

Crowe Solutions For Professional Consulting
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TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

Interim Condensed Financial Statements
For the Three Months Period Ended March 31, 2024

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

Interim Condensed Financial Statements
For the Three-Month Periods Ended March 31, 2024

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

TO: THE SHAREHOLDERS OF
TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of TABUK CEMENT COMPANY (the "Company") as at March 31, 2024, the interim condensed statements of profit or loss and other comprehensive income for the three months period ended March 31, 2024, and interim condensed statements of changes in equity and cash flows for the three months period then ended, and, the accompanying disclosures to the interim condensed financial statements including material information of significant accounting policies and other explanatory clarifications. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Auditors and Accountants. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements does not present fairly, in all material respects, the financial position of the entity as at March 31, 2024, and its financial performance and its cash flows for the three month period then ended, in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Auditors and Accountants.

Other Matters

The interim condensed financial statements of the Company for the three-months period ended 31 Mach 2023 were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial statements on 17 May 2023.



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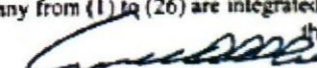
Abdullah M. Al Azem
License No. 335


Dhu'l-Qi'dah 10, 1445H (May 18, 2024)
Riyadh, Kingdom of Saudi Arabia

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As at March 31, 2024
(Saudi Riyal)

	Note	March 31, 2024 (Unaudited)	December 31, 2023 (Audited) (Restated Note 24)	January 1, 2023 (Audited) (Restated Note 24)
ASSETS				
Non-current assets				
Property, plant and equipment	4	899,394,661	907,970,529	950,872,509
Investment properties		72,279,440	72,279,440	72,279,440
Equity investments at FVOCI	5	287,111,819	287,111,819	295,201,417
Intangible assets	7	5,556,717	5,959,378	4,874,048
Right of use assets	6-1	5,963,462	6,422,212	-
Derivative financial instruments	8	6,234,395	7,179,800	11,146,526
Total non-current assets		1,276,540,494	1,286,923,178	1,334,373,940
Current assets				
Inventories		271,855,138	282,355,709	266,764,185
Trade receivables		48,275,599	23,677,340	17,627,304
Prepayments and other current assets		16,668,733	13,805,352	10,931,249
Cash and cash equivalents	9	34,554,719	36,894,267	46,953,691
Total current assets		371,354,189	356,732,668	342,276,429
TOTAL ASSETS		1,647,894,683	1,643,655,846	1,676,650,369
EQUITY AND LIABILITIES				
Equity				
Share capital	10	900,000,000	900,000,000	900,000,000
Statutory reserve		233,592,463	233,592,463	231,618,097
Other reserve		123,997,464	124,942,869	136,999,193
Retained earning		49,025,473	32,911,003	15,262,440
Total equity		1,306,615,400	1,291,446,335	1,283,879,730
Liabilities				
Non-current liabilities				
Long term borrowing	11	76,438,958	91,591,185	151,471,216
Non-current portion of lease liabilities	6-2	4,393,176	4,843,628	-
Employees' defined benefit obligation	12	17,789,469	17,377,129	16,135,397
Total non-current liabilities		98,621,603	113,811,942	167,606,613
Current liabilities				
Current portion of long-term loan	11	63,470,883	63,470,883	63,470,883
Current portion of lease Liabilities	6-2	1,754,572	1,725,597	-
Accrued expenses and other current liabilities		24,035,247	20,262,324	17,682,479
Trade payable		15,643,332	17,049,002	12,223,887
Dividends payable to shareholders	13	119,691,529	119,691,529	120,371,949
Zakat Provision	14	18,062,117	16,198,234	11,414,828
Total current liabilities		242,657,680	238,397,569	225,164,026
Total liabilities		341,279,283	352,209,511	392,770,639
TOTAL EQUITY AND LIABILITIES		1,647,894,683	1,643,655,846	1,676,650,369

The accompany from (1) to (26) are integrated part of these interim condensed financial statements, and was approved by the Board of Directors, and was signed by:


Mansour Ibrahim Al-Habdan
Financial Manager


Tariq bin Khaled Al-Anqari
(Authorized) BOD Member

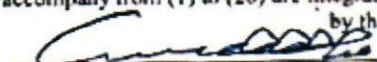

Ali bin Mohamed Al-Qahtani
CEO




TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the three months period ended March 31, 2024
(Saudi Riyal)

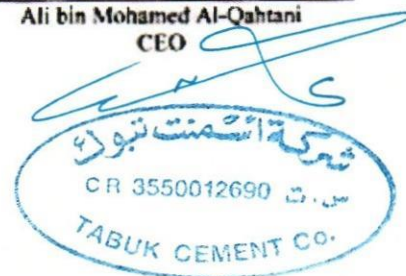
	Note	For The Three Months Period Ended March 31	
		2024 (Unaudited)	2023 (Unaudited) (Restated Note 24)
Revenue	15	87,046,063	86,284,063
Cost of revenue		(64,276,733)	(55,673,542)
Gross profit		22,769,330	30,610,521
Selling and marketing expenses		(1,234,158)	(1,007,158)
General and administrative expenses		(6,893,566)	(6,920,984)
Other income (Expenses), net	16	5,317,251	-
Operating profit		19,958,857	22,682,379
Effect on cash flow changes in financial liability	11	(715,495)	(1,036,339)
Finance cost, net	17	(1,265,009)	(1,349,646)
Profit before zakat		17,978,353	20,296,394
Zakat	14	(1,863,883)	(950,000)
Net profit for the period		16,114,470	19,346,394
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>		.	.
<i>Unrealized gains on investments in equity instruments at FVOCI</i>		.	.
Re-measurement of defined benefit obligation	12		-
Items that are or may be reclassified subsequently to profit or loss:			
Movement in Fair Value on Cash Flow Hedges	8	(945,405)	(980,128)
Other comprehensive income for the period		(945,405)	(980,128)
Total comprehensive income for the period		15,169,065	18,366,266
Earnings profit per share – basic and diluted	18	0,179	0,215

The accompanying from (1) to (26) are integrated part of these interim condensed financial statements, and was approved by the Board of Directors, and was signed by:


Mansour Ibrahim Al-Habdan
Financial Manager


Tariq bin Khaled Al-Anqari
(Authorized) BOD Member


Ali bin Mohamed Al-Qahtani
CEO



TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
For the three months period ended March 31, 2024
(Saudi Riyal)

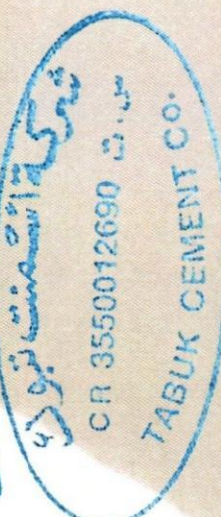
	Share capital	Statutory reserve	Other reserve	Retained earnings	Total
Balance at January 1, 2024 (Audited)	900,000,000	233,592,463	124,942,869	32,911,003	1,291,446,335
Profit for the period	-	-	-	16,114,470	16,114,470
Other comprehensive income for the period	-	-	(945,405)	-	(945,405)
Total comprehensive income for the period	-	-	(945,405)	16,114,470	15,169,065
Balance at March 31, 2024 (Unaudited)	900,000,000	233,592,463	123,997,464	49,025,473	1,306,615,400
Balance at January 1, 2023 (Audited)	900,000,000	231,618,097	136,999,193	15,262,440	1,283,879,730
Profit for the period	-	-	-	19,346,394	19,346,394
Other comprehensive income for the period	-	-	(980,128)	-	(980,128)
Total comprehensive income for the period	-	-	(980,128)	19,346,394	18,366,266
Balance at 31 March 2023 (Unaudited)	900,000,000	231,618,097	136,019,065	34,608,834	1,302,245,996

The accompany from (1) to (26) are integrated part of these interim condensed financial statements, and was approved by the Board of Directors, and was signed by:


Mansour Ibrahim Al-Habdan
Financial Manager


Ali bin Mohamed Al-Qahiani
CEO

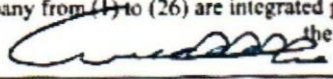

Tariq bin Khaled Al-Anqari
(Authorized) BOD Member




TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
For the three months period ended March 31, 2024
(Saudi Riyal)

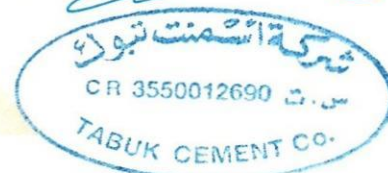
	Note	For The Three Months Period Ended March 31	
		2024 (Unaudited)	2023 (Unaudited)
Cash flows from operating activities			
Profit before zakat		17,978,353	20,296,394
<i>Adjustments:</i>			
Depreciation on Property, plant and equipment	4	15,094,065	16,354,102
Amortization of intangible assets	7	402,661	-
Amortization of right-of-use assets	6-1	458,750	-
Effect on cash flow changes in financial liability	11	715,495	1,036,339
Finance costs		1,265,009	1,349,646
Slow moving inventory		51,181	-
Charged end of service obligation	12	1,097,265	761,851
		<u>37,062,779</u>	<u>39,798,332</u>
<i>Changes in working capital:</i>			
Trade receivables and other current assets		(27,461,640)	(36,732,044)
Inventories		10,449,390	6,471,807
Trade and other payable		2,367,253	6,557,236
		<u>22,417,782</u>	<u>16,095,331</u>
Zakat paid	14	-	-
Employees' end of service benefits paid	12	(684,925)	-
Net cash from operating activities		<u>21,732,857</u>	<u>16,095,331</u>
Cash flows from investing activities			
Addition to property and equipment	4	(6,518,197)	(2,415,585)
Addition to intangible assets	7	-	(822,300)
Net cash used in investing activities		<u>(6,518,197)</u>	<u>(3,237,885)</u>
Cash flows from financing activities			
Repayment of long-term loan	11	(15,867,722)	(15,879,235)
Payment of leased liabilities	6-2	(419,162)	-
Payment of leased liabilities interest	6-2	(106,948)	-
Finance costs paid		(1,160,376)	(1,349,646)
Dividends paid	13	-	(337,723)
Net cash used in financing activities		<u>(17,554,208)</u>	<u>(17,566,604)</u>
Change in cash and cash equivalents during the period		<u>(2,339,548)</u>	<u>(4,709,158)</u>
Cash and cash equivalents at the beginning of the period		<u>36,894,267</u>	<u>46,953,691</u>
Cash and cash equivalents at the end of the period		<u>34,554,719</u>	<u>42,244,533</u>
Supplementary information for non-cash transactions:			
Transfer from projects in progress to PPE	4	7,880,371	-
Transferred from assets stock to PPE	4	2,169,423	-

The accompanying from (1) to (26) are integrated part of these interim condensed financial statements, and was approved by the Board of Directors, and was signed by:


Mansour Ibrahim Al-Habdan
Financial Manager


Tariq bin Khaled Al-Anqari
(Authorized) BOD Member


Ali bin Mohamed Al-Qahtani
CEO



TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the three months period ended March 31, 2024
(Saudi Riyal)

1. ORGANIZATION AND ACTIVITIES

a) General information

Tabuk Cement Company (the Company) is a Saudi joint stock company established under the regulations for companies in the Kingdom of Saudi Arabia issued by Royal Decree No. (M/6) dated 30 Jumada Thani I 405H (corresponding to 22 March 1985). The Company is registered in the city of Tabuk under Commercial Registration No. 3550012690 on 25 Saffar 1415H (corresponding to 2 August 1994).

The Company's main activity is as follows:

- Ordinary Cement Industry (Portland)
- Salt-resistant cement industry
- Cement industry (clinker)

The Company operates under industrial license No. 42110217153 issued on 14 Muharram 1442H (corresponding to 1 October 2020) which expires on 16 Rabi' Al-Awwal 1445H (corresponding to October 1, 2023).

The registered address of the Company is: Al- Duba area, north of the city of Duba, next to the port of Duba, near the sea port of Duba, P.O. Box 122, Tabuk 71451, Kingdom of Saudi Arabia.

The accompanying interim condensed financial statements as of September 30, 2023 represent the business results, assets and liabilities of the company and its branches as follows:

<u>Branch Name</u>	<u>CR number</u>	<u>City</u>
Tabuk Company for Gypsum Products	3555001184	Duba

2. BASIS OF PREPARATION

2-1) Statement of compliance

These interim condensed financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Company's last annual financial statements as at and for the year ended 31 December 2023 ("last annual financial statements"). They do not include all of the information required for a complete set of financial statements, however; accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2-2) Preparation of the interim condensed Financial Statements

These interim condensed financial statements have been prepared on the historical cost basis, using the accrual basis and the going concern concept, except for the following:

- equity investment designated at FVOCI which is measured at fair value.
- employees' benefits which are measured at present value of the defined benefit obligation using the projected unit credit method

2-3) Use of estimates and judgments

In preparing these interim condensed financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

2-4) Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2023, except new standards, amendment to standards and interpretations as described below:

New standards, amendments to standards and interpretations

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2024 and has been explained in Company annual financial statements, but they do not have a material effect on the Company's interim condensed financial statements.

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the three months period ended March 31, 2024
(Saudi Riyal)

4. PROPERTY, PLANT AND EQUIPMENT

For the purposes of preparing the interim condensed statement of cash flows, movement in property, plant, and equipment is as follows:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Depreciation on property, plant, and equipment	15,094,065	16,354,102
Additions of property, plant, and equipment	6,518,197	2,415,585
Transferred from machinery and equipment to inventory and prepaid expenses	2,169,423	-
Transfers from WIP to plant and equipment	7,880,371	-

5. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

The Company owns as at March 31, 2024: 16,934,875 shares (December 31, 2023: 16,934,875 shares) in the Industrialization Energy Services Company (a closed Saudi joint stock company), equivalent to 2.36% (31 December 2022: 2.36%) of total capital share. The nature of this Company's business is power generation, and the investment was recorded at fair value. The investment is pledged against the loan granted to the Company (Note 11).

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

6.1 Right of use assets

The following table shows the movement in the right to use assets during the year represented by leasing cars:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at the beginning of the period/year	6,422,212	-
Additions during the period/year	-	7,313,907
Amortization during the period/year	(458,750)	(891,695)
Balance at the end of the period/year	5,963,462	6,422,212

6.2 Lease Liability

This pertains to the amount of leases recognized as lease liabilities under IFRS 16. The details and movement of these are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at the beginning of the period/year	6,569,225	-
Additions during the period/year	-	7,313,907
Finance cost during the period/year	104,633	198,493
Transfer to trade payable	-	(175,370)
Paid during the period/year	(526,110)	(767,805)
Lease liability at the end of the period/year	6,147,748	6,569,225
Current portion	1,754,572	1,725,597
Non-current portion	4,393,176	4,843,628
	6,147,748	6,569,225

Expenses related to short-term and low-value leases for the period ending March 31, 2024 amounted to SAR 469,812 (March 31, 2023: SAR 840,024).

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the three months period ended March 31, 2024
(Saudi Riyal)

7. INTANGIBLE ASSETS

For the purposes of preparing the interim condensed statement of cash flows, movement in intangible assets is as follows:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Amortization of intangible assets	402,661	-
Additions of intangible assets	-	822,300

8. DERIVATIVE FINANCIAL INSTRUMENTS

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of the period/year	7,179,800	11,146,526
Change in fair value of hedging instrument recognized in OCI	(945,405)	(3,966,726)
Balance at end of the period/ year	6,234,395	7,179,800

The company entered into profit rate swap agreements ("hedge instrument") with local bank for its long-term borrowing to hedge against the changes in the SAIBOR ("hedge item"). The hedging instrument and hedging item has similar critical terms such as reference rate, reset dates, payment dates, maturities and notional amount, therefore, the hedge ratio is 1:1.

The arrangement has been designated as hedging arrangement since its inception and subject to prospective testing of hedge effectiveness at each reporting date. As at the reporting date, the hedge effectiveness was evaluated to be 100% as all critical terms matched throughout the year.

The details of agreement is as follows:

Effective date	Maturity Date	Notional value March 31, 2024	Notional value 2023
03-Jan-22	12-Mar-26	142,809,487	158,677,208

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash in bank	23,889,221	26,228,769
Short term Murabaha *	10,665,498	10,665,498
	34,554,719	36,894,267

* Investment in Islamic deposits represents time deposits, placed with commercial bank and has a maturity of three months or less as at the original investment date. and on which a commission is generated according to the prevailing short-term deposit rates.

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the three months period ended March 31, 2024
(Saudi Riyal)

10. SHARE CAPITAL

The Company's share capital at March 31, 2024 amounted to SR 900 million (31 December 2023: SR 900 million) of 90 million shares (2023: 90 million shares) fully paid with a nominal value of SR 10 per share.

11. LOAN

The Company has bank loan with a local bank with a total amount of SR 139,9 million as at March 31, 2024 (31 December 2023: SR 155,06 million). The loan agreement with the bank contains some covenants, which among other things, that the leverage ratio shall not be more than 1:1 and the debt coverage ratio shall not be less than 3:1 based on the annual audited financial statements and it also requires maintaining some financial ratios and indicators.

A breach of these covenants in the future may lead to renegotiation. The management monitors the covenants on a monthly basis, and in case of the existence of a breach that is expected to occur in the future, the management takes the necessary measures to ensure compliance. The company has fulfilled these covenants as at March 31, 2024.

The loan is stated in the statement of financial position as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Total Loan	139,909,841	155,062,068
Non-Current portion	76,438,958	91,591,185
Current portion	63,470,883	63,470,883

The loan movement during the period /year is as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at the beginning of the period/ year	155,062,068	214,942,099
Effect of financial liability cash flows adjustment	715,495	3,590,852
Paid during the period/year	(15,867,722)	(63,470,883)
Balance at the end of the period/ year	<u>139,909,841</u>	<u>155,062,068</u>

On 11 November 2021, the facilities were renewed, and the loan rate was modified to become a three months SIBOR plus 1% instead of a six months SIBOR plus 1.25%. The payment is due in quarterly installments of SR 15.9 million. The last installment will be paid on 13 March 2026 instead of February 2024.

As a result of rescheduling the loan and modifying the terms, the Company performed a 10% test of the loan commitment in accordance with the requirements of IFRS 9 "Financial instruments" and this test resulted in a gain of SR 22, 758,671. This amount represents the difference between the present value of the loan under the terms before the modification and the present value of future cash payments under the terms of the loan being renegotiated and modified, discounted at the original effective interest rate of the loan. Since the difference is less than 10%, the amendment in the terms is not considered essential, and it is not accounted for as the disposal of the loan obligation and establishment of a new financial obligation. Accordingly, the present value of future cash payments is recognized in accordance with the terms of the modification using the original effective interest rate of the loan, and the difference is recognized as gain from the effect of the modification.

The loan is secured by an investment in the Industrialization and Energy Services Company, note (5). The loan includes financial covenants. The management monitors the fulfillment of commitments on a regular basis, and in the event of a breach expected to occur in the future, the necessary measures are taken to ensure compliance.

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the three months period ended March 31, 2024
(Saudi Riyal)

12. EMPLOYEES' DEFINED BENEFIT OBLIGATION

For the purposes of preparing the interim condensed statement of cash flows, movement as follows:

	March 31,2024 (Unaudited)	March 31,2023 (Unaudited)
Charged to the statement of profit or loss	1,097,265	761,851
paid during the period	(684,925)	-

13. DIVIDENDS PAYABLE TO SHAREHOLDERS

The movement on dividends payable to shareholders is as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at the beginning of the period/ year	119,691,529	120,371,949
Dividends*	-	-
Paid during the period/year	-	(680,420)
Balance at the end of the period/ year	<u>119,691,529</u>	<u>119,691,529</u>

14. ZAKAT

The Company has finalized its zakat status for the years 2014 through 2018 and received the zakat assessments until 2022

The Company has submitted its Zakat returns to the Zakat, Tax, and Customs Authority ("the Authority") for all years up to the financial year ended 31 December 2023. The Company obtained a Zakat certificate valid until 30 April 2025.

The Zakat, Tax and Customs Authority issued zakat assessments for the years from 2019 to 2022, with a total additional zakat difference amounting to 5,791,634 Saudi riyals, as the company's management recorded 4,948,497 Saudi riyals and an amount of 843,137 Saudi riyals was not registered, considering the amount as an estimated amount related to guarantees for implementation. These differences are due to the fact that some items were not included in the Zakat calculation for those years by the company's management at the time (Note 24). The company's management objected to the zakat assessments for the years 2019 and 2020 only. The company's objection was escalated before the Committee for Resolution of Tax Violations and Disputes, and then the Resolution Committee issued a decision rejecting the company's objection, and accordingly the company appealed the aforementioned declarations before the Appeal Committee for Tax Violations and Disputes immediately after the rejection. The Dismissal Committee has objected to the company and the company's appeal is still under study.. The movement in Zakat payable represented as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited) Restated	January 1, 2023 (Audited) Restated
Balance at the beginning of the period/ year	16,198,234	11,414,828	9,294,213
Charge of the period / year	1,863,883	6,063,468	5,534,307
Paid during the period/year	-	(1,280,062)	(3,413,692)
Balance at the end of the period/ year	<u>18,062,117</u>	<u>16,198,234</u>	<u>11,414,828</u>

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15. REVENUE AND COST OF REVENUE

The Company generates revenue primarily from the sale of cement and clinker. The selling is conducted at a certain point in time, not over time.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market and major products. Revenue is recognized at point in time for all products.

	<u>March 31, 2024</u> (Unaudited)	<u>March 31, 2023</u> (Unaudited)
Primary geographic markets		
Local	87,046,063	86,284,063
Export	-	-
	<u>87,046,063</u>	<u>86,284,063</u>
Major product types		
Cement	86,960,743	86,247,343
Other	85,320	36,720
	<u>87,046,063</u>	<u>86,284,063</u>

The following table provides information about trade receivables and advance from customers.

	<u>March 31, 2024</u> (Unaudited)	<u>December 31,</u> 2023 (Audited)
Trade receivables	48,275,599	23,677,340
Contract liabilities*	871,734	888,650

* Contract liabilities represent advance consideration received from customers for the products to be sold, for which revenue is recognized at point in time. This will be recognized as revenue when the Company deliver the products to the customers and their balances for advances are settled with the revenue made.

16. OTHER REVENUE

	<u>March 31, 2024</u> (Unaudited)	<u>March 31, 2023</u> (Unaudited)
Rental Income	5,317,251	-
	<u>5,317,251</u>	<u>-</u>

17. FINANCE COST

	<u>March 31, 2024</u> (Unaudited)	<u>March 31, 2023</u> (Unaudited)
Finance cost on loans	1,160,376	1,540,729
Finance cost on lease liabilities	104,633	-
Murabaha interests	-	(191,083)
	<u>1,265,009</u>	<u>1,349,646</u>

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18. EARNINGS PER SHARE

The calculation of basic earnings per share has been based the distributable earnings attributable to shareholders of ordinary shares and the weighted average number of ordinary shares outstanding at the date of financial statements.

	<u>March 31, 2024</u> (Unaudited)	<u>March 31, 2023</u> (Unaudited)
Net Profit for the period	16,114,470	19,346,394
Number of shares (weighted average)	90,000,000	90,000,000
Basic earnings per share	<u>0,179</u>	<u>0,215</u>

There has been no item of dilution affecting the weighted average number of ordinary shares.

19. DIVIDENDS PROPOSED

The Company's Board of Directors in their meeting held on March 29, 2024 recommended Distribution of cash dividends to shareholders of 0,25 SAR per share, with a total amount of SAR 22,500,000.

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties principally represent transactions with BOD members and key management personnel. The transactions with related parties during the period ended 31 March 2024 and the period ended 31 March 2023 are as follows:

Transactions with	Nature of transaction	<u>March 31,</u> <u>2024</u> (Unaudited)	<u>March 31,</u> <u>2023</u> (Unaudited)
Key Management Personnel	Salaries, wages and equivalents	971,250	1,110,000
	End-of-service benefits	30,608	16,800
BOD members	BOD's remunerations and allowances	518,682	800,030

21. COMMITMENTS AND CONTINGENT LIABILITY

Contingent liability

Letter of guarantees

The Company's has letters of guarantees as at March 31, 2024 amounting to SAR 10,230,439 (December 31, 2023: SAR 6,211,081).

22. SEGMENTAL INFORMATION

Information regarding the Company's operating segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) and used to allocate resources to the segments and to assess their performance.

The Company has one main product, which is packed and unpackaged cement. The main sectors of the Company are presented according to geographical sectors. These segments are organized and managed separately according to the geographical location, each forming a separate unit. The geographical segments set out below are determined by distinguishing business activities from which the Company generates revenues and incurs costs. The economic characteristics are reviewed and the method of determining the geographical sectors is reconsidered in light of the evaluation made by the Chief Operating Decision Maker at least every quarter, provided that they are approved by the Company's Board of Directors. The Company operates in the Kingdom of Saudi Arabia and exports cement to some Arab countries, where payment is made in advance to all export customers before completing the sale process according to the data shown below:

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22. SEGMENTAL INFORMATION -Continued

	Inside KSA	Outside KSA	Total
For period ended September 31,2024			
Revenue from contracts with customers	87,046,063	-	87,046,063
For period ended March 31,2023			
Revenue from contracts with customers	86,284,063	-	86,284,063

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The Company 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 interim condensed financial statements are categorized within the fair value hierarchy.

This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2. If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. As of 31 March 2024, the Company's equity investment designated at FVOCI was determined at level 3 of the fair value hierarchy. The carrying values of other financial assets and liabilities in the condensed consolidated interim statement of financial position approximate to their fair values.

24. RESTATED

The company's management made an amendment to the financial statements in the periods shown below:

Statement of profit or loss and other comprehensive income for the first quarter of 2023

- Valuation of derivative financial instruments, specifically interest rate swaps, which are used to hedge risks associated with interest rate fluctuations.

In accordance with the Company's policy, these derivative instruments are designated as cash flow hedges. When a derivative instrument contract is initiated, it is initially recorded at fair value. They are then remeasured at fair value, with any resulting differences affecting financial position accordingly. financial derivatives are recognized as assets where their fair value is positive.

Statement of financial position as of January 1, 2023 and December 31, 2023

- Recording prior years' Zakat allocations, as the Zakat, Tax, and Customs Authority released zakat assessments for the years 2019 to 2022, resulting in additional zakat discrepancies of roughly 4,731,427 Saudi riyals. These discrepancies are caused by the failure to incorporate some things in the calculation of the returns filed by the company's management to the authority at the time specified by the system. The Authority deemed this to be an accounting error. It was added to the financial statements for the year's corresponding to these assessments. The amendment relates to the years 2019, 2021, and 2022.

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24. RESTATED (Continued)

The impact of this amendment on the financial statements is summarized as follows:

Statement of financial position

	<u>As at January 1, 2023</u>		
	<u>As previously Reported</u>	<u>Adjustment</u>	<u>Restated</u>
<u>Equity and Liabilities</u>			
<u>Equity</u>			
Retained Earning	19,993,867	(4,731,427)	15,262,440
Total Equity	1,288,611,157	(4,731,427)	1,283,879,730
<u>Current Liabilities</u>			
Zakat Provision	6,683,401	4,731,427	11,414,828
Total Current Liabilities	220,432,599	4,731,427	225,164,026
Total Liabilities	388,039,212	4,731,427	392,770,639
Total Equity and Liabilities	1,676,650,369	-	1,676,650,369

	<u>As at December 31, 2023</u>		
	<u>As previously Reported</u>	<u>Adjustment</u>	<u>Restated</u>
<u>Equity and Liabilities</u>			
<u>Equity</u>			
Retained Earning	37,642,430	(4,731,427)	32,911,003
Total Equity	1,296,177,762	(4,731,427)	1,291,446,335
<u>Current Liabilities</u>			
Zakat Provision	11,466,807	4,731,427	16,198,234
Total Current Liabilities	233,666,142	4,731,427	238,397,569
Total Liabilities	347,478,084	4,731,427	352,209,511
Total Equity and Liabilities	1,643,655,846	-	1,643,655,846

Statement of profit or loss and other comprehensive income

	<u>For the period ended March 31, 2023</u>		
	<u>As previously Reported</u>	<u>Adjustment</u>	<u>Restated</u>
Movement in Fair Value on Cash Flow Hedges	-	(980,128)	(980,128)
Other comprehensive income	-	(980,128)	(980,128)
Total comprehensive income	19,346,394	(980,128)	18,366,266

25. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period-end that require disclosure or adjustment in these interim condensed financial statements.

26. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These Interim condensed Financial Statements were authorized for issue by the Board of Directors on Dhu'l-Qi'dah 10 ,1445H (May18, 2024)