returns to Zakat, Tax and Customs Authority ("ZATCA") for the years from 1995 to 2018 on the basis of the consolidated financial statements.

The Group has submitted its Zakat return for the year ended 2019, 2020, 2021 to ZATCA.

The Group received a letter from the Authority dated 25 February 2018, which included a demand for zakat differences amounting to SR 106.93 million for the years from 1995 to 2011. A provision of SR 88.55 million was recognized in these consolidated financial statements in 2019, in addition to the provision of SR 18.37 million recognized in the consolidated financial statements for the year ended 31 December 2018, bringing the total provision recorded in these consolidated financial statements to SR 109.93 million.

On 22 April 2018, the Group submitted an objection list to the Authority for the aforementioned period and has not yet received a response from the Authority. On 17 November 2019, the Group filed a lawsuit with the General Secretariat of Zakat, Tax, and Customs Committees concerning the final period of the years mentioned. A decision was issued by the First Committee for Tax Violations and Disputes on 23 June 2021, which accepted some items and rejected others. On 14 July 2021, the Authority appealed the accepted items in favor of the Group, and the Group filed its appeal on the rejected items on 22 July 2021. The dispute is still pending with the appellate committee, and no hearing date has been set so far. The Group believes there is still a potential opportunity for the acceptance of this case.

Saudi Wasit Company

The company has submitted all its zakat reurns up to the year 2023, and these returns are still under review by the authority.

25. CONTINGENT LIABILITIES AND ASSETS AND CAPITAL COMMITMENTS.

25.1 Contingent Liabilities

There were no contingent liabilities as at 31 December 2024 (31 December 2023: Nil).

25.2 Contingent Assets

The Group has contingent assets in the form of a plot of land that was recorded under the accounts of Nasser Al-Mohammad Al-Muqirish & Partners before its merger with the Group in 1995. Since that date and up to 31 December 2024, the Group has not been able to prove ownership of the land due to the lack of an official title deed. The Group is currently working on proving its ownership by submitting a request through the "Ehkam" platform, and the request is still under review.

25.3 Capital Commitments

The Group has capital commitments amounting to SR 552,117 as of 31 December 2024 (2023: SR 4,188,338) (note 6).

26. REVENUE

	Note	2024	2023
Rental income (*)		**29,482,879**	31,100,036
Revenue from contract with customer (**)	26.1	**14,391,831**	20,055,517
		43,874,710	51,155,553

(*) Rental income is recognized over the period of time.

(**) The Group's revenues from contracts with customers arise from the sale of entertainment products. Control of the products is transferred at a specific point in time, and they are sold directly to customers.

26.1 Revenue from contract with customer

	2024	2023
Revenue from contract with customer	**14,441,017**	20,214,193
Discount	**(49,186)**	(158,676)
	14,391,831	20,055,517

26.2 Geographical Market

The assets of the segment are measured in the same way as the consolidated financial statements. These assets are allocated and analyzed based on the segment's operations.

The Group conducts its activities solely within the Kingdom of Saudi Arabia.

(All amounts are in Saudi Riyals unless otherwise stated)

26. REVENUE (CONTINUED)

26-3 Contract Values

The amount of revenue expected to be recognized is based on the amount expected to be received by the Group at the beginning of the contract for the goods and services provided. The Group does not anticipate any contracts where the period between the transfer of services or goods committed to by the Group and the customer exceeds one year. As a result, the Group does not adjust any of the transaction prices for the time value of money.

27. COST OF REVENUES

	Note	2024	2023
Salaries and other employee benefits		**6,461,056**	6,341,896
Cost of materials used		**3,397,248**	4,527,884
Depreciation of property, plant, and equipment	6.1	**2,952,984**	2,718,295
Other		**5,125,809**	4,708,382
		17,937,097	18,296,457

28. SELLING AND MARKETING EXPENSES

	Note	2024	2023
Salaries and other employees' benefits		**1,646,127**	1,770,211
Depreciation on property, plant and equipment	6.1	**57,052**	197,700
Others		**1,163,700**	1,744,669
		2,866,879	3,712,580

29. GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2024	2023 (Restated)
Salaries and other employees' benefits	29.1	**14,590,339**	11,807,899
Capital Increase Expenses		**4,725,000**	-
Allowance for expected credit losses – Trade receivables	12	**4,545,178**	1,122,618
Allowance for expected credit losses - Other receivables	13	**2,455,561**	-
Consulting, professional fees and licenses		**1,567,717**	2,498,873
Board of Directors' meetings and remunerations		**1,356,000**	2,192,000
Provision for employee benefits		**734,770**	479,294
Depreciation on property, plant and equipment	6.1	**655,370**	310,067
Traveling and transportation expenses		**146,238**	439,841
Audit Fees		**270,000**	450,000
Amortization of intangible asset	9	**206,790**	201,542
Utilities expenses		**90,075**	157,257
Government fees		**19,581**	36,607
Others		**676,485**	882,441
		32,039,104	20,578,439

29.1 This includes incentive given to the key management personnel on the investments completed on behalf of the Group.

30. GAIN FROM INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	2024	2023 (Restated)
Unrealized gain from FVTPL	14.2	**3,685,546**	249,388
Dividend income form investments		**420,539**	346,255
Realized gain from FVTPL	14.2	**126,769**	961,148
Unrealized gain on fair value of a long-term investment through profit or loss	10	**1,750,000**	1,383,750
		5,982,854	2,940,541

31. OTHER INCOME

	2024	2023
Income on short-term deposit	**295,021**	1,685,233
Reversal of expected credit losses – Trade Receivables	**224,222**	-
Amortization of government grant	**160,095**	160,095
Losses on disposal of investment properties	**(557,570)**	-
Others	**632,422**	255,639
	754,190	2,100,967

(All amounts are in Saudi Riyals unless otherwise stated)

32. (LOSS) / PROFIT OF BASIC AND DILUTED EARNINGS PER SHARE

32.1 Profit for the year attributable to owners of the Parent Company:

	2024	2023 (Restated)
Continuing operations	**(4,362,496)**	15,174,761
Discontinued operations	**4,465,024**	(3,038,337)
Profit attributable to owners of the Parent Company - basic and diluted earnings	**102,528**	12,136,424

32.2 (Loss) / profit per share from the continuing operations

	2024	2023 (Restated)
(Loss) / profit for the year attributable to the owners of the Parent Company from continuing operations	**(4,362,496)**	15,174,761
Weighted average number of shares (share)	**630,000,000**	630,000,000
(Loss) / profit per share Basic and diluted (Saudi Riyal per share).	**(0.007)**	0.024

32.3 Profit / (loss) per share from the discontinued operations

	2024	2023 (Restated)
Profit / (loss) for the year/period attributable to the owners of the Parent Company	**4,465,024**	(3,038,337)
Weighted average number of shares (share)	**630,000,000**	630,000,000
Profit / (loss) per share Basic and diluted (Saudi Riyal per share)	**0.007**	(0.005)

32.4 Profit per share for the year

	2024	2023 (Restated)
Profit for the year attributable to the owners of the Parent Company	**102,528**	12,136,424
Weighted average number of shares (share)	**630,000,000**	630,000,000
Profit per share Basic and diluted (Saudi Riyal per share).	**0.0002**	0.019

*The basic and diluted earnings / (loss) per share was calculated on the basis of the weighted average number of shares outstanding at the end of the year.

33. STATUTORY RESERVE

Article 40 of the Company's articles of association stipulates that the company must allocate 10% of the annual profit as statutory reserve until the reserve reaches 30% of the capital. The Group did not transfer any amount to the statutory reserve due to accumulated losses as of the year ending 31 December 2024 (31 December 2023: nil)

34. FINANCIAL RISK MANAGEMENT

34.1 Fair value and fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, 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.

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

(All amounts are in Saudi Riyals unless otherwise stated)

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 Fair value and fair value hierarchy (Continued)

	31 December 2024							
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Fair Value			
					Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:								
- Listed equity securities (Stocks)	12,085,135	-	-	12,085,135	12,085,135	-	-	12,085,135
- Unlisted equity securities	7,085,000	-	-	7,085,000	-	-	7,085,000	7,085,000
Total	19,170,135	-	-	19,170,135	12,085,135	-	7,085,000	19,170,135
Financial assets not measured at fair value								
Other receivables	-	29,277,850	-	29,277,850	-	-	-	-
Trade receivables	-	20,444,348	-	20,444,348	-	-	-	-
Cash and cash equivalents	-	994,531	-	994,531	-	-	-	-
Total	-	50,716,729	-	50,716,729	-	-	-	-
Financial liabilities not measured at fair value:								
Long-term loans	-	-	157,453,913	157,453,913	-	-	-	-
Lease Liabilities	-	-	875,301	875,301	-	-	-	-
Trade payables	-	-	3,040,833	3,040,833	-	-	-	-
Dividends due to shareholders	-	-	13,820,000	13,820,000	-	-	-	-
Other payables	-	-	2,560,000	2,560,000	-	-	-	-
Due to related parties	-	-	3,007,335	3,007,335	-	-	-	-
Total	-	-	180,757,382	180,757,382	-	-	-	-

(All amounts are in Saudi Riyals unless otherwise stated)

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 Fair value and fair value hierarchy (Continued)

	31 December 2023 (Restated)							
					Fair Value			
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:								
- Listed equity securities (Stocks)	8,109,803	-	-	8,109,803	7,719,989	389,814	-	8,109,803
- Unlisted equity securities	5,335,000	-	-	5,335,000	-	-	5,335,000	5,335,000
Total	13,444,803	-	-	13,444,803	7,719,989	389,814	5,335,000	13,444,803
Financial assets not measured at fair value								
Other receivables	-	3,026,004	-	3,026,004	-	-	-	-
Trade receivables	-	18,362,140	-	18,362,140	-	-	-	-
Cash and cash equivalents	-	33,727,977	-	33,727,977	-	-	-	-
Total	-	55,116,121	-	55,116,121	-	-	-	-
Financial liabilities not measured at fair value:								
Long-term loans	-	-	171,467,312	171,467,312	-	-	-	-
Lease Liabilities	-	-	891,000	891,000	-	-	-	-
Trade payables	-	-	2,081,899	2,081,899	-	-	-	-
Dividends due to shareholders	-	-	13,837,843	13,837,843	-	-	-	-
Other payables	-	-	2,560,000	2,560,000	-	-	-	-
Due to related parties	-	-	4,335,454	4,335,454	-	-	-	-
Total	-	-	195,173,508	195,173,508	-	-	-	-

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 Fair value and fair value hierarchy (Continued)

Fair value

Fair value is the amount to be received for the sale of an asset or its payment to convert any of the liabilities into regular transactions between the market participants on the measurement date. As such, differences can arise between book values and fair value estimates. The definition of fair value is based on market-based measurement and assumptions used by market participants.

Fair values for financial instruments recognized at amortized cost

The management considers that the carrying amount of financial assets and liabilities measured at amortized cost in the consolidated financial statements approximates their fair value.

34.2 Valuation techniques and significant unobservable inputs

A valuation technique and significant unobservable inputs were used in measuring fair value at 31 December 2024 for unquoted equity investment in Al Wasatah Al Maliah Company measured at fair value in the consolidated statement of financial position and classified as Level 3 of fair value hierarchy.

The Group's activities are exposed to a variety of financial risks: market risk (including currency risk, fair value, cash flow, interest rate risk and prices risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the fluctuations of financial markets and the Group's management attempts to mitigate the potential adverse effects on the Group's financial performance.

Financial Risk Management Framework

The risk management policy is implemented by top management under policies approved by the Board of Directors. Top management identifies, evaluates financial risks in close collaboration with the Group's operating units. The most important types of risk are credit risk, currency risk or fair value and cash flow interest rates.

Board of Directors has overall responsibility for establishing and overseeing the Group's risk management framework. Executive management team is responsible for developing and monitoring the group's risk management policies, where the team conducts regular meetings. Any changes or matters relating to policy compliance shall be reported to the Board through the Audit Committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and activities of the Group. The Group aims through training, management standards, and procedures to develop a responsible and constructive control environment so that all employees are aware of their roles and obligations.

Audit Committee oversees compliance by management with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The financial instruments included in the consolidated statement of financial position include cash and cash equivalent, trade and other receivable, accounts payable, accruals and other payables balances. The methods of evidence used are disclosed in the policy statement for each item.

The offsetting between the financial assets and liabilities were comprised and the net amounts included in the consolidated financial statements when there is a legally enforceable right to offset those amounts and when the Group has an intention to settle them on a net basis or to sell the assets to settle the liability simultaneously.

Market Risks

Market risk is the risk of fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices. Market risks include two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk include long-term loans.

Foreign exchange risk

Foreign exchange risk arises from changes and fluctuation in the value of financial instruments as a result of changes in foreign exchange rates.

The Group has not carried out any material transactions by currencies other than the Saudi Riyal. Since the Saudi Riyal is fixed against the US Dollar, it does not represent significant currency risk. The Group's management monitors currency exchange rates and believes that currency risk is not material.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

Commission rate risk

Commission risk arises from changes and fluctuations in commission rates that affect the future profit of the fair value of the financial instruments. The Group's management monitors commission rate fluctuation and believes that the effect of commission rate risk is not material.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term loans obligations, which expose the Group to cash flow interest rate risk.

The Group manages interest rate risk by maintaining a balanced portfolio of loans and advances with both fixed and variable interest rates. The following table shows the sensitivity of profit or loss and equity to reasonable potential changes in interest rates, with all other variables held constant.

	2024	2023
Total loan in Saudi Riyals with a variable interest rate (+100 basis points).	**(1,574,539)**	(1,734,113)
Total loan in Saudi Riyals with a variable interest rate (-100 basis points).	**1,574,539**	1,734,113

Currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is not exposed to the risk of changes in foreign exchange as the Group does not have any balances as at 31 December 2024 denominated other than Saudi Riyal (SR).

Credit risk

Credit risk refers to the inability of a party to fulfill its obligations, resulting in a financial loss for the other party. Concentration risk arises when there are several parties with similar activities, operating in the same geographic areas, or sharing similar economic characteristics, which may prevent them from meeting their contractual obligations. To mitigate credit risk, the Group has implemented procedures to manage credit exposure, including assessing the creditworthiness of customers, granting credit approvals, allocating credit limits, and continuously monitoring and following up on accounts receivable aging.

The management also continues to monitor credit risks related to its customers and establishes provisions for expected credit losses. Customer balances are constantly monitored, and credit limits are adjusted as needed. Trade and other receivables are mainly due from customers in the local market, and receivables are presented at their estimated recoverable amounts. The Group keeps cash with local banks that have a high credit rating.

A comprehensive review and restructuring of key interest rate indicators are currently being conducted globally. In line with the Saudi Arabian Monetary Authority's objective to maintain monetary and financial stability, the Saudi Central Bank has decided to raise the repo rate (SAIBOR) by 0.5% from 4% to 4.5%. The Group's management is closely monitoring these changes to assess the potential financial impact on results in the upcoming periods.

Trade receivables

Customer credit risk is managed by each business unit in accordance with the Group's established policies and procedures. The Group has a policy of dealing only with parties having a strong credit rating. Credit rating information for customers is obtained from independent credit rating agencies where available. In the absence of such information, the company uses available data and its own trading records to assess its key customers. Credit limits are set for all customers based on internal evaluation criteria.

Trade receivables do not bear interest and typically have a credit period in line with industry standards. Collateral is generally not required, nor are letters of credit, although they may be used under certain circumstances in some markets, particularly in less developed markets. The Group does not have any concentration of credit risk, as its customer base is distributed across both economic and geographical levels.

(All amounts are in Saudi Riyals unless otherwise stated)

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables (Continued)

The Group reviews the recoverable amounts for each trade receivable on an individual basis at the end of the reporting period to ensure that an adequate provision for irrecoverable amounts is in place. Additionally, impairment analysis is also conducted at the date of each report based on the prevailing facts and circumstances at that date to determine expected losses due to the time value of money and credit risk. For the purposes of this analysis, receivables are classified into portfolios based on homogeneous receivables. Each portfolio is then evaluated to determine impairment using the Expected Credit Loss (ECL) model in accordance with the requirements of International Financial Reporting Standard (IFRS) 9. The calculation process is based on a provision matrix, which considers actual historical data appropriately adjusted for future expectations and probabilities. The loss rates are based on actual credit loss experience over the past years. These loss rates are then appropriately adjusted to reflect differences between current and historical economic conditions and the company's outlook for economic conditions over the expected life of the receivables.

The book value of assets represents the maximum exposure to credit risk at the reporting date is as follows:

	31 December 2024	31 December 2023
Financial assets		
Other receivables	**28,263,881**	2,336,340
Trade receivables	**25,734,785**	19,331,621
Short-term Investments	**12,085,135**	8,109,803
Long-term investment	**7,085,000**	5,335,000
Cash at banks and Investment Portfolios	**776,918**	33,406,396
	73,945,719	68,519,160

The aging of trade receivables at the reporting date is as follows:

31 December 2024	**Not due yet**	**1-90 days**	**91-180 days**	**181-270 days**	**271-365 days**	**Over 365 days**	**Total**
Expected credit loss rate	**%2.4**	**%7.3**	**%18.3**	**%25.2**	**%15.4**	**%32.9**	**%20.9**
Book value	**2,048,400**	**4,125,080**	**3,221,401**	**3,300,008**	**4,432,752**	**8,607,144**	**25,734,785**
Expected credit loss	**49,983**	**302,345**	**588,204**	**831,268**	**684,430**	**2,834,207**	**5,290,437**

31 December 2023	Not due yet	1-30 days	31-90 days	91-180 days	181-360 days	Over 360 days	Total
Expected credit loss rate	0.00%	4.04%	6.50%	1.26%	7.29%	15.59%	5%
Book value	4,332,465	3,444,444	1,879,276	1,853,682	6,443,195	1,378,559	19,331,621
Expected credit loss	-	139,190	122,240	23,410	469,736	214,905	969,481

Liquidity risk is managed through regular monitoring to ensure the availability of necessary funds, bank loans, and other credit facilities to meet the group's future obligations. The group's sales terms stipulate those payments are made in cash upon delivery of goods or on a deferred payment basis.

Concentration risk

Concentration risk arises when a number of counterparties engage in similar activities, or activities in the same geographical area or activities having the same economic advantages, which may affect their ability to meet contractual obligations in a similar manner in the event of any economic, political or any other circumstances changes. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting certain industries.

(All amounts are in Saudi Riyals unless otherwise stated)

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group will experience difficulties in obtaining financing to meet commitments associated with financial instruments. Liquidity risk may arise when an asset cannot be sold readily and at close to its fair value. Liquidity risk is managed through regular monitoring of the adequacy of available liquidity to meet the Group's financial obligations; however, as of 31 December 2024 the Group's current liabilities exceeded its current assets by an amount of SR 253.6 million (2023: SR 116.8 million).

31 December 2024	**During 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Trade receivables	**3,040,833**	-	-	**3,040,833**
Accrued expenses and other liabilities	**16,142,222**	-	-	**16,142,222**
Lease Liabilities	**24,637**	**63,980**	**786,684**	**875,301**
Zakat provision	**103,451,269**	-	-	**103,451,269**
Long-term loans	**157,453,913**	-	-	**157,453,913**

31 December 2023	During 1 year	1 year to 5 years	More than 5 years	Total
Trade receivables	2,081,899	-	-	2,081,899
Accrued expenses and other liabilities	14,072,103	-	-	14,072,103
Lease Liabilities	15,697	69,450	805,853	891,000
Zakat provision	102,857,655	-	-	102,857,655
Long-term loans	43,779,771	85,125,641	42,561,900	171,467,312

Capital Management Risks

The Board of Directors' policy is to maintain an adequate capital base to sustain investor, creditor, and market confidence, and to continue developing its future operations. The Board monitors the return on invested capital and the level of dividends distributed to common shareholders.

The group's objectives in managing capital are as follows:

1- To protect the entity's ability to continue as a going concern, enabling it to continue providing returns to shareholders and benefits to other stakeholders.
2- To provide an adequate return to shareholders.

The Group's policy requires maintaining a strong capital base to ensure the future development of the business. Management periodically monitors the growth of the group's operations, asset quality risks, and profit margins. Addition, the Board of Directors ensures that the group has sufficient capital to meet its external obligations, while also seeking investment opportunities to maximize returns on capital for the group's shareholders.

The Group, like other companies operating in the real estate industry and investment, monitors capital based on the debt ratio.

The Group manages its capital structure by monitoring the returns on net assets and making adjustments in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may increase its capital. The Group's borrowing ratio as of 31 December is as follows:

	31 December 2024	31 December 2023 (Restated)
Total loans	**157,453,913**	171,467,312
Less: cash and cash equivalents	**(994,531)**	(33,727,977)
Net debt	**156,459,382**	137,739,335
Adjusted Equity (*)	**269,239,256**	277,424,686
Debt ratio	**58.1%**	49.6%

* Adjusted equity is the total net equity excluding intangible assets.

(All amounts are in Saudi Riyals unless otherwise stated)

35. SEGMENTS INFORMATION

The Group's main activity consists of sectors including agricultural activity, foodstuff trading, and other activities. The following is a breakdown of the segmental information as at 31 December for each sector:

31 December 2024	**Warehousing**	**Leasing**	**Entertainment**	**Total**
Revenue (*)	**5,179,767**	**24,303,113**	**14,391,830**	**43,874,710**
Non-current assets	**5,120,733**	**495,095,773**	**28,963,994**	**529,180,500**
Profit / (loss) from operations	**2,089,711**	**(5,933,303)**	**(4,824,778)**	**(8,668,370)**
Profit / (loss) for the year	**2,814,258**	**(3,511,004)**	**(5,531,065)**	**(6,227,811)**

31 December 2023 (Restated)	Warehousing	Leasing	Entertainment and beauty	Total
Revenue (*)	4,883,621	26,216,415	20,055,517	51,155,553
Non-current assets	5,441,070	490,864,115	31,727,915	528,033,100
Profit from operations	1,938,917	4,268,565	2,360,595	8,568,077
Profit for the year	1,943,398	12,537,703	1,563,811	16,044,912

(*) Revenues from 3 major clients in the storage sector amounted to a total of SR 4.03 million (2023: SR 2.2 million) of the total rental revenues from the storage sector, which is SR 5.18 million (2023: SR 4.88 million). Rental revenues from 3 major clients for the leasing sectors amounted to SR 7.3 million (2023: SR 2.9 million) of the total rental revenues which amounting SR 24.3 million (2023: SR 26.2 million).

Assets in the sector are measured in the same manner as those in the consolidated financial statements. These assets are allocated and analyzed based on the sector's operations.

The Group operates solely within the Kingdom of Saudi Arabia.

36. SUBSEQUENT EVENTS

No events have occurred after 31 December 2024, and before the date of signing the auditor's report that have a significant impact on the consolidated financial statements.

37. COMPARATIVE FIGURES AND PRIOR YEAR ADJUSTMENTS

The management made necessary restatement to the consolidated financial statements for prior years regarding the following matters:

- Investments Properties: Regarding the proof of ownership of the Sururiya land, the land was disposed from the Group's books until the Group completes the process of proving its ownership. The Group has a request submitted through "Ehkam" platform in the year 1444 H to validate its ownership of the land, and this request is still under review.
- Investments Properties: The portion of the Prince Sultan Street building (Jeddah) utilized by the Group's management has been reclassified from investment properties to property, plant, and equipment. Accordingly, the related depreciation expenses and revaluation gains/(losses) have been adjusted to reflect the impact of this adjustment.

Additionally, some accrued expenses previously classified under trade payables have been reclassified, along with the reclassification of prepaid expenses and other receivables to current and non-current assets according to their nature.

The impact on the consolidated statement of financial position as of 1 January 2023, is as follows:

	Balance Before Adjustment	**Reclassification**	**Adjustments**	**Restated Balances**
Investment properties	464,011,852	-	(16,500,000)	447,511,852
Trade payables	(2,121,673)	595,670	-	(1,526,003)
Accrued expenses and other liabilities	(10,619,964)	(595,670)	-	(11,215,634)
Accumulated losses	40,335,540	-	16,500,000	56,835,540

(All amounts are in Saudi Riyals unless otherwise stated)

37. COMPARATIVE FIGURES AND PRIOR YEAR ADJUSTMENTS (CONTINUED)

Impact on the consolidated statement of financial position as of 31 December 2023, as follows:

	Balance Before Adjustment	Reclassification	Adjustments	Restated Balances
Property, plant, and equipment	56,340,955	-	3,995,414	60,336,369
Prepaid expenses and other receivables – Current portion	3,554,412	(485,441)	-	3,068,971
Prepaid expenses and other receivables – Non-current portion	-	485,441	-	485,441
Investment properties	481,013,787	-	(20,592,238)	460,421,549
Trade payables	(2,619,855)	537,956	-	(2,081,899)
Accrued expenses and other liabilities	(13,534,147)	(537,956)	-	(14,072,103)
Accumulated losses	25,661,135	-	16,596,824	42,257,959

Impact on the consolidated statement of comprehensive income for the year ended 31 December 2023, as follows:

	Balance Before Adjustment	Reclassification	Adjustments	Restated Balances
Net profit for the year	10,759,305	-	(96,824)	10,662,481
Earnings per share, basic and diluted, attributable to the shareholders of the parent company (SR / per share)				
Profit for the year	0.019	-	0.00015	0.019
Profit for the year from continuing operations	0.024	-	0.00015	0.024

38. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors on 25 Ramadan 1446H corresponding to 25 March 2025.