

**EAST PIPES INTEGRATED COMPANY FOR
INDUSTRY (LISTED JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
(UNAUDITED)**

**FOR THE THREE-MONTH AND NINE-MONTH PERIODS
ENDED 31 DECEMBER 2024**

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
(LISTED JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT (UNAUDITED)**

For the three-month and nine-month periods ended 31 December 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF EAST PIPES INTEGRATED COMPANY FOR INDUSTRY (LISTED JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of East Pipes Integrated Company for Industry (Listed Joint Stock Company) (the "Company") as at 31 December 2024, and the related interim condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 31 December 2024, and the related interim condensed statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "*Interim Financial Reporting*" ("*IAS 34*") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.


Scope of Review

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

Conclusion

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

for Ernst & Young Professional Services


Ahmed Ibrahim Reda
Certified Public Accountant
Registration No. 356



Al Khobar: 5 Sha'ban 1446H
4 February 2025

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
(LISTED JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)**

For the three-month and nine-month periods ended 31 December 2024

	Notes	<i>Three-months period ended 31 December</i>		<i>Nine-months period ended 31 December</i>	
		<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue from contracts with customers	4	527,902,502	552,301,709	1,432,475,697	821,415,225
Cost of revenue	5	(392,153,698)	(441,352,602)	(1,076,546,758)	(683,677,775)
GROSS PROFIT		135,748,804	110,949,107	355,928,939	137,737,450
General and administration expenses	6	(6,615,946)	(5,789,460)	(18,742,566)	(14,955,408)
Selling and marketing expenses	7	(1,276,104)	(924,608)	(3,175,007)	(2,441,066)
Reversal of /(allowance for) expected credit losses	11.1	179,206	(471,816)	738,960	(620,001)
Other operating income		601,822	871,516	7,775,520	998,587
OPERATING PROFIT		128,637,782	104,634,739	342,525,846	120,719,562
Finance costs		(3,375,180)	(9,327,761)	(11,455,882)	(20,309,334)
PROFIT BEFORE ZAKAT AND INCOME TAX		125,262,602	95,306,978	331,069,964	100,410,228
Zakat	17.1	(6,305,185)	(3,202,284)	(14,090,322)	(6,319,947)
Income tax	17.5	(6,513,669)	(6,385,845)	(20,442,058)	(6,139,336)
PROFIT FOR THE PERIOD		112,443,748	85,718,849	296,537,584	87,950,945
OTHER COMPREHENSIVE INCOME					
<i>Other comprehensive (loss)/income that will not to be reclassified to profit or loss in subsequent periods:</i>					
Remeasurement (loss) / gain on employees' defined benefit liabilities		(658,537)	483,216	(4,334,536)	832,873
Other comprehensive (loss)/income that will not to be reclassified to profit or loss in subsequent periods		(658,537)	483,216	(4,334,536)	832,873
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		111,785,211	86,202,065	292,203,048	88,783,818
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS	8	3.57	2.72	9.41	2.79

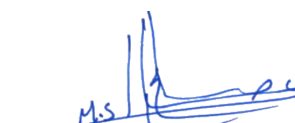
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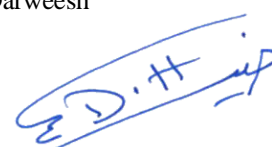
Chairman
Vipul Shiv Sahai Mathur



Chief Executive Officer
Mohammed Al Shaheen



Chief Financial Officer
Mohamed Saleh Ali Darweesh




The attached notes 1 to 22 form part of these interim condensed financial statements.

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
(LISTED JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)**

As at 31 December 2024

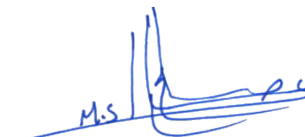
		<i>31 December 2024</i>	<i>31 March 2024</i>
	<i>Notes</i>	<i>SR (Unaudited)</i>	<i>SR (Audited)</i>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	225,864,129	233,003,228
Right-of-use assets		18,336,446	7,189,711
Intangible assets		1,081,991	1,215,227
TOTAL NON-CURRENT ASSETS		245,282,566	241,408,166
CURRENT ASSETS			
Inventories	10	310,908,076	255,904,448
Trade receivables	11	502,942,492	810,021,716
Prepayments and other current assets	12	367,844,452	102,810,700
Advances for income tax		13,497,945	10,661,328
Cash and cash equivalents	13	203,319,970	66,001,206
TOTAL CURRENT ASSETS		1,398,512,935	1,245,399,398
TOTAL ASSETS		1,643,795,501	1,486,807,564
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	315,000,000	315,000,000
Statutory reserve		71,748,360	71,748,360
Retained earnings		662,867,934	465,164,886
TOTAL EQUITY		1,049,616,294	851,913,246
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities		11,262,740	6,566,080
Deferred tax liabilities		12,868,105	8,010,046
Long-term borrowing	16.2	30,073,815	98,501,241
Employees' defined benefit liabilities		27,561,940	21,068,136
TOTAL NON-CURRENT LIABILITIES		81,766,600	134,145,503
CURRENT LIABILITIES			
Accrued expenses and other current liabilities	15	348,783,958	272,902,473
Current portion of long-term borrowing	16.2	105,441,609	32,288,550
Short-term borrowings	16.1	-	156,806,946
Trade payables		28,508,918	17,290,911
Current portion of lease liabilities		6,072,317	885,614
Zakat and income tax provision	17	23,605,805	20,574,321
TOTAL CURRENT LIABILITIES		512,412,607	500,748,815
TOTAL LIABILITIES		594,179,207	634,894,318
TOTAL EQUITY AND LIABILITIES		1,643,795,501	1,486,807,564

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Chairman
Vipul Shiv Sahai Mathur



Chief Executive Officer
Mohammed Al Shaheen



Chief Financial Officer
Mohamed Saleh Ali Darweesh

The attached notes 1 to 22 form part of these interim condensed financial statements.

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
(LISTED JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)**

For the nine-month period ended 31 December 2024

	<i>Share capital SR</i>	<i>Statutory reserve SR</i>	<i>Retained earnings SR</i>	<i>Total equity SR</i>
Balance as at 1 April 2023 (Audited)	315,000,000	44,997,572	255,443,234	615,440,806
Profit for the period	-	-	87,950,945	87,950,945
Other comprehensive income for the period	-	-	832,873	832,873
Total comprehensive income for the period	-	-	88,783,818	88,783,818
Dividend (Note 20)	-	-	(31,500,000)	(31,500,000)
Balance at 31 December 2023 (unaudited)	<u>315,000,000</u>	<u>44,997,572</u>	<u>312,727,052</u>	<u>672,724,624</u>
Balance at 1 April 2024 (Audited)	315,000,000	71,748,360	465,164,886	851,913,246
Profit for the year	-	-	296,537,584	296,537,584
Other comprehensive loss for the period	-	-	(4,334,536)	(4,334,536)
Total comprehensive income for the period	-	-	292,203,048	292,203,048
Dividend (Note 20)	-	-	(94,500,000)	(94,500,000)
Balance at 31 December 2024 (Unaudited)	<u>315,000,000</u>	<u>71,748,360</u>	<u>662,867,934</u>	<u>1,049,616,294</u>

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**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
(LISTED JOINT STOCK COMPANY)**

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the nine-month period ended 31 December 2024

		<i>Nine-month period ended 31 December</i>	
	<i>Notes</i>	2024	2023
		SR	SR
		(Unaudited)	(Unaudited)
OPERATING ACTIVITIES			
Profit before zakat and income tax		331,069,964	100,410,228
<i>Adjustments to reconcile profit before zakat and income tax to net cash flows from operating activities:</i>			
Depreciation of property, plant, and equipment	9	14,726,379	14,834,923
Depreciation of right-of-use assets		4,548,439	4,336,839
Amortisation of intangible assets		274,653	653,780
Gain on sales of property, plant and equipment		(6,500)	-
Provision for / (reversal of) inventory obsolescence	10.2	1,198,892	(401,085)
(Reversal of) / allowance for expected credit losses	11.1	(738,960)	620,001
Finance costs		11,455,883	20,309,334
Provision for employees end of service benefits		1,935,755	2,419,750
		364,464,505	143,183,770
Working capital changes:			
Inventories		(56,202,520)	(349,830,451)
Trade receivables		307,818,184	(212,952,670)
Prepayments and other current assets		(265,084,450)	(180,206,493)
Trade payables		11,218,007	10,613,514
Accrued expenses and other current liabilities		28,631,484	135,969,860
Cash from/(used in) operations		390,845,210	(453,222,470)
Employees' end of service benefits paid		(390,563)	(263,849)
Finance costs paid		(10,128,550)	(18,440,627)
Zakat and tax paid		(17,042,603)	(16,092,456)
Advance tax paid		(7,636,734)	-
Net cash flows from / (used in) operating activities		355,646,760	(488,019,402)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	(7,587,280)	(5,006,294)
Proceeds from sales of property, plant and equipment		6,500	-
Purchases of intangible assets		(141,418)	(1,014,431)
Net cash used in investing activities		(7,722,198)	(6,020,725)
FINANCING ACTIVITIES			
Proceeds from short-term borrowings		793,638,641	1,752,663,179
Repayments of short-term borrowings		(950,445,587)	(1,272,774,823)
Dividends paid	20	(47,250,000)	(31,500,000)
Payments of lease liabilities		(6,548,852)	(5,505,000)
Net cash flows (used in) / from financing activities		(210,605,798)	442,883,356
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		137,318,764	(51,156,771)
Cash and cash equivalents at the beginning of the year	13	66,001,206	53,393,601
Cash and cash equivalents at the end of the period	13	203,319,970	2,236,830
SIGNIFICANT NON-CASH TRANSACTIONS			
Advances from customers recognised against trade receivables		-	65,323,483

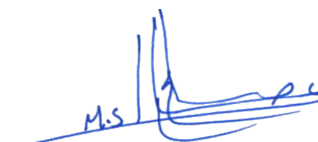
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EAST PIPES INTEGRATED COMPANY FOR INDUSTRY (LISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

As at and for the period ended 31 December 2024

1 CORPORATE INFORMATION

East Pipes Integrated Company for Industry (the “Company”) is a listed joint stock company licensed under foreign investment license number 121031118992 issued by the Ministry of Investment on 22 Rajab 1431H (corresponding to 4 July 2010) operating under Commercial Registration (“CR”) number 2050071522 issued in Dammam on 22 Rajab 1431H (corresponding to 4 July 2010). The Company is engaged in manufacturing of pipes, tubes, hollow shapes from iron and steel, and the processing and painting metals by refinement and polishing.

The registered address of the Company is P.O. Box 12943, Dammam 31483, Kingdom of Saudi Arabia. The Company's fiscal year begins on 1 April and ends on 31 March of each year.

The accompanying interim condensed financial statements include the operations of the Company and its branch operating under CR number 2050071524 issued in Dammam on 22 Rajab 1431H (corresponding to 4 July 2010).

The interim condensed financial statements of the Company as of 31 December 2024 were authorised for issuance by the Board of Directors on 30 Rajab 1446H (corresponding to 30 January 2024).

2 BASIS FOR PREPARATION

2.1 Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly, these interim condensed financial statements is to be read in conjunction with the annual financial statements for the year ended 31 March 2024. In addition, the results of the operations for the period ended 31 December 2024 do not necessarily represent an indicator for the results of the operations for the year ending 31 March 2025.

2.2 Basis for measurement

The interim condensed financial statements are prepared under the historical cost convention using the accruals basis of accounting. For employees' post-employment benefits, actuarial present value calculations are used.

2.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyals (“SR”) which is also the functional currency of the Company.

2.4 Seasonality of the Company’s business

The Company is a project-based Company engaged in manufacturing of pipes and tubes from iron and steel as well as the processing and painting metals by refinement and polishing. Due to the project-based nature of this industry, higher revenues and operating profits are usually expected when the Company has ongoing projects, and the revenue recognition criteria is met.

This information is provided to allow for a better understanding of the results; however, management has concluded that this is not ‘highly seasonal’ in accordance with IAS 34.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Company’s interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of the asset or liability affected in the future.

EAST PIPES INTEGRATED COMPANY FOR INDUSTRY (LISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

As at and for the period ended 31 December 2024

2 BASIS FOR PREPARATION (Continued)

2.5 Significant accounting judgements, estimates and assumptions (continued)

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

As at 31 December 2024, management believes that, all judgments and sources of estimation uncertainty remain similar to those disclosed in the Company's annual financial statements for the year ended 31 March 2024.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 March 2024 except as mentioned below.

3.1 New standards, interpretations and amendments adopted by the Company

There are no new standards applicable to the Company, however, the Company has applied the following amendments to the standards for the first time for their reporting period commencing on 1 April 2024:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Company's interim condensed financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's interim condensed financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's interim condensed financial statements.

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
(LISTED JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)**

As at and for the period ended 31 December 2024

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Other Standards issued but not yet effective

Following are the new IFRS sustainability disclosure standards effective for the annual periods beginning on or after 1 January 2024 subject to endorsement of the standards by SOCPA.

IFRS S1 General requirements for disclosure of sustainability-related financial information

This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

IFRS S2 Climate-related disclosures

This is the first thematic standard issued that set out requirements for entities to disclose information about climate related risks and opportunities.

4 REVENUE FROM CONTRACT WITH CUSTOMERS

	<i>For the three-month period ended 31 December</i>		<i>For the nine-month period ended 31 December</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Type of goods or service				
Revenue from sale of goods	510,283,281	546,548,043	1,385,310,661	797,691,799
Revenue from rendering of services	17,619,221	5,753,666	47,165,036	23,723,426
	527,902,502	552,301,709	1,432,475,697	821,415,225
Geographical markets				
Kingdom of Saudi Arabia	527,902,502	552,301,709	1,432,475,697	821,415,225
Timing of revenue recognition				
Revenue recognised at a point in time	510,283,281	546,548,043	1,385,310,661	797,691,799
Revenue recognised overtime	17,619,221	5,753,666	47,165,036	23,723,426
	527,902,502	552,301,709	1,432,475,697	821,415,225

5 COST OF REVENUE

	<i>For the three-month period ended 31 December</i>		<i>For the nine-month period ended 31 December</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cost of materials	350,133,490	412,016,659	955,890,024	597,936,461
Salaries and employees' benefits	22,160,407	15,905,251	65,075,583	46,888,231
Short-term lease expenses	7,737,846	3,004,109	19,501,545	9,686,761
Depreciation of property, plant and equipment (Note 9)	4,787,613	4,962,132	14,351,184	14,485,664
Utilities expenses	2,802,625	1,569,667	7,766,771	4,610,912
Depreciation of right-of-use assets	1,529,466	1,435,386	4,548,439	4,336,839
Packing material	1,252,062	802,455	3,785,243	1,950,969
Repair expenses	942,079	719,215	2,241,952	2,196,797
(Reversal of) / provision for inventory obsolescence	(126,560)	32,000	1,198,892	(401,085)
Amortisation of intangible assets	56,246	376,347	192,258	457,646
Others	878,424	529,381	1,994,867	1,528,580
	392,153,698	441,352,602	1,076,546,758	683,677,775

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
(LISTED JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)**

As at and for the period ended 31 December 2024

6 GENERAL AND ADMINISTRATION EXPENSES

	<i>For the three-month period ended 31 December</i>		<i>For the nine-month period ended 31 December</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Salaries and employees' benefits	3,943,955	3,003,199	11,381,942	8,702,431
Professional fees	1,017,631	834,201	2,751,545	1,744,649
Directors' fees	593,109	912,333	1,964,742	1,976,833
Utilities expenses	371,700	347,424	1,048,872	881,815
Repair expenses	257,042	207,122	571,877	652,166
Depreciation of property, plant and equipment (Note 9)	91,078	86,566	255,991	248,509
Travelling expenses	67,246	52,354	126,886	103,702
Short-term rent expenses	34,940	128,877	115,490	128,877
Amortisation of intangible assets	16,071	107,528	54,930	130,756
Others	223,174	109,856	470,291	385,670
	6,615,946	5,789,460	18,742,566	14,955,408

7 SELLING AND MARKETING EXPENSES

	<i>For the three-month period ended 31 December</i>		<i>For the nine-month period ended 31 December</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Salaries and employees' benefits	652,612	491,146	1,919,823	1,477,322
Sales and promotions expenses	300,814	78,956	464,477	222,414
Travelling expenses	158,378	157,216	271,902	285,202
Depreciation of property, plant and equipment (Note 9)	42,707	34,810	119,204	100,750
Repair expenses	54,499	44,224	116,037	126,379
Amortisation of intangible assets	8,035	53,764	27,465	65,378
Others	59,059	64,492	256,099	163,621
	1,276,104	924,608	3,175,007	2,441,066

8 EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit of the Company for the period by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	<i>For the three-month period ended 31 December</i>		<i>For the nine-month period ended 31 December</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period	112,443,748	85,718,849	296,537,584	87,950,945
Weighted average number of ordinary shares	31,500,000	31,500,000	31,500,000	31,500,000
Basic and diluted earnings per share	3.57	2.72	9.41	2.79

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these interim condensed financial statements.

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
(LISTED JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

As at and for the period ended 31 December 2024

9 PROPERTY, PLANT AND EQUIPMENT

	<i>Buildings and leasehold improvements SR</i>	<i>Plant and machinery SR</i>	<i>Furniture, fixtures and office equipment SR</i>	<i>Vehicles SR</i>	<i>Capital work-in- progress SR</i>	<i>Total SR</i>
Cost						
At 1 April 2024 (Audited)	74,945,665	563,779,952	6,808,242	1,559,416	44,500	647,137,775
Additions	32,300	630,662	702,029	634,120	5,588,169	7,587,280
Transfer from CWIP	46,282	574,059	-	-	(620,341)	-
Disposals	-	-	-	(123,723)	-	(123,723)
At 31 December 2024 (Unaudited)	75,024,247	564,984,673	7,510,271	2,069,813	5,012,328	654,601,332
Accumulated depreciation						
At 1 April 2024 (Audited)	48,680,191	359,675,935	4,377,121	1,401,300	-	414,134,547
Charge for the period	3,070,360	10,924,643	626,759	104,617	-	14,726,379
Relating to disposals	-	-	-	(123,723)	-	(123,723)
At 31 December 2024 (Unaudited)	51,750,551	370,600,578	5,003,880	1,382,194	-	428,737,203
Net book value						
At 31 December 2024 (Unaudited)	23,273,696	194,384,095	2,506,391	687,619	5,012,328	225,864,129

9.1 Entire property, plant and equipment are mortgaged as security against loan obtained from SIDF (refer Note 16.2.4).

9.2 The production facilities and buildings of the Company are constructed on land leased at a nominal rent from the Saudi Authority for Industrial Cities and Technology Zones (Modon) for a period of 7-15 years expiring on 2031 and 2036, respectively.

9.3 Depreciation of property, plant and equipment is allocated in the interim condensed statement of profit and loss as follows:

	<i>For the three-month period ended 31 December</i>		<i>For the nine-month period ended 31 December</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cost of revenue (Note 5)	4,787,613	4,962,132	14,351,184	14,485,664
General and administrative expenses (Note 6)	91,078	86,566	255,991	248,509
Selling and marketing expenses (Note 7)	42,707	34,810	119,204	100,750
	4,921,398	5,083,508	14,726,379	14,834,923

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

As at and for the period ended 31 December 2024

9 PROPERTY, PLANT AND EQUIPMENT (continued)

	<i>Buildings and leasehold improvements SR</i>	<i>Plant and machinery SR</i>	<i>Furniture, fixtures and office equipment SR</i>	<i>Vehicles SR</i>	<i>Capital work-in- progress SR</i>	<i>Total SR</i>
Cost						
At 1 April 2023 (Audited)	74,938,865	557,503,900	5,341,896	1,559,416	143,771	639,487,848
Additions	6,800	1,388,454	1,390,260	-	1,355,709	4,141,223
Transfers from inventories	-	3,508,704	-	-	-	3,508,704
Transfer from CWIP	-	1,378,894	76,086	-	(1,454,980)	-
At 31 March 2024 (Audited)	<u>74,945,665</u>	<u>563,779,952</u>	<u>6,808,242</u>	<u>1,559,416</u>	<u>44,500</u>	<u>647,137,775</u>
Accumulated depreciation						
At 1 April 2023 (Audited)	44,588,974	343,878,160	3,932,575	1,340,951	-	393,740,660
Charge for the year	4,091,217	15,797,775	444,546	60,349	-	20,393,887
At 31 March 2023 (Audited)	<u>48,680,191</u>	<u>359,675,935</u>	<u>4,377,121</u>	<u>1,401,300</u>	<u>-</u>	<u>414,134,547</u>
Net book value						
At 31 March 2024 (Audited)	<u>26,265,474</u>	<u>204,104,017</u>	<u>2,431,121</u>	<u>158,116</u>	<u>44,500</u>	<u>233,003,228</u>

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)**

As at and for the period ended 31 December 2024

10 INVENTORIES

	<i>Notes</i>	31 December 2024 SR (Unaudited)	31 March 2024 SR (Audited)
Raw materials	10.1	255,179,239	206,488,289
Work-in-progress		16,101,105	5,939,162
Finished products		25,639,738	27,045,308
Spare parts and supplies, held not for sale		19,304,058	20,548,861
		<u>316,224,140</u>	<u>260,021,620</u>
Less: Provision for inventory obsolescence	10.2	<u>(5,316,064)</u>	<u>(4,117,172)</u>
		<u>310,908,076</u>	<u>255,904,448</u>

10.1 All raw material purchases are primarily against confirmed orders.

10.2 Movement in provision for inventory obsolescence is as follows:

	31 December 2024 SR (Unaudited)	31 March 2024 SR (Audited)
At the beginning of the period / year	4,117,172	4,837,645
Charge/(reversals)	<u>1,198,892</u>	<u>(720,473)</u>
At the end of the period / year	<u>5,316,064</u>	<u>4,117,172</u>

11 TRADE RECEIVABLES

	<i>Note</i>	31 December 2024 SR (Unaudited)	31 March 2024 SR (Audited)
Trade receivables		503,895,130	811,713,314
Less: Allowance for expected credit losses (ECL)	11.1	<u>(952,638)</u>	<u>(1,691,598)</u>
		<u>502,942,492</u>	<u>810,021,716</u>

11.1 Movement in allowance for ECL is as follows:

	31 December 2024 SR (Unaudited)	31 March 2024 SR (Audited)
At the beginning of the period / year	1,691,598	563,487
Additions	<u>444,895</u>	<u>1,378,273</u>
Reversals	<u>(1,183,855)</u>	<u>(250,162)</u>
	<u>(738,960)</u>	<u>1,128,111</u>
At the end of the period / year	<u>952,638</u>	<u>1,691,598</u>

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
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As at and for the period ended 31 December 2024

12 PREPAYMENTS AND OTHER CURRENT ASSETS

	<i>Note</i>	31 December 2024 SR (Unaudited)	31 March 2024 SR (Audited)
Advances to suppliers	12.1	352,141,502	79,095,979
Margin against letters of guarantee		1,804,137	12,855,855
Contract assets		7,731,351	6,263,626
Prepaid expenses		3,213,072	2,061,207
Others		2,954,390	2,534,033
		367,844,452	102,810,700

12.1 Pertains to advances paid to suppliers for purchases of materials and services which are primarily against confirmed orders.

13 CASH AND CASH EQUIVALENTS

		31 December 2024 SR (Unaudited)	31 March 2024 SR (Audited)
Cash in hand		36,933	2,225
Cash at bank		81,283,037	20,998,981
Short-term deposits		122,000,000	45,000,000
		203,319,970	66,001,206

Short-term deposits represent placements with a commercial bank for a period of less than three months and yield financial income at prevailing market rates i.e. 5.47% per annum (31 March 2024: 5.71% per annum).

14 SHARE CAPITAL

As at 31 December 2024, the authorised, issued and fully paid-up share capital comprised of 31,500,000 ordinary shares (31 March 2024: 31,500,000 ordinary shares) of SR 10 each.

Following are the major shareholders of the Company:

	<i>Notes</i>	31 December 2024 SR (Unaudited)	31 March 2024 SR (Audited)
Welspun Mauritius Holdings Company Ltd.	14.1	26.5%	31.50%
Vision International Investment Company		-	11.55%
Saleh Muhammad Hamad Al-Hammadi	14.2	9.98%	9.98%

14.1 On 14 Safar 1445H (corresponding to 30 August 2023), Welspun Mauritius Holdings Company Ltd. sold 3.51% of its shareholding to Al-Haitam for Industries and Economic Development. In addition, on 9 Jumada Al-Ula 1446H (corresponding to 11 November 2024) further 5% of its shareholding has been sold to other private investors on Saudi Tadawul Market.

14.2 On 9 Jumada Al-Ula 1446H (corresponding to 11 November 2024) Vision International Investment Company has sold its entire shareholding to other private investors on Saudi Tadawul Market.

14.3 On 15 Rabi' al-Thani 1445H (corresponding to 30 October 2023), Aziz Company for Contracting & Industrial Investment sold 50% of its shareholding to Saleh Muhammad Hamad Al-Hammadi and the remaining 50% to other private investors.

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As at and for the period ended 31 December 2024

15 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	<i>Note</i>	31 December 2024 SR (Unaudited)	31 March 2024 SR (Audited)
Goods received invoice not received	15.1	193,992,709	64,035,334
Advances from customers		64,485,025	106,811,801
Accrued expenses		7,566,011	20,356,242
Dividends payable		47,250,000	-
Value added tax payable		21,753,402	63,563,879
Accrued salaries and benefits		12,697,199	15,587,377
Other		1,039,612	2,547,840
		348,783,958	272,902,473

15.1 Represents goods received to execute confirmed orders.

16 BORROWINGS

16.1 Short-term borrowings

		31 December 2024 SR (Unaudited)	31 March 2024 SR (Audited)
Short-term borrowings		-	156,588,505
Accrued finance costs		-	218,441
		-	156,806,946

16.2 Long-term borrowing

	<i>Notes</i>	31 December 2024 SR (Unaudited)	31 March 2024 SR (Audited)
Long-term borrowing		135,000,000	135,000,000
Accrued evaluation fees	16.2.1	2,637,874	261,496
less: transaction cost	16.2.2	(2,122,450)	(4,471,705)
		135,515,424	130,789,791

16.2.1 Evaluation fees

	<i>Note</i>	31 December 2024 SR (Unaudited)	31 March 2024 SR (Audited)
Opening balance		261,496	-
Charged to profit or loss	16.2.2	2,376,378	261,496
		2,637,874	261,496

16.2.1.1 The loan carries evaluation fees amounting to SR 4.7 million. The loan is repayable within 2 years in four equal installments starting from the February 2025 and ending in the month of February 2026.

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As at and for the period ended 31 December 2024

16 BORROWINGS (continued)

16.2 Long-term borrowing (continued)

16.2.2 Transaction cost

	<i>31 December 2024 SR (Unaudited)</i>	<i>31 March 2024 SR (Audited)</i>
Opening balance	4,471,705	-
Initial recognition	-	4,725,000
Charged to profit or loss	(2,349,255)	(253,295)
	<u>2,122,450</u>	<u>4,471,705</u>

16.2.2.1 This represents upfront commitment fees which is paid at the acquisition of the loan and being amortised over the term of the loan at effective interest rate of 0.4%.

16.2.3 Long term borrowing is presented in the financial statements as follows:

	<i>31 December 2024 SR (Unaudited)</i>	<i>31 March 2024 SR (Audited)</i>
Non-current portion	30,073,815	98,501,241
Current portion	<u>105,441,609</u>	<u>32,288,550</u>
	<u>135,515,424</u>	<u>130,789,791</u>

16.2.4 During the year ended 31 March 2024, the Company signed a long-term loan agreement of SR 135 million with Saudi Industrial Development Fund ("SIDF") to finance its working capital. The loan is secured by mortgage of the Company's entire property, plant and equipment on the Company's leased land from Modon (Note 9).

17 ZAKAT AND INCOME TAX MATTERS

17.1 Zakat and income tax provision

Charge for the year

Current income tax charge consists of:

	Zakat SR	Income tax SR	Total SR
At 1 April 2024	11,750,690	8,823,631	20,574,321
Provisions:			
Current period	14,471,642	15,585,081	30,056,723
Prior year adjustments	(381,320)	(1,082)	(382,402)
	14,090,322	15,583,999	29,674,321
Payment	(11,369,370)	(10,473,350)	(21,842,720)
Adjusted against advance	-	(4,800,117)	(4,800,117)
At 31 December 2024 (Unaudited)	<u>14,471,642</u>	<u>9,134,163</u>	<u>23,605,805</u>

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
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As at and for the period ended 31 December 2024

17 ZAKAT AND INCOME TAX MATTERS (continued)

17.1 Zakat and income tax provision (continued)

Charge for the year (continued)

	Zakat SR	Income tax SR	Total SR
At 1 April 2023	6,451,873	-	6,451,873
Provisions:			
Current year	11,791,040	15,274,549	27,065,589
Prior year adjustments	-	(50,763)	(50,763)
Payment	(6,492,223)	(6,400,155)	(12,892,378)
At 31 March 2024 (Unaudited)	<u>11,750,690</u>	<u>8,823,631</u>	<u>20,574,321</u>

Zakat is payable at 2.578% of the Zakat base, excluding adjusted profit for the period, attributable to the Saudi shareholders. Zakat on adjusted profit for the period is payable at 2.5%.

Income tax is payable at 20% of adjusted net profit attributable to the foreign shareholder. As at 31 December 2024 advance income tax amounts to SR 13.5 million (31 March 2024: SR 10.6 million).

17.2 Status of assessments

- i. The Company has submitted its Zakat and income tax returns for the years up to 31 March 2024. The Company has obtained Zakat and income tax certificates for the years till 31 March 2024. ZATCA has finalised the income tax and zakat assessments until the year ended 31 March 2014 and 2016 through 2020.
- ii. ZATCA has not issued final assessments for the year 2015, accordingly this year is deemed assessed based on the relevant time barred provisions in the Income Tax and Zakat Regulations.
- iii. Assessment for year ended 31 March 2021 till 31 March 2024 has not yet raised by ZATCA.

17.3 Advance income tax

	31 December 2024 SR (Unaudited)	31 March 2024 SR (Audited)
At 1 April	10,661,328	5,861,211
Adjusted against advance	(4,800,117)	-
Payments	<u>7,636,734</u>	<u>4,800,117</u>
	<u>13,497,945</u>	<u>10,661,328</u>

**EAST PIPES INTEGRATED COMPANY FOR INDUSTRY
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17 ZAKAT AND INCOME TAX MATTERS (continued)

17.4 Deferred tax liabilities

<i>At 31 December 2024 (Unaudited)</i>	Employee benefits obligation SR	Provision for inventory obsolescence SR	Property, plant and equipment SR	Other SR	Total SR
At 1 April 2024 (Audited)	(1,316,582)	(259,382)	9,703,201	(117,191)	8,010,046
Charged (credited) / debited to: Profit or loss	(308,464)	(55,281)	(1,138,824)	6,360,628	4,858,059
At 31 December 2024 (Unaudited)	<u>(1,625,046)</u>	<u>(314,663)</u>	<u>8,564,377</u>	<u>6,243,437</u>	<u>12,868,105</u>
<i>At 31 March 2024 (Audited)</i>	Employee benefits obligation SR	Provision for inventory obsolescence SR	Property, plant and equipment SR	Other SR	Total SR
At 1 April 2023 (Audited)	(1,309,287)	(561,049)	11,470,555	(3,928,688)	5,671,531
Charged (credited) / debited to: Profit or loss	(7,295)	301,667	(1,767,354)	3,811,497	2,338,515
At 31 March 2024 (Audited)	<u>(1,316,582)</u>	<u>(259,382)</u>	<u>9,703,201</u>	<u>(117,191)</u>	<u>8,010,046</u>

17.5 Income tax charge

	<i>For the nine-month period ended 31 December</i>	
	2024	2023
	SR	SR
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Current income tax	15,585,081	5,509,106
Adjustment related to prior year	(1,082)	(50,763)
Deferred tax income	4,858,059	680,993
	<u>20,442,058</u>	<u>6,139,336</u>

18 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent shareholders, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. The Company in the normal course of business carries out transactions with various related parties.

As of 31 December 2024 and 31 March 2024, there is no due from or due to related parties' balances. No significant transactions with related parties occurred during the period ended 31 December 2024 and 31 December 2023.

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18 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

18.1 Key management personnel compensation:

	<i>For the three-month period ended 31 December</i>		<i>For the nine-month period ended 31 December</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Salaries and other short-term employee benefits	1,439,556	1,439,556	4,318,670	4,318,670
Post-employment benefits	58,237	58,237	174,713	174,713
Remuneration and compensation of board members and other related committees	593,109	680,583	1,959,609	1,976,833
	2,090,902	2,178,376	6,452,992	6,470,216

19 CONTINGENCIES AND COMMITMENTS

As at 31 December 2024, the Company was contingently liable for letters of credit and guarantee in the normal course of business amounting to SR 785 million (31 March 2024: SR 768 million).

20 DIVIDENDS

For the year ended 31 March 2023, on 5 Dhu al-Qi'dah 1444H (corresponding to 25 May 2023), the Board of Directors, resolved to distribute cash dividends of SR 1 per share amounting to SR 31.5 million. These dividends were fully paid subsequent to the year end.

For the year ended 31 March 2024, on 15 Dhu al-Qi'dah 1445H (corresponding to 23 May 2024), the Board of Directors, resolved to distribute cash dividends of SR 1.5 per share amounting to SR 47.25 million. These dividends were paid during the period.

On 17 Jumada Al-Alkhirah 1446H (corresponding to 18 December 2024), the Board of Directors, further resolved to distribute cash dividends of SR 1.5 per share amounting to SR 47.25 million for the first half of 2025. These dividends have been classified to other current liabilities as at the reporting date.

21 FAIR VALUE OF ASSETS AND LIABILITIES

As at 31 December 2024 and 31 March 2024, the fair values of the Company's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realised at their current carrying values within twelve months from the date of condensed statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry interest rates which are based on prevailing market interest rates.

22 EVENTS AFTER THE REPORTING DATE

No events have arisen subsequent to 31 December 2024 and before the date of issuing the financial statements that could have a significant effect on the financial statements as at 31 December 2024.