Consolidated Gruenenfelder Saady Holding Company and Its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended 31 March 2026

Consolidated Gruenenfelder Saady Holding Company and Its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2026

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TO THE SHAREHOLDERS OF CONSOLIDATED GRUENENFELDER SAADY HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Consolidated Gruenenfelder Saady Holding Company ("the Company") (a Saudi Joint Stock Company) and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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 March 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, as applicable to audit of consolidated financial statement of public interest entities. We have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements 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 auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matters

Key audit matter	How our audit addressed the key audit matter
Revenue recognition The Group's revenue mainly comprises the sale of refrigeration bodies with cooling units, installation and commissioning of cold stores and servicing / repairs aggregating to SR 477 million revenue for the year ended 31 March 2026 (31 March 2025: SR 504 million). One of the Group's revenue streams relates to contracts for the installation and commissioning of cold storage facilities, revenue for which is over time using the percentage-of-completion method in accordance with IFRS 15. This method requires management to exercise judgment, particularly in estimating total contract costs, assessing costs incurred to date, and determining the appropriate stage of completion for each contract. In addition, management is required to continually assess contract profitability and identify any loss-making contracts, which involves forward-looking estimates and assumptions that are inherently subject to uncertainty. Furthermore, aggregate revenue is one of the key performance indicators of the Group. Due to the above, Revenue has been identified as a Key Audit Matter. *Refer to note 3 for the material accounting policy information relating to revenue recognition, note 4 for use of judgments and estimates, and note 18 for the revenue disclosure note.*	Our audit procedures included, among others, the following: • Reviewed the Group's process applied in determining revenue recognition, including the approval of project budgets, ongoing monitoring of project costs and activities, and the customer approval of project stages of completion used in measuring revenue recognised in the consolidated financial statements. • On a sample basis, reviewed the contractual terms agreed with customers and assessed the work status of selected contracts through inspection of supporting documentation and discussions with management. We also evaluated whether revenue was appropriately recognised in accordance with the percentage-of-completion method, based on the stage of completion determined for each project. • Performed analytical procedures to compare revenue and gross margins with those reported in prior periods, correlated to our understanding of the business, identified significant fluctuations, and obtained explanations from management to assess the reasonableness of such fluctuations. • Reviewed the estimation of contract costs prepared by management and performed detailed analysis of underlying cost assumptions and budget revisions to assess the reasonableness and consistency of management's estimates. • Performed cut-off procedures, to assess whether revenue is recognised in the proper accounting period. • Assessed the adequacy of relevant disclosures in the consolidated financial statements as required by IFRS 15.

Other Information included in the Group's 2025 Annual Report

Other information consists of the information included in the Group's 2025 annual report, 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 2025 annual report 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 will 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, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards 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 and the applicable provisions of the Regulations for Companies and 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, i.e., the Audit Committee, is 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.

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

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

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

- 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 fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CONSOLIDATED GRUENENFELDER SAADY HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company) (continued)

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.

for Ernst & Young Professional Services

Marwan S. AlAfaliq
Certified Public Accountant
License No. (422)

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شركة ارنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Riyadh: 13 Muharram 1448H
(28 June 2026)

Consolidated Gruenenfelder Saady Holding Company and Its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

(All amounts in ⃁ unless otherwise stated)

	Notes	*31 March 2026*	*31 March 2025*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**50,395,260**	50,866,093
Intangible assets	6	**860,383**	745,135
Right-of-use assets	17	**8,923,981**	8,776,091
Deferred tax assets	16	**3,749,557**	5,210,244
TOTAL NON-CURRENT ASSETS		**63,929,181**	65,597,563
CURRENT ASSETS			
Inventories	7	**74,893,727**	78,202,532
Trade receivables	8	**75,110,454**	64,531,438
Contract assets	9	**18,331,957**	-
Amounts due from related parties	13	**-**	5,342,016
Prepayments and other current assets	10	**16,790,925**	16,250,546
Cash and cash equivalents	11	**87,736,101**	68,585,359
TOTAL CURRENT ASSETS		**272,863,164**	232,911,891
TOTAL ASSETS		**336,792,345**	298,509,454
EQUITY AND LIABILITIES			
EQUITY			
Share capital	24	**100,000,000**	100,000,000
Reserve	26	**300,000**	300,000
Retained earnings		**99,833,907**	62,414,125
TOTAL EQUITY		**200,133,907**	162,714,125
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' defined benefit liabilities	12	**20,358,706**	19,135,611
Lease liabilities	17	**6,613,056**	7,023,911
TOTAL NON-CURRENT LIABILITIES		**26,971,762**	26,159,522
CURRENT LIABILITIES			
Trade payable		**42,563,191**	31,694,274
Accrued expenses and other current liabilities	14	**27,311,931**	26,406,817
Contract liabilities	15	**35,117,180**	45,432,633
Current portion of lease liabilities	17	**1,877,785**	1,281,706
Provision for zakat and income tax	16	**2,816,589**	4,820,377
TOTAL CURRENT LIABILITIES		**109,686,676**	109,635,807
TOTAL LIABILITIES		**136,658,438**	135,795,329
TOTAL EQUITY AND LIABILITIES		**336,792,345**	298,509,454

Amit Lahoti	Ruban Bilen	Sinan Esmat Abdulsamad Al Saady
Group CFO	Group CEO	Chairman of the Board of Directors

The accompanying notes 1 to 37 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

(All amounts in ⃁ unless otherwise stated)

	Notes	*31 March 2026*	*31 March 2025*
Revenue	18	**477,143,568**	504,337,619
Cost of revenue	19	**(372,932,676)**	(388,613,694)
GROSS PROFIT		**104,210,892**	115,723,925
General and administration expenses	20	**(34,823,183)**	(32,436,492)
Selling and distribution expenses	21	**(12,282,274)**	(11,456,449)
Charge of expected credit losses of trade receivables and contract assets	8.9	**(2,773,941)**	(253,666)
OPERATING PROFIT		**54,331,494**	71,577,318
Other income	22	**3,062,474**	4,845,280
Finance cost	23	**(1,473,654)**	(1,260,872)
PROFIT BEFORE ZAKAT AND INCOME TAX		**55,920,314**	75,161,726
Zakat	16	**(2,783,762)**	(1,684,804)
Income tax	16	**(5,124,398)**	(7,794,023)
Deferred tax (charge) / reversal	16	**(1,409,652)**	536,424
PROFIT FOR THE YEAR		**46,602,502**	66,219,323
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) that will not be reclassified to profit or loss (income) in subsequent periods:			
Remeasurement gain on employees' defined benefit liabilities	12	**868,315**	185,655
Deferred tax effect on remeasurement loss on employees' defined benefit liabilities	16	**(51,035)**	(18,566)
TOTAL OTHER COMPREHENSIVE INCOME		**817,280**	167,089
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**47,419,782**	66,386,412
EARNINGS PER SHARE:			
Basic and diluted earnings per share	31	**0.47**	0.66

Amit Lahoti	Ruban Bilen	Sinan Esmat Abdulsamad Al Saady
Group CFO	Group CEO	Chairman of the Board of Directors

Consolidated Gruenenfelder Saady Holding Company and Its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

(All amounts in unless otherwise stated)

	Share capital	*Additional capital contribution*	*Reserve**	*Retained earnings*	*Total equity*
Balance at 1 April 2024	1,000,000	54,439,539	300,000	58,994,675	114,734,214
Profit for the year	-	-	-	66,219,323	66,219,323
Other comprehensive income	-	-	-	167,089	167,089
Total comprehensive income	-	-	-	66,386,412	66,386,412
Additional capital contribution (note 25)	-	9,754,719	-	-	9,754,719
Dividends (note 29)	-	-	-	(28,161,220)	(28,161,220)
Increase in share capital (note 25)	99,000,000	(64,194,258)	-	(34,805,742)	-
Balance at 31 March 2025	100,000,000	-	300,000	62,414,125	162,714,125
Balance at 1 April 2025	**100,000,000**	**-**	**300,000**	**62,414,125**	**162,714,125**
Profit for the year	-	-	-	**46,602,502**	**46,602,502**
Other comprehensive income	-	-	-	**817,280**	**817,280**
Total comprehensive income	-	-	-	**47,419,782**	**47,419,782**
Dividends (note 29)	-	-	-	**(10,000,000)**	**(10,000,000)**
Balance at 31 March 2026	**100,000,000**	**-**	**300,000**	**99,833,907**	**200,133,907**

* Subsequent to the reporting date, the balance of the reserve was transferred to retained earnings.

Amit Lahoti
Group CFO

Ruban Bilen
Group CEO

Sinan Esmat Abdulsamad Al Saady
Chairman of the Board of Directors

Consolidated Gruenenfelder Saady Holding Company and Its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

(All amounts in ⃁ unless otherwise stated)

	Notes	*31 March 2026*	*31 March 2025*
OPERATING ACTIVITIES			
Profit before zakat and income tax		**55,920,314**	75,161,726
Adjustments to reconcile profit before zakat and income tax to net cash flows:			
Depreciation of property, plant and equipment	5	**5,116,539**	4,199,257
Provision for employees' defined benefit liabilities	12	**3,402,765**	3,215,351
Charge of expected credit losses of trade receivables and contract assets	8.9	**2,773,941**	253,666
Depreciation of right-of-use assets	17	**1,832,773**	1,144,007
Amortization of intangible assets	6	**398,579**	305,812
Interest on lease liabilities	17	**604,877**	423,435
(Reversal) / Provision for slow moving inventories	7	**(6,897,686)**	1,295,582
		63,152,102	85,998,836
Working capital adjustments:			
Inventories		**10,206,491**	4,297,985
Trade receivables		**(13,145,684)**	42,258,071
Contract assets		**(18,539,230)**	-
Amounts due from related parties		**5,342,016**	(4,382,905)
Prepayments and other current assets		**(540,380)**	6,066,999
Trade payable		**10,868,917**	(26,703,423)
Amounts due to related parties		-	(1,404,934)
Accrued expenses and other current liabilities		**905,113**	3,628,837
Contract liabilities		**(10,315,451)**	(10,038,888)
Cash generated from operations		**47,933,894**	99,720,578
Zakat and income tax paid, net	16	**(9,911,948)**	(8,745,706)
Employees' defined benefit liabilities paid	12	**(1,311,355)**	(2,012,900)
Net cash generated from operating activities		**36,710,591**	88,961,972
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	**(4,645,706)**	(11,088,482)
Purchase of intangible assets	6	**(513,827)**	(126,554)
Net cash used in investing activities		**(5,159,533)**	(11,215,036)
FINANCING ACTIVITIES			
Payment of lease liabilities	17	**(2,400,316)**	(1,844,405)
Dividends paid	29	**(10,000,000)**	(28,161,220)
Net cash used in financing activities		**(12,400,316)**	(30,005,625)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**19,150,742**	47,741,311
Cash and cash equivalents at the beginning of the year		**68,585,359**	18,752,638
Cash and cash equivalent of an entity acquired		-	2,091,410
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**87,736,101**	68,585,359
Non-cash transactions:			
Plot of land contributed by shareholders recognized under equity	5 & 25	-	4,288,000
Additions to the right-of-use assets and lease liabilities	17	**1,980,663**	8,585,385

Amit Lahoti	Ruban Bilen	Sinan Esmat Abdulsamad Al Saady
Group CFO	Group CEO	Chairman of the Board of Directors

The accompanying notes 1 to 37 form an integral part of these consolidated financial statements.

1 CORPORATE INFORMATION AND ACTIVITIES

Consolidated Gruenenfelder Saady Holding Company (the “Company” or the “Parent Company”) was a Mixed Limited Liability Company formed under the Regulations for Companies in the Kingdom of Saudi Arabia with the commercial registration number 1010651887 (Unified number 7017850822) on 18 Muharram 1442H (corresponding to 06 September 2020).

On 9 December 2024 (07 Jumada al-Akhirah 1446H), the shareholders of the Company resolved to convert the Company to a Closed Joint Stock Company and accordingly, pursuant to Ministerial Resolution No. 100068249, the Company’s legal status changed to a Closed Joint Stock Company.

On 11 December 2024 (corresponding to 10 Jumada Al-Akhirah 1446H), the General Assembly of the Company approved the offering of the Company’s shares for an initial public offering (IPO). The Group announced in its prospectus the offering of 30 million ordinary shares of the Company for public offering on the Saudi Stock Exchange (“Tadawul”). The offered shares represent 30% of the Group’s share capital, amounting to 30 million.

On 25 June 2025 (corresponding to 29 Thul-Hijjah 1446H), the Capital Market Authority announced its approval for the offering and listing of the Group’s shares on the Saudi Stock Exchange (“Tadawul”). On 9 December 2025 (corresponding to 18 Jumada Al-Akhirah 1447H), the Company’s shares were listed and commenced trading on the Saudi Stock Exchange (“Tadawul”) under the symbol 4147 and ISIN code SA16DG520PH3 following the completion of the IPO. Amendment of the Company’s by-laws to convert from a closed joint stock company to a public joint stock company has been completed.

The principal activity of the Company is to own controlling interest in group of subsidiaries and corporations. The Company's registered office is located at, P.O Box 358, Riyadh 11383, Kingdom of Saudi Arabia.

These consolidated financial statements include the financial position and performance of the Company and its following subsidiaries (collectively referred to as “Group”):

		Effective holding	
Subsidiary	***Country of incorporation***	***2026***	*2025*
Coldstores Group of Saudi Arabia	Kingdom of Saudi Arabia	**100%**	100%
Consolidated Grunenfelder Saady Company	Kingdom of Saudi Arabia	**100%**	100%
Al Saadi Refrigeration Air Conditioning (note 25)	Kingdom of Bahrain	**100%**	100%

The subsidiaries are principally engaged in the manufacturing and sale of cooling containers for food transport vehicles, non-refrigerated bodies for the vehicles and unportable cold storage rooms as well as servicing and repairs of refrigeration bodies, cooling units and cold stores.

2 BASIS OF PREPERATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued By Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (hereinafter refer to as “IFRS as endorsed in KSA”).

2.2 Statement of compliance

These consolidated financial statements have been prepared under the historical cost convention and going concern assumption, except for the employees’ defined benefit obligations, which is measured using the projected unit credit method.

2 BASIS OF PREPARATION (continued)

2.3 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals ⃁ ("SR") which is the functional and presentation currency of the Company. All amounts have been rounded to the nearest Saudi Riyal, unless otherwise indicated.

2.4 Basis of consolidation

These consolidated financial statements include the assets, liabilities and the results of operations of the Company and its subsidiaries listed in note 1.
Subsidiaries are the entities that are controlled by Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets, liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in the consolidated statement of profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise:

3.1 Material accounting policy information

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated profit or loss as incurred.

Capital work in progress represents all costs relating directly or indirectly to the projects in progress and will be accounted for under the relevant category of property, plant and equipment upon completion.

The cost less estimated residual value of other items of property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. Following is the estimated useful lives of class of assets.

	Years
Building	The shorter of 10–20 years or the lease contract period
Heavy machinery and equipment	8
Tools and other equipment	4
Computer equipment	4
Furniture and fixtures	4 10
Motor vehicles	5

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the consolidated statement of profit or loss as incurred.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Software

Computer software licenses purchased from third parties are initially recorded at cost. Costs directly associated with the production of internally developed software, where it is probable that the software will generate future economic benefits, are recognized as intangible assets. Computer software licenses are amortized over 3 to 4 years.

Development costs

Development expenditure is capitalized as an intangible asset only once the project meets the recognition criteria These criteria include, among others, technical feasibility, intention and ability to complete, probable future economic benefits, and reliable cost measurement. Costs incurred prior to meeting these criteria are expensed as incurred.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

ii) 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. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because 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 remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Inventories
Inventories are stated at the lower of cost and net realizable value. Costs are those expenses incurred in bringing each inventory items to its present location and condition and is calculated on the following basis:

Raw materials, spares and consumables	-	purchase cost on a weighted average basis.
Work in progress and finished goods	-	cost of direct materials and labor plus attributable overheads based on normal level of activity.
Goods in transit	-	cost of direct materials which are under shipment and for which risks and rewards have been passed to the Group

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Allowance for obsolescence are maintained for any obsolete inventories.

Cash and cash equivalents
For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of bank balances, cash on hand and short-term deposits that are readily convertible into known amounts of cash and have maturities of three months or less when purchased.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Recognition and initial measurement
Trade receivables are initially recognized when they originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

Classification of financial assets depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows. The Group classifies its financial assets as:
- Financial assets measured at amortized cost; or
- Financial assets measured at fair value

Gains or losses of assets measured at fair value will be recognized either through the consolidated statement of profit or loss or through the consolidated statement of OCI.

Initial measurement
Financial assets are initially measured at their fair value plus transaction costs. Transaction costs of financial assets carried at fair value through income statement are recognized in the consolidated statement of profit or loss, when incurred.
Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows meet the requirements as solely payments of principal and interest.

Subsequent measurement
The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

a. Financial assets measured at amortized cost:
Assets that are held to collect contractual cash flows are measured at amortized cost using the effective interest rate ('EIR') method where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income. When the financial asset is derecognized, the gain or loss is recognized in the consolidated statement of profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Financial instruments (continued)

Subsequent measurement (continued)
b. Financial assets measured at fair value through profit or loss
Financial assets measured at fair value through profit or loss ("FVTPL") are measured at each reporting date at fair value without the deduction of transaction costs that the Group may incur on sale or disposal of the financial asset in the future. Gains and losses, both on subsequent measurement and derecognition, are recognized in the consolidated statement of profit or loss.

c. Financial assets measured at fair value through other comprehensive income
Financial assets measured at fair value through other comprehensive income ("FVOCI") are measured at each reporting date at fair value without the deduction of transaction costs that the Group may incur on sale or disposal of the financial asset in the future. Gains and losses are recognized in the consolidated statement of comprehensive income. The amounts recognized in the consolidated statement of comprehensive income are not reclassified to the consolidated statement of profit or loss under any circumstances.
Dividends from category "b" and "c" are recognized in the consolidated statement of profit or loss as other income when the Group's right to receive payments is established.

The financial asset at amortized cost consists of trade receivables and cash and cash equivalents.

Derecognition
A financial asset or a part of a financial asset is de-recognized 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.

Impairment
The Group recognizes expected credit losses for trade receivables based on the simplified approach. The simplified approach to the recognition of expected losses does not require the Group to track the 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 to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account 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.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified under either of the below two classes:
- Financial liabilities at FVPL; and
- Other financial liabilities are measured at amortized cost using the EIR method.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

***Financial liabilities* (continued)**
Initial recognition and measurement (continued)
The category of financial liability at FVPL has two sub-categories:

- Designated: A financial liability that is designated by the entity as a liability at FVPL upon initial recognition; and
- Held for trading: A financial liability classified as held for trading, such as an obligation for securities borrowed in a short sale, which has to be returned in the future. This category also includes derivative financial instruments entered by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

All financial liabilities are recognized initially when the Group becomes party to contractual provisions and obligations under the financial instrument. The liabilities are recorded at fair value, and in the case of loans, borrowings and payables, are measured at the proceeds received net of directly attributable transaction costs.

The Group's financial liabilities include lease liabilities,trade and other payables.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified into two categories, i) Financial liabilities at fair value through profit or loss, ii) Financial liabilities at amortized cost.

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. The Group has not designated any financial liability as at fair value through profit or loss.

After initial recognition, interest-bearing loans and borrowings (if any) are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Derecognition
A financial liability is de-recognized when the obligation under the liability is settled or discharged. 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss and other comprehensive income.

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.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than one year past due from customers.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- The financial asset is past due as per terms of agreement with customers.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administration expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in the consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and goodwill is recognized in the consolidated statement of profit or loss.

For business combinations involving entities under common control, the assets and liabilities of the combining entities are reflected at their carrying amounts. Adjustments are made to the carrying amounts in order to incorporate any differences arising due to differences in accounting policies used by the combining entities. No goodwill or gain is recognized as a result of the combination and any difference between the consideration paid/transferred and the equity acquired is reflected within the equity of the Group. The consolidated statement of profit or loss and other comprehensive income reflects the results of the combining entities from the date when the combination took place.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

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 taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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.
Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. Except for goodwill, 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 exceeds 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 profit or loss. Impairment loss recorded against the carrying value of goodwill is not reversed in subsequent periods.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill at each reporting date.

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.

Dividends
The Group recognizes a liability to pay a dividend to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per provisions of Companies' Law, distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in the consolidated statement of changes in equity.

Employee benefits liabilities
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, air fare and child education allowance that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Employee benefits liabilities
Defined benefit plan
The Group operates a defined benefit plan driven by the labor laws of the Kingdom of Saudi Arabia. The defined benefit plan is not funded. Valuation of the obligation under such scheme is carried out by an independent actuary based on the projected unit credit method. The costs relating to such scheme primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognized immediately in the profit or loss as “employee costs” while unwinding of the liability at discount rates used are recorded as finance cost. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as remeasurement in other comprehensive income.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit liability resulting from scheme amendments or curtailments are recognized immediately in profit or loss as past service costs.

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation. The contributions are recognized as employees' benefits expense in the consolidated profit or loss when they are due.

Provisions
General
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Onerous contracts
If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract.
An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Warranty provisions
The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognized when the product is sold or the service is provided to the customer. The Group does not provide any extended warranties or maintenance contracts to its customers. Initial recognition is based on historical experience. The warranty provision is reviewed periodically and adjusted to reflect current estimates of the future costs of fulfilling warranty obligations.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Contingent liabilities
A contingent liability is a possible obligation which may arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. If the amount of the obligation cannot be measured with sufficient reliability, then the Group does not recognize the contingent liability but discloses it in the consolidated financial statements.

Financial guarantee contracts
Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value adjusted for transaction costs that are directly attributable to the issuance of the guarantee. The fair value of financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

Direct and indirect taxes and zakat
Zakat
Zakat is provided for in accordance with Saudi Arabian fiscal regulations by the respective group entities and charged to the consolidated statement of profit or loss. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which assessment is finalized.

Current income tax
Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax is recognized in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part, of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax is recognized in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income.

Withholding tax
The Group withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia, as required under Saudi Arabian Income Tax Law and settle to the Zakat, Tax and Customs Authority (ZATCA).

Value added tax
Sales, expenses and assets are recognized net of the amount of value added tax, except when the value added tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Value added tax (continued)
The net amount of value added tax receivable from, or payable to, the taxation authority is included as part of receivable or payables in the consolidated statement of financial position.

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Revenue from contract with customers
The Group assembles and sells a range of cold storages and chiller units and provide related repair & maintenance services. In addition, the Group also constructs unmovable cold storage rooms. The Group uses the five step model from *IFRS 15: Revenue from Contract with Customers*, for recognition of revenue.

a) Sale of goods
Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

In general, the contracts for the sale of goods do not provide customers with a right of return and volume rebates. Accordingly, the application of the constraint on variable consideration did not have any impact on the revenue recognized by the Group.

The Group provides normal warranty provisions for general repairs and services for one to two years on its certain products, in line with industry practice. A liability for potential warranty claims is recognized at the time the product is sold. The Group does not provide any extended warranties or maintenance contracts to its customers.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Revenue from contract with customers (continued)

b) Rendering of services
The Group provides repair and maintenance services to its customers. These services can be obtained from other providers and do not significantly customize or modify the equipment. The Group recognizes revenue from these services at a point in time, generally upon completion of the service or delivery of the equipment.

c) Revenue from installation and commissioning of cold stores
For lump sum fixed-price contracts for unmovable cold storage rooms construction, the Group measures progress and recognizes revenue using the full cost method, based on the actual cost of work performed at the end of the reporting period as a percentage of total contract costs at completion once the outcome of a contract can be estimated reliably. When the outcome of a contract cannot be estimated reliably, contract revenues are recognized only to the extent of costs incurred that are expected to be recoverable. The services provided under the contract are satisfied over time rather than at a point in time since the customer simultaneously receives and consumes the benefits provided by the Group and the Group has the enforceable rights to receive the consideration.

At contract inception, the Group considers the following factors to determine whether the contract contains a single performance obligation or multiple performance obligations:

- it provides a significant service of integrating the goods or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output or outputs for which the customer has contracted.
- one or more of the goods or services significantly modifies or customizes, or are significantly modified or customized by, one or more of the other goods or services promised in the contract.
- the goods or services are highly interdependent or highly interrelated.

Contract modifications, e.g., variation orders, are accounted for as part of the existing contract, with a cumulative catch up adjustment to revenue. For material contract modifications, a separate contract may be recognized, based on management's assessment of the following factors:
- the scope of the contract increases because of the addition of promised goods or services that are distinct; and
- the price of the contract increases by an amount of consideration that reflects the Group's stand-alone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

Variable consideration (e.g., variation orders) are assessed/ reassessed using the expected value approach, as appropriate, at each reporting date where it is considered highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In performing the assessment, the Group considers the likelihood of such settlement being made by reference to the contract, customer communications and other forms of documentary evidence.

An onerous contract provision is recognized for all losses expected to arise on completion of contracts entered into at the reporting date, whether or not work has commenced on these contracts.

Advance payments received from customers for fixed-price contracts are structured primarily for reasons other than the provision of finance to the Group, (e.g., procurement costs), and they do not provide customers with an alternative to pay in arrears. In addition, the length of time between when the customer settles amounts to which the Group has an unconditional right to payment and the Group transfers goods and services to the customer is generally relatively short. Therefore, the Group has concluded that there is not a significant financing component within such contracts.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Revenue from contract with customers (continued)
Currently, the Group does not have any contracts where payments by a customer are over several years after the Group has transferred goods and services to the customer; if such cases arise in future, the transaction price for such contracts will be determined by discounting the amount of promised consideration using an appropriate discount rate.

Contract balances
Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs its obligations to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance, classified as “contract assets”.

Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group satisfies the performance obligation, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognized as revenue when the Group performs its obligations under the contract. Where the amount billed to the customer exceeds the amount of revenue recognized, this gives rise to a contract liability which is classified as “billings in excess of value of work executed”.

Foreign currencies transactions and balances
Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in consolidated statement of profit or loss).

Cost and expenses
Cost of revenue
Cost of revenue represents the cost incurred during the period related to the revenue activities by the Group and contain principally direct labor, direct material, allocated cost that directly relates to the sale of goods or contract activities, the cost that are explicitly chargeable to the customer under the contract and other costs that are incurred by the Group only because the entity entered into the respective contract and recognize on accrued basis.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Cost and expenses (continued)
General and administration expenses/selling and distribution expenses
Selling and distribution expenses are those that specifically relate to salesmen, sales department, advertising and promotion, etc. All other operating expenses which are not directly related to the contract executed or goods sold are recognized under general and administration expenses. These also include allocations of general overheads which are not specifically attributed to cost of revenue.

The allocation of overheads between cost of revenue, general & administration expenses and selling & distribution expenses, where required, is made on a consistent basis.

Other income
The Group recognizes other income when it is probable that future economic benefits will flow to the Group and these benefits can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and recognized on accrual basis in accordance with the terms of the agreements. Other income that is incidental to the Group's business model is recognized as income as it is earned or accrued.

Earnings per share
Basic and diluted EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).
The Board of Directors of the Group has appointed a Group Chief Executive Officer, who assesses the financial performance and position of the Group, and makes strategic decisions. Group Chief Executive Officer has been identified as being the Group CODM.
An operating segment is a group of assets, operations or entity:
- Engaged in revenue producing activities;
- Results of operations of which are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
- Financial information is separately available.

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is described as follows based on the lowest level input that is significant to the fair value measurement as a whole:

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Fair value measurement (continued)

- 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; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3.2 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. One amendment (Amendment to IAS 21: Lack of exchangeability) applies for the first time in 2025 but does not have an impact on the consolidated financial statements of the Group.

The standards and amendments that are issued, but not yet effective, as of 31 March 2026 are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Effective date	*Standard, interpretation, amendments*
Annual periods beginning on or after 1 January 2026	Classification and Measurement of Financial Instrument – Amendments to IFRS 9 and IFRS 7 Contract Referencing Nature-dependent Electricity- Amendments to IFRS 9 and IFRS 7 Annual Improvements to IFRS Accounting Standards- Volume 11
Annual periods beginning on or after 1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. The amendments are not expected to have a material impact on the Group's consolidated financial statements. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 19 Subsidiaries without Public Accountability Disclosure In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards.
Available for optional adoption / effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Amendments to IFRS 10 and IAS 28

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. 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.

The following critical judgments and estimates have the most significant effect on the amounts recognized in the consolidated financial statements:

Revenue recognition -Satisfaction of performance obligations
The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Group has assessed that based on the agreements entered with the customers and the provisions of relevant laws and regulations, where contracts are entered into to undertake contracts with the customers (for the installation and commissioning of cold stores), the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. Further, the services provided under these contracts are satisfied over time rather than at a point in time since the customer simultaneously receives and consumes the benefits provided by the Group. Based on this, the Group recognizes revenue over time.

For the revenue on sale of goods (sale of refrigeration/non-refrigeration bodies) and maintenance and repair services, the Group has assessed that based on the delivery arrangements entered into with the customer and the provisions of relevant laws and regulations, the Group creates an asset with an alternative use to the Group and usually does not have an enforceable right to payment for performance completed to date. Based on this, the Group recognizes revenue at point in time i.e. on the delivery of goods or services to customer.

Revenue recognition -Cost to complete the contracts
The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognized. These estimates include, amongst other items, the manpower costs, material and parts, other overheads, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete may affect the results of the subsequent periods.

Warranty provision
The Group provides warranties for general repairs of defects that existed at the time of sale, in accordance with contractual warranty terms. The warranty provision recognition is based on historical experience of expected expenses of warranties relating to sales made. As such, dependent upon estimates and assessments by the management.

Provision for expected credit losses
For trade receivables and contract assets, 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. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are asnalyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (continued)

Measurement of employee benefits obligations: significant actuarial assumptions
Employees' benefit obligations represent obligations that will be settled in the future and require assumptions to project obligations. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase, mortality rates and employment turnover. Periodically, management of the Group consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the projected benefit obligations and/or periodic employee defined benefit costs incurred.

Incremental borrowing rate for lease agreements
The Group uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

Determining the lease term of contracts with renewal and termination options – Group as lessee
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 certain lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. 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 or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Useful lives and residual value of property, plant and equipment
The Group determines the estimated useful lives and residual values of property, plant, and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the assets, physical wear and tear, and technological obsolescence. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

Impairment of inventories
Inventory is stated at the lower of cost and net realizable value. When inventory becomes old or obsolete, an estimate is made for the net realizable value. For individually significant amounts, this estimate is made on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing, obsolescence. physical deterioration and change in demand and goods pricing.

Change in estimates regarding impairment of inventories
During the year, the Group revised its estimate for determining inventory obsolescence provisions. Previously, the Group applied a uniform provisioning policy across all inventory categories, whereby a provision of 50% was recorded for inventory aged over one year and 100% for inventory aged over two years, irrespective of the nature, type, or usage patterns of the inventory.
Under the revised estimate, the Group has implemented a more refined and risk-based provisioning framework, whereby inventory is assessed based on a combination of factors including age, category, type, and expected usage. Inventory items are classified into defined risk categories reflecting their likelihood of utilization (high, moderate, low risk and useful life considerations), with provisioning rates determined using a structured matrix linked to specific ageing brackets.
Management believes that the revised methodology provides a more representative and reliable measure of the net realizable value of inventory, as it incorporates relevant operational and historical consumption data and aligns provisioning levels more closely with the underlying risk profile of individual inventory items.
The change in estimate relating to inventory obsolescence provisioning has been applied prospectively from 1 April 2025. This change resulted in a net decrease in the provision charge for the year ended 31 March 2026 (before effects of taxation and zakat) of 5.4 million, with a corresponding increase in net profit for the year of the same amount.

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (continued)

Impairment of non-financial assets
Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs of disposal and value in use. For the purpose of assessing impairment, assets are combined at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Group of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

Deferred taxes
Deferred tax assets are recognized for temporary differences to the extent that it is probable that taxable profit will be available in the future against which the assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

5 PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings (*)*	*Heavy machinery and equipment*	*Tools and other equipment*	*Furniture and fixtures*	*Motor vehicles*	*Computer equipment*	*Work-in-progress (**)*	*Total*
Cost									
At 1 April 2025	**16,961,000**	**46,127,057**	**44,589,230**	**2,732,075**	**8,137,867**	**6,884,482**	**4,785,836**	**-**	**130,217,547**
Additions	**-**	**2,507,694**	**278,645**	**470,395**	**390,041**	**-**	**405,731**	**593,200**	**4,645,706**
At 31 March 2026	**16,961,000**	**48,634,751**	**44,867,875**	**3,202,470**	**8,527,908**	**6,884,482**	**5,191,567**	**593,200**	**134,863,253**
Accumulated depreciation									
At 1 April 2025	**-**	**28,980,360**	**33,471,746**	**2,157,028**	**5,457,159**	**5,644,449**	**3,640,712**	**-**	**79,351,454**
Charge for the year	**-**	**1,459,218**	**1,730,369**	**208,456**	**923,292**	**347,179**	**448,025**	**-**	**5,116,539**
At 31 March 2026	**-**	**30,439,578**	**35,202,115**	**2,365,484**	**6,380,451**	**5,991,628**	**4,088,737**	**-**	**84,467,993**
Net book value									
31 March 2026	**16,961,000**	**18,195,173**	**9,665,760**	**836,986**	**2,147,457**	**892,854**	**1,102,830**	**593,200**	**50,395,260**

* This includes factories and workshops of the Company which are constructed on land leased from the Saudi Authority for Industrial Cities and Technology Zones (Modon) for a period of 19 years, amounting to 26.9 million.
** Work-in-progress represents improvement costs on existing production facilities and machineries under installations.

5 PROPERTY AND EQUIPMENT (continued)

	Land	*Buildings*	*Heavy machinery and equipment*	*Tools and other equipment*	*Furniture and fixtures*	*Motor vehicles*	*Computer equipment*	*Work-in-progress*	*Total*
Cost									
At 1 April 2024	12,673,000	40,431,062	38,747,142	2,306,441	7,029,494	5,748,412	3,707,748	1,006,505	111,649,804
Relating to acquired subsidiary (note 25)	-	2,662,650	82,100	87,140	66,160	186,420	106,791	-	3,191,261
Additions	4,288,000	1,729,272	5,759,988	338,494	1,042,213	949,650	971,297	297,568	15,376,482
Transfer	-	1,304,073	-	-	-	-	-	(1,304,073)	-
At 31 March 2025	16,961,000	46,127,057	44,589,230	2,732,075	8,137,867	6,884,482	4,785,836	-	130,217,547
Accumulated depreciation									
At 1 April 2024	-	26,416,396	32,131,194	1,933,597	4,628,015	5,193,582	3,130,212	-	73,432,996
Relating to acquired subsidiary (note 25)	-	1,203,730	82,100	86,050	63,150	186,420	97,751	-	1,719,201
Charge for the year	-	1,360,234	1,258,452	137,381	765,994	264,447	412,749	-	4,199,257
At 31 March 2025	-	28,980,360	33,471,746	2,157,028	5,457,159	5,644,449	3,640,712	-	79,351,454
Net book value									
31 March 2025	16,961,000	17,146,697	11,117,484	575,047	2,680,708	1,240,033	1,145,124	-	50,866,093

5 PROPERTY AND EQUIPMENT (continued)

The depreciation charge for the year has been allocated as follows:

	Notes	***31 March 2026***	*31 March 2025*
Cost of revenue	19	**3,957,521**	3,269,479
General and administration expenses	20	**1,046,737**	800,118
Selling and distribution expenses	21	**112,281**	129,660
		5,116,539	4,199,257

6 INTANGIBLE ASSETS

	31 March 2026	*31 March 2025*
Software		
Cost		
Balance at the beginning of the year	**2,917,571**	2,791,017
Additions	**513,827**	126,554
Balance at the end of the year	**3,431,398**	2,917,571
Accumulated amortization		
Balance at the beginning of the year	**2,172,436**	1,866,624
Charge for the year	**398,579**	305,812
Balance at the end of the year	**2,571,015**	2,172,436
Net book value	**860,383**	745,135

7 INVENTORIES

	31 March 2026	*31 March 2025*
Goods held for sale	**27,485,104**	22,674,169
Raw materials	**24,071,204**	27,946,057
Spare parts and consumables	**21,913,330**	23,507,854
Work in progress	**6,463,003**	17,071,150
Goods in transit	**45,980**	58,374
	79,978,621	91,257,604
Less: provision for slow moving items	**(5,084,894)**	(13,055,072)
	74,893,727	78,202,532

The summary of movement in provision for slow moving inventories is as follows:

	31 March 2026	*31 March 2025*
At the beginning of the year	**13,055,072**	11,016,494
Related to acquired subsidiary	**-**	962,750
(Reversal) charge during the year	**(6,897,686)**	1,295,582
Write off during the year	**(1,072,492)**	(219,754)
At the end of the year	**5,084,894**	13,055,072

8 TRADE RECEIVABLES

	31 March 2026	*31 March 2025*
Trade receivables	**82,930,229**	72,392,071
Less: allowance for expected credit losses	**(7,819,775)**	(7,860,633)
	75,110,454	64,531,438

The movement in the allowance for expected credit losses is as follows:

	31 March 2026	*31 March 2025*
At the beginning of the year	**7,860,633**	9,433,329
Related to acquired subsidiary	**-**	753,980
Charge for the year	**2,566,668**	253,666
Write off during the year	**(2,607,526)**	(2,580,342)
At the end of the year	**7,819,775**	7,860,633

Trade receivables are interest free and the normal credit terms of the Group are 30 to 90 days.

Unimpaired trade receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and vast majority are, therefore, unsecured.

Note 27 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

9 CONTRACT ASSETS

	31 March 2026
Contract assets	**18,539,230**
Less: allowance for expected credit losses	**(207,273)**
	18,331,957

Movement of allowance in the allowance for expected credit losses is as follows:

	31 March 2026
At the beginning of the year	**-**
Charge for the year	**207,273**
At the end of the year	**207,273**

Note 27 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

10 PREPAYMENTS AND OTHER CURRENT ASSETS

	31 March 2026	*31 March 2025*
Advances to suppliers	**8,006,801**	8,481,692
Margin deposits with bank	**3,151,975**	1,075,363
Prepaid expenses	**2,150,690**	2,873,392
Advances to employees	**2,010,782**	2,313,413
Refundable deposits	**953,442**	1,506,359
Others	**517,235**	327
	16,790,925	16,250,546

The refundable deposits are netted with the accumulated allowance of 3.8 million (2025: 3 million). The allowance made on the refundable deposits during the year are disclosed in note 20.

11 CASH AND CASH EQUIVALENTS

	31 March 2026	*31 March 2025*
Cash at banks	**87,382,650**	48,350,626
Short-term deposits (*)	**-**	20,000,000
Cash in hand	**353,451**	234,733
	87,736,101	68,585,359

(*) Short-term deposits represent Murabaha deposits placed with a local commercial bank having a maturity period of three months or less from the date of placement and yield profit at the market rates between 4.6% and 4.7%. (2026: Nil 2025: 20,000,000).

Reconciliation of liabilities arising from financing activities:

31 March 2026	***At 1 April 2025***	***Cash flows***	***Others***	***At 31 March 2026***
Lease liabilities	**8,305,617**	**(2,400,316)**	**2,585,540**	**8,490,841**
Dividends payable	**-**	**(10,000,000)**	**10,000,000**	**-**
Total financing activities	**8,305,617**	**(12,400,316)**	**12,585,540**	**8,490,841**

31 March 2025	*At 1 April 2024*	*Cash flows*	*Others*	*At 31 March 2025*
Lease liabilities	1,141,202	(1,844,405)	9,008,820	8,305,617
Dividends payable	-	(28,161,220)	28,161,220	-
Total financing activities	1,141,202	(30,005,625)	37,170,040	8,305,617

12 EMPLOYEES DEFINED BENEFIT LIABILITIES

The Group operates a non-funded employees' terminal benefit plan, which is classified as defined benefit liabilities under IAS 19 'Employee Benefits'. The benefit is mandatory for all Saudi Arabian based employees under the Saudi Arabian labor law and also under the Group's policies applicable to employees' accumulated period of service and payable upon termination, resignation or retirement. The Group's net obligation in respect of employees defined benefits is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior years. This amount is then discounted using an appropriate discount rate to determine the present value of the Group's net obligation.

12.1 Changes in the present value of defined benefit liability

	31 March 2026	*31 March 2025*
Balance as at the beginning of the year	**19,135,611**	17,631,045
Related to acquired subsidiary	**-**	487,770
Charges recognized in the consolidated statement of income and other comprehensive income for the year:		
Interest cost	**868,777**	837,437
Past service cost	**-**	(1,079)
Current service cost	**2,533,988**	2,378,993
	3,402,765	3,215,351
Actuarial changes arising due to:		
Financial assumptions	**(269,062)**	(258,634)
Demographic assumptions	**-**	176,268
Experience assumptions	**(599,253)**	(103,289)
	(868,315)	(185,655)
Benefits paid during the year	**(1,311,355)**	(2,012,900)
Balance as at the end of the year	**20,358,706**	19,135,611

a. Sensitivity analysis

The principal assumptions used in determining the post-employment defined benefit liability includes the following:

	31 March 2026	*31 March 2025*
Discount rate	**5.02%**	4.61% to 4.8%
Expected rate of salary increase	**3.50%**	3.50%
Rates of employee turnover	**10% to 15%**	10% to 15%
Mortality rates	**A1949-52**	A1949-52
Retirement assumption	**60-65**	60-65

A quantitative sensitivity analysis for significant assumptions as at 31 March 2025 and 31 March 2026 are shown below:

	31 March 2026	*31 March 2025*
Discount rate:		
1% increase	**(900,447)**	(954,721)
1% decrease	**1,005,030**	1,070,932
Future salary increases		
1% increase	**945,577**	1,009,979
1% decrease	**(862,230)**	(916,587)

12 EMPLOYEES DEFINED BENEFIT LIABILITIES (continued)

12.1 Changes in the present value of defined benefit liability (continued)

a. Sensitivity analysis

The sensitivity analysis above has been based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The following payments are expected against the defined benefit liability in future years:

	31 March 2026	*31 March 2025*
Within the next 12 months	**5,229,911**	4,173,493
Between 2 and 5 years	**10,861,031**	9,699,329
Beyond 5 years	**36,779,206**	42,747,198
	52,870,148	56,620,020

The average duration of the defined benefit plan liability at the end of the reporting period is 5 years (31 March 2025: 5 to 6 years).

13 RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties represent shareholders, directors and key management personnel and entities controlled or significantly influenced by such parties. Transactions with related parties carried out during the year, in the normal course of business, are approved by Group management.

(a) Significant transactions with related parties during the year and significant year-end balances are as follows:

			For the year ended	
Related parties	***Relationship***	***Nature of transactions***	***31 March 2026***	*31 March 2025*
Key management personnel		Salaries and other short-term benefits	**12,683,374**	10,880,128
		Employees' defined benefit obligations – long-term	**512,462**	534,607
		BOD and Committee members remuneration	**1,740,000**	412,500
		Other BOD expenses	**1,069,388**	212,697
GK Gruenenfelder		Expenses paid on behalf (*)	**6,676,493**	2,662,158
International AG	Shareholder	Proceeds received, IPO (*)	**9,343,651**	-
Darat Esmat Bin		Expenses paid on behalf (*)	**6,668,793**	2,662,158
Abdul-Samad Al Saady Holding Company	Shareholder	Proceeds received, IPO (*)	**9,343,651**	-

13 RELATED PARTIES BALANCES AND TRANSACTIONS (continued)

(*) The expenses include costs relating to the Company's initial public offering (IPO), which were initially paid by the Company on behalf of the shareholders and subsequently charged to them. During the year, proceeds received represent reimbursement by the shareholders for the IPO costs, which was agreed to be reimbursed by the shareholder upon successful completion of the listing process. The amount was subsequently settled by the shareholders.

(b) The breakdown of amounts disclosed in the consolidated statement of financial position is as follows:

Amounts due from related parties presented under current assets:

	31 March 2026	*31 March 2025*
GK Gruenenfelder International AG	**-**	2,667,158
Darat Esmat Al Saady Holding Company	**-**	2,674,858
	-	5,342,016

14 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March 2026	*31 March 2025*
Employees related accruals	**8,723,110**	10,232,977
Provision for warranties (note 14.1)	**6,020,415**	2,972,181
VAT payable	**5,015,015**	3,544,909
Sales commission payable	**3,815,950**	3,628,742
Accrued expenses	**3,019,964**	2,516,391
Payables against goods received but not invoiced	**-**	2,880,246
Others	**717,477**	631,371
	27,311,931	26,406,817

14.1 Provision for warranties

Movement in provision for warranties balances is as follows;

	31 March 2026	*31 March 2025*
At the beginning of the year	**2,972,181**	1,980,174
Charge for the year	**4,095,143**	1,642,135
Utilization during the year	**(1,046,909)**	(650,128)
At the end of the year	**6,020,415**	2,972,181

15 CONTRACT LIABILITIES

	31 March 2026	*31 March 2025*
Advance from the customers	**7,961,851**	28,200,556
Billings in excess of value of work executed	**27,155,329**	17,232,077
	35,117,180	45,432,633

Billings in excess of value of work executed comprise of following:

	31 March 2026	*31 March 2025*
Progress billings received and receivable to date	**158,595,174**	142,361,260
Less: value of work executed to date	**(131,439,845)**	(125,129,183)
	27,155,329	17,232,077

16 ZAKAT AND INCOME TAX

16.1 Status of assessments of zakat and income tax

The Group files Zakat and Income Tax returns of the Company and its subsidiaries on a standalone basis. The zakat and income tax charge represents the consolidated sum of zakat and income tax charge accrued by the Company and its subsidiaries at standalone financial statements level.

Consolidated Gruenenfelder Saady Holding Company: The Company has filed its tax/zakat returns for the years up to the year ended 31 March 2025 with the ZATCA. However, the assessments are yet to be finalized by the ZATCA for all years since incorporation.

Coldstores Group of Saudi Arabia: Zakat and income tax returns up to and including the year ended 31 March 2025 have been submitted to the Zakat, Tax and Customs Authority ("ZATCA"). The ZATCA has issued the assessment up to 2017 and the Company settled the remaining liability and finalized the assessment. Assessments for the year 2020 and prior are now time-barred. As of the date of this statement, the final assessments for the years ended 31 March 2021 to 2025 are yet to be finalized by the ZATCA.

Consolidated Grunenfelder Saady Company: Zakat and income tax returns up to the year ended 31 March 2025 have been submitted to the ZATCA. The ZATCA has issued the assessment up to 2015 and the Company settled and finalized. Assessments for the year 2020 and prior are now time-barred. As of the date of this statement, the final assessments for the years ended 31 March 2021 to 2025 are yet to be finalized by the ZATCA.

Al Saadi Refrigeration Air Conditioning W.L.L: The Company is registered in the Kingdom of Bahrain and not subject to Zakat and income tax.

Zakat and income tax have been computed based on the Company's understanding and interpretation of zakat and income tax regulations enforced in the Kingdom of Saudi Arabia. The ZATCA continues to issue circulars to clarify certain zakat and tax regulations which are usually enforced on all open years. The zakatable and taxable income and zakat/tax liability as computed by the Company could be different from zakatable/taxable income and zakat/tax liability as assessed by the ZATCA for years for which assessments have not yet been raised by the ZATCA.

16.2 Zakat

Charge for the year

Zakat for the year is payable at 2.5% of the approximate zakat base and adjusted net income attributable to Saudi shareholders. The zakat charge relating to the ultimate Saudi partner consists of:

	31 March 2026	*31 March 2025*
Provision for the year	**2,825,273**	1,684,804
Adjustment relating to prior years	**(41,511)**	-
Charge for the year	**2,783,762**	1,684,804

16.3 Income tax

Charge for the year

	31 March 2026	*31 March 2025*
Provision for the year	**5,124,398**	7,794,023
Charge for the year	**5,124,398**	7,794,023

16 ZAKAT AND INCOME TAX (continued)

16.3 Income tax (continued)

Reconciliation of tax expense and the accounting profit is presented below:

	31 March 2026	*31 March 2025*
Profit before zakat and income tax	**55,920,314**	75,161,726
Adjustment for:		
Add:		
Accounting depreciation	**5,389,720**	4,371,861
Allowance for expected credit losses	**2,650,745**	2,028,818
Provision for slow moving inventories	**-**	1,375,822
Employee defined benefits liabilities	**5,445,018**	3,141,092
Provision for warranties	**4,032,923**	1,642,136
Others	**5,640,731**	2,601,207
Less:		
Tax depreciation	**(6,935,613)**	(6,283,132)
Write-off of inventories	**(2,165,258)**	(162,805)
Payment of employees' defined benefit liabilities	**(1,266,698)**	(1,722,130)
Write-off of trade receivables	**(2,607,526)**	(650,128)
Provision for slow moving inventories	**(5,244,831)**	-
Others	**(4,368,882)**	(4,177,344)
Adjusted profit for tax calculation	**56,490,643**	77,327,123
Adjusted profit relating to foreign shareholding for tax computation	**25,621,990**	38,611,131
Income tax charge for the year @ 20% (2025: 20%)	**5,124,398**	7,794,023

16.4 Effective income tax reconciliation is as follows:

	2026	***2026 %***	*2025*	*2025 %*
Accounting profit before zakat and income tax	**55,920,314**		75,161,726	
Profit subject to income tax as per foreign shareholding	**26,126,019**		37,580,863	
Tax at applicable rates	**5,225,204**	**20%**	7,516,172	20%
Tax effect on taxable expenses to the accounting profit and non-deductible claims from accounting profit, net	**(100,806)**		277,851	
Tax charged during the year	**5,124,398**	**20%**	7,794,023	21%

16 ZAKAT AND INCOME TAX (continued)

16.5 Movement in zakat and income tax provision is as follows:

	31 March 2026			*31 March 2025*		
	Zakat	***Income tax***	***Total***	*Zakat*	*Income tax*	*Total*
At the beginning of the year	**1,440,081**	**3,380,296**	**4,820,377**	1,326,912	2,760,344	4,087,256
Charge for the year	**2,783,762**	**5,124,398**	**7,908,160**	1,684,804	7,794,023	9,478,827
Advance income tax paid	**-**	**(4,850,663)**	**(4,850,663)**	-	(3,220,764)	(3,220,764)
Settlement against advance income tax	**220,059**	**976,484**	**1,196,543**	-	-	-
Payments during the year	**(1,647,879)**	**(4,609,949)**	**(6,257,828)**	(1,571,635)	(3,953,307)	(5,524,942)
At the end of the year	**2,796,023**	**20,566**	**2,816,589**	1,440,081	3,380,296	4,820,377

16.6 Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method using the effective tax rate. Deferred tax assets of the Group are attributable to the following:

	31 March 2026	*31 March 2025*
Provision for expected credit losses	**504,743**	728,481
Provision for slow moving inventories	**337,360**	1,222,951
Property, plant and equipment	**468,950**	642,537
Provision for warranties	**419,645**	297,218
Employees' defined benefit liability	**1,407,374**	1,886,434
Others	**611,485**	432,623
	3,749,557	5,210,244

Movement in deferred tax balances is as follows;

	31 March 2026	*31 March 2025*
At the beginning of the year	**5,210,244**	4,692,386
(Charge) / reversal in profit or loss	**(1,409,652)**	536,424
Charge in other comprehensive income	**(51,035)**	(18,566)
At the end of the year	**3,749,557**	5,210,244

17 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Group leases land, buildings and staff accommodation facilities. The leases typically run for a period of 5 to 20 years, with an option to renew the lease after that date.

a. Right-of-use assets

The carrying amount of the right-of-use assets and movement during the year is as follows:

	Land and buildings
Cost	
As at 1 April 2025	14,316,291
Additions during the year	1,115,714
Modifications during the year	864,949
As at 31 March 2026	**16,296,954**
Accumulated depreciation	
As at 1 April 2025	5,540,200
Depreciation charge	1,832,773
As at 31 March 2026	**7,372,973**
Net book value	
As at 31 March 2026	**8,923,981**
As at 31 March 2025	8,776,091

The depreciation charge has been allocated as follows:

	For the year ended	
	31 March 2026	*31 March 2025*
Cost of revenue (note 19)	**1,005,585**	693,120
General and administration expenses (note 20)	**498,334**	255,082
Selling and distribution expenses (note 21)	**328,854**	195,805
	1,832,773	1,144,007

b. Lease liabilities

	31 March 2026	*31 March 2025*
As at 1 April	**8,305,617**	1,141,202
Additions during the year	**1,115,714**	8,585,385
Modifications during the year	**864,949**	-
Accretion of interest (note 23)	**604,877**	423,435
Payments during the year	**(2,400,316)**	(1,844,405)
Balance at 31 March	**8,490,841**	8,305,617

17 RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

b. Lease liabilities (continued)

Lease liabilities are presented in the financial position as follows:

	31 March 2026	*31 March 2025*
Current	**1,877,785**	1,281,706
Non-current	**6,613,056**	7,023,911
	8,490,841	8,305,617

Lease liabilities are payable as follows:

31 March 2026

	Future minimum lease payments	***Interest***	***Present value of minimum lease payments***
Less than one year	**2,446,788**	**569,003**	**1,877,785**
Between one and five years	**5,719,175**	**780,362**	**4,938,813**
More than five years	**2,399,293**	**725,050**	**1,674,243**
	10,565,256	**2,074,415**	**8,490,841**

31 March 2025

	Future minimum lease payments	*Interest*	*Present value of minimum lease payments*
Less than one year	1,867,080	585,373	1,281,707
Between one and five years	6,949,923	1,707,642	5,242,281
More than five years	2,584,745	803,116	1,781,629
	11,401,748	3,096,131	8,305,617

c. Amounts recognized in profit or loss

	For the year ended	
	31 March 2026	*31 March 2025*
Depreciation expense of right-of-use assets	**1,832,773**	1,144,007
Interest expense on lease liabilities (note 23)	**604,877**	423,435
Expenses related to short term leases	**1,343,677**	869,148
	3,781,327	2,436,590

18 REVENUE FROM CONTRACT WITH CUSTOMERS

	31 March 2026	*31 March 2025*
Type of goods or services		
Sales of refrigeration/non-refrigeration bodies with cooling units	**317,021,432**	362,704,172
Installation and commissioning of cold stores	**121,627,972**	99,672,873
Servicing and repairs	**38,494,164**	41,960,574
Total revenue	**477,143,568**	504,337,619

	31 March 2026	*31 March 2025*
Timing of revenue recognition		
Revenue recognized at a point in time	**355,515,596**	404,664,746
Revenue recognized over time	**121,627,972**	99,672,873
	477,143,568	504,337,619

	31 March 2026	*31 March 2025*
Customer wise revenue recognition		
External customers	**477,143,568**	504,337,619
	477,143,568	504,337,619

	31 March 2026	*31 March 2025*
Geographical markets		
Kingdom of Saudi Arabia	**470,535,814**	490,037,431
Out of Kingdom of Saudi Arabia	**6,607,754**	14,300,188
	477,143,568	504,337,619

Contract balances

	31 March 2026	*31 March 2025*
Trade receivables (note 8)	**75,110,454**	64,531,438
Contract assets (note 9)	**18,331,957**	-
Contract liabilities (note 15)	**35,117,180**	45,432,633

Contract assets represent the value of work executed but not yet billed for ongoing projects.

Contract liabilities represent billing in excess of value of work executed for ongoing cold storage projects and advances received from customers in respect of the sale of goods. Revenue recognized during the year that was included in the contract liability balance at the beginning of the period amounting to 40.43 million (2025: 51.78 million).

19 COST OF REVENUE

	For the year ended	
	31 March 2026	*31 March 2025*
Raw materials, consumables and changes in finished goods inventories	**322,067,833**	336,578,948
Employees' related costs	**38,549,847**	35,788,822
Warranty expense	**4,095,143**	1,642,136
Depreciation of property and equipment (note 5)	**3,957,521**	3,269,479
Utilities	**3,050,094**	2,508,019
Repairs and maintenance	**2,495,242**	2,305,327
Rent	**1,293,866**	1,151,206
Depreciation of right-of-use assets (note 17)	**1,005,585**	693,120
Amortization of intangible assets (note 6)	**129,029**	114,919
(Reversal) Charge of provision for slow moving inventories (note 7)	**(6,897,686)**	1,295,582
Others	**3,186,202**	3,266,136
	372,932,676	388,613,694

20 GENERAL AND ADMINISTRATION EXPENSES

	For the year ended	
	31 March 2026	*31 March 2025*
Employees' related costs	**22,076,563**	20,755,048
Board and committee members expenses	**2,809,388**	625,197
Utilities and subscriptions expenses	**2,600,531**	2,467,085
Legal, professional and consultancy fees (*)	**1,316,713**	3,867,593
Depreciation of property and equipment (note 5)	**1,046,737**	800,118
Bank charges	**731,911**	664,587
Depreciation of right-of-use assets (note 17)	**498,334**	255,082
Allowance against refundable deposits (note 10)	**769,684**	1,240,000
Amortization of intangible assets (note 6)	**269,549**	189,956
Repairs and maintenance	**280,321**	209,111
Rent	**49,810**	65,655
Others	**2,373,642**	1,297,060
	34,823,183	32,436,492

(*) This includes expenses pertaining to Company's external auditor for the year ended 31 March 2026 amounting to 955,720 (31 March 2025: 742,000) against services rendered for the annual audit and interim reviews.

21 SELLING AND DISTRIBUTION EXPENSES

	For the year ended	
	31 March 2026	*31 March 2025*
Employees' related costs	**6,149,529**	6,215,185
Sales commission	**3,247,172**	4,260,492
Marketing and product development expenses	**1,430,655**	122,564
Utilities and subscriptions expenses	**422,246**	112,900
Depreciation of right-of-use assets (note 17)	**328,854**	195,805
Depreciation of property and equipment (note 5)	**112,281**	129,660
Amortization	**-**	937
Rent	**-**	142,499
Others	**591,537**	276,407
	12,282,274	11,456,449

22 OTHER INCOME, NET

	For the year ended	
	31 March 2026	*31 March 2025*
Gains on sale of scrap materials	**990,637**	948,137
Disbursements from human resource development fund	**846,975**	1,128,799
Murabaha income	**227,862**	254,788
Exchange (loss) / gain on financial transactions	**(305,679)**	1,571,707
Other miscellaneous income	**1,302,679**	941,849
	3,062,474	4,845,280

23 FINANCE COST

	For the year ended	
	31 March 2026	*31 March 2025*
Accretion of finance costs on employees' defined benefit liabilities (note 12)	**868,777**	837,437
Accretion of finance costs on lease liabilities (note 17)	**604,877**	423,435
	1,473,654	1,260,872

24 SHARE CAPITAL

	No of shares*	***Par Value***	***Total***
31 March 2026	**100,000,000**	**1**	**100,000,000**
31 March 2025	100,000,000	1	100,000,000

(*) The IPO did not result in any additional capital being raised by the Group.

25 ADDITIONAL CAPITAL CONTRIBUTION

There was no movements in additional capital contribution during the current year. During the prior year, the parent company acquired 100% ownership in Al Saadi Refrigeration Air Conditioning W.L.L., a business under common control, without consideration, and accordingly recognized the net assets acquired amounting to 5.5 million as additional capital contribution from shareholders.

In addition, during the prior year, a shareholder transferred freehold land with a fair value of 4.3 million to the Company without consideration in its capacity as shareholder, which was recognized as freehold land with a corresponding increase in additional capital contribution. The fair value of the land was determined by an independent valuer using the market comparative approach. Further, 64.19 million of additional capital contributions were transferred to share capital.

26 RESERVE

Reserve represents the total amounts appropriated from net income for prior years as statutory reserves in accordance with the requirements of the previous Companies Law and the By-Laws prior to alignment with the new Companies Law. The utilization of these reserves is subject to the decisions of the shareholders' assembly.

27 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks including credit risk, liquidity risk, market risk, currency risk, interest rate risk and capital management risk. The Group’s risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance. The financial instruments in the consolidated statement of financial position are comprised primarily of cash and cash equivalents, trade receivables, trade payables, and lease liabilities.

The Group’s Board of Directors oversees the management of these risks. The Group’s management regularly reviews the policies and procedures to ensure that all the financial risks are identified, measured and managed in accordance with the Group’s policies and risk objectives.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Group's activities.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s receivables from customers.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

During the year ended 31 March 2026, an additional allowance for impairment of 2,566,668 (31 March 2025: 253,666) on financial assets was recognized in the consolidated financial statements as per ECL provision.

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which the customers operate.

27 FINANCIAL RISK MANAGEMENT

The Group follows a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered to the customer. Management ensures that sales made to customers are within the respective customers' credit limit.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for its customers.

The credit risk of bank balances is limited as cash balances are held with banks with sound credit ratings ranging from BBB+ to A+.

Exposures within each credit risk grade are analyzed based on delinquency status, and the corresponding ECL rates are derived from actual historical credit loss experience over prior periods. These rates are subsequently adjusted using forward-looking scalar factors to reflect differences between the economic conditions prevailing during the historical observation period, current conditions, and management's expectations of economic conditions over the expected life of the receivables.

Trade receivables & contract

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for customers as at 31 March 2026 and 31 March 2025:

31 March 2026	***Credit loss rate %***	***Gross carrying amount***	***Loss allowance***	***Net trade receivables***
Not past due	**2.58%**	**53,107,919**	**(1,368,713)**	**51,739,206**
0-90 days	**3.42%**	**13,418,265**	**(458,658)**	**12,959,607**
90-180 days	**9.06%**	**6,699,651**	**(606,802)**	**6,092,849**
180-270 days	**19.07%**	**3,731,723**	**(711,690)**	**3,020,033**
270-360 days	**41.14%**	**684,896**	**(281,760)**	**403,136**
More than 360 days	**83.06%**	**5,287,775**	¤ **(4,392,152)**	**895,623**
		82,930,229	**(7,819,775)**	**75,110,454**
Contract assets - not past due	**1.12%**	**18,539,230**	**(207,273)**	**18,331,957**

31 March 2025	*Credit loss rate %*	*Gross carrying amount*	*Loss allowance*	*Net trade receivables*
Not past due	0.96%	50,092,139	(479,144)	49,612,995
0-90 days	3.32%	9,406,388	(311,935)	9,094,453
90-180 days	11.96%	4,127,778	(493,515)	3,634,263
180-270 days	38.64%	1,537,606	(594,121)	943,485
270-360 days	50.65%	894,253	(452,951)	441,302
More than 360 days	87.29%	6,333,907	¤ (5,528,967)	804,940
		72,392,071	(7,860,633)	64,531,438
Contract assets	-	-	-	-

As at 31 March 2026, the Group had trade receivables from 20 major customers that owed approximately 75.4% (2025: 71.2%) of the Group's total gross trade receivables balances.

27 FINANCIAL RISK MANAGEMENT (continued)

a) Market risk

Market risk is the risk that changes in the market prices – such as foreign exchange rates and commission rates– will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk
Interest rate risk arises from the possibility that the changes in interest rates will affect either the fair values or the future cash flows of the financial instruments. The Company's exposure to the interest rate risk is limited to the Murabaha short-term deposits placed with the local commercial bank and the profit margin on those deposits are fixed. The interest cost relating to the lease liabilities is also fixed through lease instalment. Accordingly, the Group is not exposed to significant interest rate risk.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency). The Group is subject to fluctuations in foreign exchange rates for USD, GBP and EUR.

The risk of fluctuation in the USD is low as historically USD does not fluctuate against Saudi Riyal significantly. The currency risk is monitored at the Group level. As the amounts of transactions and outstanding balances relating to Euro and GBP are very minimal, there is no significant currency risk exposure to the Group in relation to the balances and transactions in these currencies.

At the year end, the Group has exposure to the following foreign currencies:

Foreign currencies	***2026***	*2025*
United States Dollar (USD)	**(17,137,321)**	(14,887,817)
Euro	**(3,540,540)**	(1,062,280)

Sensitivity analysis:
A reasonably possible strengthening / weakening of the ⃁ against US dollar and Euro at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and profit or loss by the amounts shown below.

Foreign currencies	***2026***		*2025*	
	1% increase	***1% decrease***	*1% increase*	*1% decrease*
United States Dollar (USD)	**(171,373)**	**171,373**	(148,878)	148,878
Euro	**(35,405)**	**35,405**	(10,623)	10,623

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.
The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

27 FINANCIAL RISK MANAGEMENT (continued)

c) Liquidity risk (continued)

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The table below summarizes the maturity profile of the Group's financial liabilities (other than lease liabilities) based on contractual undiscounted payments. Trade payables are non-interest bearing and are normally settled on 30 to 90 day terms. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For the maturity profile on the lease liabilities, please refer to note 17.

As at 31 March 2026

	Less than 1 year	***1 year to 3 years***	***Total***
Trade payables	**42,563,191**	**-**	**42,563,191**
Accrued expenses and other current liabilities	**16,276,501**	**-**	**16,276,501**
	58,839,692	**-**	**58,839,692**

As at 31 March 2025

	Less than 1 year	*1 year to 3 years*	*Total*
Trade payables	31,694,277	-	31,694,277
Accrued expenses and other current liabilities	19,889,724	-	19,889,724
	51,584,001	-	51,584,001

28 FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group's financial assets consist of cash and cash equivalents, due from related parties, trade and other receivables. Its financial liabilities consist of due to related parties, payables, lease liabilities, and other liabilities. The fair values of financial assets and liabilities which are valued at original transaction value, are not expected to be materially different from their carrying values.

Financial assets and liabilities are offset and net amounts reported in the consolidated financial statements, when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities by category of financial instruments. It does not include fair value information for financial assets and financial liabilities since the carrying amount of financial assets and liabilities held by the Group approximates fair value.

28 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Financial assets and liabilities

	Notes	***31 March 2026***	*31 March 2025*
Financial assets			
Financial assets at amortized cost			
Trade receivables	8	**75,110,454**	64,531,438
Contract assets	9	**18,331,957**	-
Amounts due from related parties	13	**-**	5,342,016
Cash and cash equivalents	11	**87,736,101**	68,585,359
		181,178,512	138,458,813

	Notes	***31 March 2026***	*31 March 2025*
Financial liabilities			
Trade payable		**42,563,191**	31,694,274
Accrued expenses and other current liabilities	14	**16,276,501**	19,889,724
Lease liabilities	17	**8,490,841**	8,305,617
		67,330,533	59,889,615

29 DIVIDENDS DISTRIBUTION

During the year, the shareholders of the Company resolved to distribute cash dividends of 0.10 per share amounting to 10,000,000 (2025: the shareholders resolved to distribute dividends of 0.28 per share totaling to 28,161,220). The dividends were fully settled during the year.

30 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes capital, additional equity contribution, reserve and retained earnings attributable to the shareholders of the Group. The primary objective of the Group's capital management is to maximize the shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to the owner. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2026 and 2025. The Group's debt to adjusted capital ratio at the end of the reporting year is as follows:

	31 March 2026	*31 March 2025*
Total liabilities	**136,658,438**	135,795,329
Less: cash and cash equivalents	**(87,736,101)**	(68,585,359)
Net debt	**48,922,337**	67,209,970
Total equity	**200,133,907**	162,714,125
Net debt to capital ratio as of 31 March	**0.24**	0.41

31 EARNINGS PER SHARE

Basic and diluted earnings per share are based on the net profit for the year ended 31 March 2026 and 2025 divided by a weighted average number of shares.:

	31 March 2026	*31 March 2025*
Profit for the year	**46,602,502**	66,219,323
Weighted average number of shares outstanding during the year	**100,000,000**	100,000,000
Basic and diluted earnings per share	**0.47**	0.66

32 SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on its products and services and has the following reportable segments:

- Sales of refrigeration/non-refrigeration bodies with cooling units relates to the automotive and special products segment (sale of goods).
- Installation and commissioning of temperature control storage units and facilities (contract activities).
- Servicing and repairs and maintenance related work (service activities).

Based on a management decision and in line with management reporting, the income and expenses relating to the Corporate segment have been allocated to the segments using activity-based costing. The assets and liabilities are not included in the measures used by the CODM, hence segment assets and liabilities are not reported in the segment disclosure below. All operating assets of the Group are located in the Kingdom of Saudi Arabia apart for 13.73 million assets of a subsidiary registered in the Kingdom of Bahrain.

The following tables present revenue and profit information for the Group's operating segments for the year ended 31 March 2026 and 2025, respectively.

Business segments

	For the year ended 31 March 2026				
	Sale of goods (Automotive Solutions)	***Sale of goods (Customized Solutions)***	***Contract activities***	***Service activities***	***Total***
Revenue	**248,938,858**	**68,082,574**	**121,627,972**	**38,494,164**	**477,143,568**
Segment profit before zakat and income tax	**32,542,558**	**6,559,409**	**3,206,902**	**13,611,445**	**55,920,314**

	For the year ended 31 March 2025				
	Sale of goods (Automotive Solutions)	*Sale of goods (Customize d Solutions)*	*Contract activities*	*Service activities*	*Total*
Revenue	309,847,753	52,856,419	99,672,873	41,960,574	504,337,619
Segment profit before zakat and income tax	52,961,003	5,567,182	3,633,969	12,999,572	75,161,726

32 SEGMENT INFORMATION (continued)

Business segments (continued)

For the year ended 31 March 2026

	Saudi Arabia	***Bahrain***	***Total***
Revenue	**581,406,705**	**7,713,532**	**589,120,237**
Inter segment revenue elimination	**(111,960,315)**	**(16,354)**	**(111,976,669)**
Revenue from the external customers	**469,446,390**	**7,697,178**	**477,143,568**
Segment profit before zakat and income tax	**54,752,215**	**1,168,099**	**55,920,314**

For the year ended 31 March 2025

	Saudi Arabia	*Bahrain*	*Total*
Revenue	570,051,817	9,784,160	579,835,977
Segment profit before zakat and income tax	(75,498,358)	-	(75,498,358)
Revenue from the external customers	494,553,459	9,784,160	504,337,619
Segment profit before zakat and income tax	75,056,866	104,860	75,161,726

33 COMPARATIVE AMOUNTS

Certain comparative figures related to cost of revenue, general and administration expenses, and selling and distribution expenses have been reclassified to conform with the presentation in the current year. These reclassifications have no impact on net profit, total assets, total liabilities, equity, or net cash flows. The effect of these reclassifications on the comparative figures for the year ended 31 March 2025 is summarized below:

	As previously reported	*Reclassification*	*As reported currently*
31 March 2025			
Cost of revenue	387,887,457	726,237	388,613,694
General and administration expenses	32,274,947	161,545	32,436,492
Selling and distribution expenses	12,344,231	(887,782)	11,456,449

34 CONTINGENT LIABILITIES

As at 31 March 2026, the Company's bankers have issued letters of guarantee and letter of credit, on behalf of the Group entities, relating to contract performance amounting to 15.7 million (31 March 2025: 8.9 million) and 11.6 million (31 March 2025: 2.9 million) respectively, against which the Group has provided a margin deposit of 3.1 million (31 March 2025: 1.1 million).

35 RECENT GEOPOLITICAL DEVELOPMENT IN THE MIDDLE EAST

The Group continues to monitor the regional geopolitical developments and their potential impact on the region. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks. These developments have not had a material impact on the Group's consolidated financial statements for the year ended 31 March 2026; however, given the evolving nature of the tension, the potential long-term impact on the Group’s business will continue to be monitored and assessed by management.

36 SUBSEQUENT EVENTS

Subsequent to the reporting date, on 25 Thul-Qi'dah1447H corresponding to 12 May 2026, the shareholders approved through an Extraordinary General Meeting ("EOGM") the transfer of the reserve balance to retained earnings, following the recommendation of the Board of Directors. The shareholders also approved amendments to the Company's Bylaws to align them with the provisions of the New Companies Law applicable for listed Companies and consequently the new ByLaws stand approved. The amended Bylaws have been submitted to the Ministry of Commerce, and the related registration and publication procedures are in progress.

Subsequent to the reporting date, the Board of Directors recommended a cash dividend of 23.3 million (0.23 per share) for the year ended 31 March 2026. The proposed dividend is subject to the approval by the shareholders at the forthcoming General Assembly meeting.

37 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been approved by the Board of Directors for issuance on 7 Muharram 1448H, corresponding to 22 June 2026.