



# RSM

شركة آر إس إم المحاسبون المتحدون للاستشارات المهنية  
RSM Allied Accountants Professional Services Co.

**UMM AL-QURA CEMENT COMPANY  
(SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023  
WITH INDEPENDENT AUDITOR'S INTERIM REVIEW REPORT**

**UMM AL-QURA CEMENT COMPANY**  
**(SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

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## INDEPENDENT AUDITOR'S INTERIM REVIEW REPORT FOR THE INTERIM CONDENSED FINANCIAL STATEMENTS

To: The Shareholders

UMM AL-QURA CEMENT COMPANY

(Saudi Joint Stock Company)

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Umm Al-Qura Cement Company**, a Saudi Joint Stock Company ("the Company"), as at 31 March 2023 and the interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three months period then ended and other explanatory notes. The management is responsible for the preparation and 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. 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 condensed financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim 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, as 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 as at 31 March 2023, are not prepared in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Saudi Arabia

28 Shawwal 1444 H corresponding to (18 May 2023)



**UMM AL-QURA CEMENT COMPANY**  
(SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 31 MARCH 2023**

	Note	31 March 2023 (Unaudited) SAR	31 December 2022 (Audited) SAR
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment, net		762,082,274	774,234,584
Intangible assets, net		1,359,201	1,406,958
Right-of-use asset, net		1,366,676	1,583,033
Financial investments at fair value through OCI		71,144	76,912
<b>Total non current assets</b>		<b>764,879,295</b>	<b>777,301,487</b>
<b>Current assets</b>			
Inventory	5	358,319,942	335,009,142
Deposit against bank letter of guarantee	6	51,692,153	51,034,237
Accounts receivable, prepaid expenses and other debtors, net	7	16,772,256	10,988,893
Cash and cash equivalents		8,765,270	5,891,476
<b>Total current assets</b>		<b>435,549,621</b>	<b>402,923,748</b>
<b>Total assets</b>		<b>1,200,428,916</b>	<b>1,180,225,235</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	1	550,000,000	550,000,000
Statutory reserve		31,675,122	31,675,122
Retained earnings		187,197,389	180,417,936
Reserve for revaluation of Financial investments at fair value through OCI		42,808	48,576
<b>Total equity</b>		<b>768,915,319</b>	<b>762,141,634</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Saudi Industrial Development Fund loan- non-current portion	8	146,684,892	206,058,439
Provision for dismantling, removing and rehabilitation of areas subject to franchise license		15,168,727	14,835,978
Lease liabilities - non-current portion		461,291	615,721
Employees' benefit obligations		3,169,135	3,080,014
<b>Total non-current liabilities</b>		<b>165,484,045</b>	<b>224,590,152</b>
<b>Current liabilities</b>			
Saudi Industrial Development Fund loan- current portion	8	171,961,035	111,572,279
Lease liabilities - current portion		859,226	876,428
Accounts payable, accrued expenses and other credit balances		83,059,200	72,994,651
Zakat provision		10,150,091	8,050,091
<b>Total current liabilities</b>		<b>266,029,552</b>	<b>193,493,449</b>
<b>Total liabilities</b>		<b>431,513,597</b>	<b>418,083,601</b>
<b>Total equity and liabilities</b>		<b>1,200,428,916</b>	<b>1,180,225,235</b>

Financial Manager

Chief Executive Officer

Chairman of Board of Directors

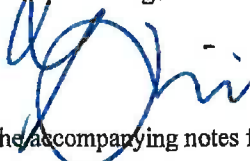
The accompanying notes from (1) to (14) are an integral part of these Interim condensed financial statements.

**UMM AL-QURA CEMENT COMPANY**  
(SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

		<b>FOR THE THREE MONTHS PERIOD ENDED 31 MARCH</b>	
		<b>2023</b>	<b>2022</b>
		<b>SAR</b>	<b>SAR</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(Restated note 11)</b>	
<b>Profit or loss</b>	<b>Note</b>		
Sales		47,159,762	65,601,015
Cost of sales		(31,909,913)	(41,798,527)
<b>Gross profit</b>		<b>15,249,849</b>	<b>23,802,488</b>
Selling and marketing expenses		(837,098)	(840,999)
General and administrative expenses		(2,783,026)	(2,511,172)
<b>Profit from main operations</b>		<b>11,629,725</b>	<b>20,450,317</b>
Finance costs		(3,359,398)	(4,358,017)
(Loss)/ profit on foreign currency exchange		(72,049)	277,629
Deposit returns against bank letter of guarantee	6	657,916	120,069
Other income		23,259	117,183
<b>Net profit for the period before Zakat</b>		<b>8,879,453</b>	<b>16,607,181</b>
Zakat		(2,100,000)	(2,100,000)
<b>Net profit for the period</b>		<b>6,779,453</b>	<b>14,507,181</b>
<b>Other comprehensive income</b>			
<b>Items that will not subsequently reclassified to statement of profit or loss</b>			
Unrealized (loss)/ gains on revaluation of financial investments at fair value through OCI		(5,768)	25,199
<b>Other comprehensive (loss)/ income for the period</b>		<b>(5,768)</b>	<b>25,199</b>
<b>Total comprehensive income for the period</b>		<b>6,773,685</b>	<b>14,532,380</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share	9	0.12	0.26

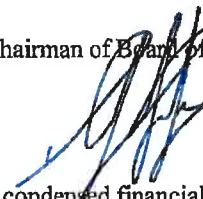
Financial Manager



Chief Executive Officer



Chairman of Board of Directors



The accompanying notes from (1) to (14) are an integral part of these Interim condensed financial statements.

UMM AL-QURA CEMENT COMPANY  
(SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023

	Share capital SAR	Statutory reserve SAR	Reserve for revaluation of investments at fair value through OCI SAR	Retained earnings SAR	Total equity SAR
Balance as at 1 January 2022 (Audited) (Restated note 11)	550,000,000	29,376,428	14,168	173,109,816	752,500,412
Net profit for the period (Restated note 11)	-	-	-	14,507,181	14,507,181
Other comprehensive income for the period	-	-	25,199	-	25,199
<b>Total comprehensive income for the period</b>	-	-	25,199	14,507,181	14,532,380
Balance as at 31 March 2022 (Unaudited)	550,000,000	29,376,428	39,367	187,616,997	767,032,792
Balance as at 1 January 2023 (Audited)	550,000,000	31,675,122	48,576	180,417,936	762,141,634
Net profit for the period	-	-	-	6,779,453	6,779,453
Other comprehensive loss for the period	-	-	(5,768)	-	(5,768)
<b>Total comprehensive income for the period</b>	-	-	(5,768)	6,779,453	6,773,685
Balance as at 31 March 2023 (Unaudited)	550,000,000	31,675,122	42,808	187,197,389	768,915,319

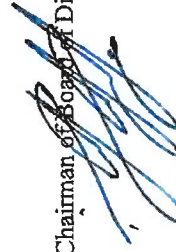
Financial Manager



Chief Executive Officer



Chairman of Board of Directors



The accompanying notes from (1) to (14) are an integral part of these Interim condensed financial statements.

**UMM AL-QURA CEMENT COMPANY**  
(SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

	<b>FOR THE THREE MONTHS PERIOD ENDED 31 MARCH</b>	
	<b>2023</b>	<b>2022</b>
	<b>SAR</b>	<b>SAR</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>(Restated note 11)</b>	
<b>Cashflows from operating activities</b>		
Net profit for the period before Zakat	8,879,453	16,607,181
<b>Adjustments to reconcile net profit for the period before zakat:</b>		
Depreciations of property, plant and equipment	13,068,124	13,013,685
Amortizations of intangible assets	47,757	86,610
Depreciation of right-of-use assets	216,357	203,917
Provision for employees benefits obligations	150,289	107,814
Bank deposit returns against bank letter of guarantee	(657,916)	(120,069)
Finance costs	3,359,398	4,358,017
	<b>25,063,462</b>	<b>34,257,155</b>
<b>Changes in operating assets and liabilities:</b>		
Inventory	(23,310,800)	(14,364,005)
Accounts receivable, prepaid expenses and other debtors	(6,091,582)	(6,812,354)
Accounts payable, accrued expenses and other credit balances	8,297,226	14,150,197
<b>Cash generated from operations</b>	<b>3,958,306</b>	<b>27,230,993</b>
Finance costs paid	-	(1,250,000)
Employees benefits obligations paid	(61,168)	-
<b>Net cash generated from operating activities</b>	<b>3,897,138</b>	<b>25,980,993</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(915,814)	(1,120,365)
<b>Net cash used in investing activities</b>	<b>(915,814)</b>	<b>(1,120,365)</b>
<b>Cash flows from financing activities</b>		
Lease liabilities paid	(107,530)	(96,978)
<b>Net cash used in financing activities</b>	<b>(107,530)</b>	<b>(96,978)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,873,794</b>	<b>24,763,650</b>
Cash and cash equivalents at the beginning of the period	5,891,476	36,790,341
<b>Cash and cash equivalents at the end of the period</b>	<b>8,765,270</b>	<b>61,553,991</b>
<b>Non-cash transactions</b>		
Additions to right-of-use assets corresponding to related lease liabilities	-	228,753

Financial Manager

Chief Executive Officer

Chairman of Board of Directors

The accompanying notes from (1) to (14) are an integral part of these Interim condensed financial statements.

**UMM AL-QURA CEMENT COMPANY**  
(SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**

**1- ORGANIZATION AND ACTIVITIES**

Umm Al-Qura Cement Company ("UACC" or the "Company") was registered as a Saudi joint stock company with Commercial Registration number 1010382514 issued in Riyadh on 28 Sha'ban 1434 H (corresponding to 7 July 2013). The share Capital of the Company is amounted SAR 550,000,000 divided into 55,000,000 shares with a nominal value of SAR 10 per share.

The activities of the Company include manufacturing of ordinary cement (Portland), manufacturing of salt-resistant cement, manufacturing of white cement, manufacturing of agglomerated cement (clinker), in accordance with the Industrial License No. 1549, issued on 5 Rajab 1435 H (corresponding to 5 May 2014), and renewed with License No. 441110124882, issued on 7 Rajab 1444 AH (corresponding to 12 February 2023), and where the license expires on 2 Shaban 1445 AH (corresponding to 12 February 2024).

The interim condensed financial statements include the assets, liabilities and results of the Company's and its below mentioned branches:

<u>Branch</u>	<u>CR No.</u>	<u>City</u>	<u>Activity</u>
Umm Al-Qura Cement Company Factory	4032044432	Taif	The manufacturing of ordinary cement (Portland), manufacturing of salt-resistant cement, manufacturing of white cement, manufacturing of agglomerated cement (clinker)
Umm Al-Qura Cement Company	4032254452	Taif	Wholesale of cement, plaster and the similar materials, retail sale of building materials, including cement, bricks, gypsum, cement tiles, etc.

The head office of the Company is at King Abdulaziz Road, Al-Sahafa District, P.O. Box 4286, Riyadh 13321, Riyadh, Saudi Arabia. The Company's factory is located in Taif.

**2- BASIS OF PREPARATION INTERIM CONDENSED FINANCIAL STATEMENTS**

**2-1 STATEMENT OF COMPLIANCE**

The interim condensed financial statements have been prepared in accordance with International Accounting Standard (34), "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants. These interim condensed financial statements do not include all information and disclosures required to issue the complete set of financial statements. Also, the results for the period ended 31 March 2023 are not necessarily indicative of the results that can be expected for the year ending on 31 December 2023 (refer to note 4). It should also be read along with the latest financial statements for the year ended 31 December 2022. However, explanatory notes have also been included to explain important events and transactions to understand the changes in the financial position and financial performance of the Company since 31 December 2022.

**2-2 PREPARATION OF INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements have been prepared on a historical cost convention except when IFRS requires the use of another measurement basis and in accordance with the accrual principle and going concern.

**2-3 FUNCTIONAL AND PRESENTATION CURRENCY**

These interim condensed financial statements are presented in Saudi Riyals, which is the Company's functional currency and the amounts in these financial statements are rounded to the nearest Saudi Riyal.

**3- 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 2023 and has been explained in the Company's annual financial statements, but have no material effect on the interim condensed financial statements.



**UMM AL-QURA CEMENT COMPANY**  
(SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**

**4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies are applied by the Company:

**Use of judgments and estimates**

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.

**5- INVENTORIES**

	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>SAR</b>	<b>SAR</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Goods in process*	<b>319,105,081</b>	297,182,109
Spare parts	<b>22,127,564</b>	20,680,280
Raw materials	<b>6,012,167</b>	6,216,685
Finished goods	<b>5,112,974</b>	5,449,244
Fuel and oil	<b>4,016,523</b>	2,257,068
Packaging and other materials	<b>1,945,633</b>	3,223,756
	<b>358,319,942</b>	335,009,142

\*Goods in process mainly comprise of clinker material. As at 31 March 2023, clinker inventory balance amounted to SAR 317,5 million (31 December 2022: SAR 295,6 million). Clinker is a basic material used by the Company in the production of cement (finished goods). This material is stored in large areas of the plant and can maintain their quality for five years, according to estimation of production management of the Company.

**6- DEPOSIT AGAINST BANK LETTER OF GUARANTEE**

The company signed a facility agreement with Riyadh Bank on 21 March 2021, with the possibility that the cash margin with an amount of 50 million Saudi riyals, which represents 50% of the total letter of guarantee, is in favor of the Ministry of Energy and Mineral Resources, or this amount can be used as a deposit against the facilities for the purpose of issuing this guarantee. During the first quarter of the 2022, the company transferred the amount as a deposit in exchange for this facility, provided that a letter of guarantee is issued in exchange for supplying the company with fuel and the company's commitment to establishing a white cement factory, provided that the returns of this deposit are due on a quarterly basis in variable rates, as the returns amounted during the three-month period ended on 31 March 2023 the amount of SAR 657,916 so that the total amount of the deposit as at 31 March 2023 amounted to SAR 51,692,153. During the subsequent period, the company received a written letter from the Ministry of Energy to release the bank guarantee with an amount of 100 million Saudi riyals, and the amount of the cash margin 50 million Saudi riyals received by the company on 12 April 2023 (Note 13).

**7- ACCOUNTS RECEIVABLE, PREPAID EXPENSES AND OTHER DEBTORS, NET**

	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>SAR</b>	<b>SAR</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Accounts receivable	<b>8,668,832</b>	7,583,811
(Less): Provision for expected credit losses	<b>(872,929)</b>	(872,929)
Account Receivable, net	<b>7,795,903</b>	6,710,882
Prepaid expenses	<b>13,181,523</b>	13,178,224
(Less): Legal case impairment *	<b>(10,000,000)</b>	(10,000,000)
	<b>10,977,426</b>	9,889,106
Prepayments to contractors and supplier	<b>5,786,430</b>	1,099,787
Others	<b>8,400</b>	-
	<b>16,772,256</b>	10,988,893

**UMM AL-QURA CEMENT COMPANY**  
(SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**

**7- ACCOUNTS RECEIVABLE, PREPAID EXPENSES AND OTHER DEBTORS, NET (CONTINUED)**

Below is the movement in provision for expected credit losses:

	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>SAR</b>	<b>SAR</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period/ year	<b>872,929</b>	430,703
Charged during the period/ year	-	442,226
<b>Balance at the end of the period/ year</b>	<b>872,929</b>	<b>872,929</b>

\*There is a case against the company by one of the regulatory authorities in Saudi Arabia, where the company was notified on 5 Rabi` al-Awwal (corresponding to 11 October 2021) of the decision to impose a fine of SAR 10 million on the company which was paid to be contested later. The company and its legal advisor have filed a legal case at the Administrative Court in Riyadh. A preliminary judgment was issued to cancel the decision of that party, and the preliminary judgment was canceled again after the appeal ruling. The company and its legal advisor submitted a request to set aside the decision to the Supreme Court. According to the estimates of the management and its legal advisor, the final outcome of that case cannot be determined until the date of these interim condensed financial statements.

**8- SAUDI INDUSTRIAL DEVELOPMENT FUND LOAN**

Below is the movement in SIDF loan is as follows::

	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>SAR</b>	<b>SAR</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period/ year	<b>323,000,000</b>	378,000,000
Loan payments during the period/ year	-	(55,000,000)
Balance at the end of the period/ year	<b>323,000,000</b>	323,000,000
<b>(Less): Deferred administrative financing costs</b>	<b>(4,354,073)</b>	(5,369,282)
	<b>318,645,927</b>	317,630,718
SIDF loan: current portion	<b>171,961,035</b>	111,572,279
SIDF loan - non-current portion	<b>146,684,892</b>	206,058,439

**- Below are maturities of SIDF loan:**

	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>SAR</b>	<b>SAR</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Year</b>		
<b>2023</b>	<b>115,000,000</b>	115,000,000
<b>2024</b>	<b>134,000,000</b>	134,000,000
<b>2025</b>	<b>74,000,000</b>	74,000,000
	<b>323,000,000</b>	323,000,000

**9- EARNING PER SHARE**

Basic and diluted earnings per share are calculated from the net income per ordinary share by dividing the net income for the period by the weighted average number of shares outstanding as at the end of the period amounted to 55,000,000 shares (31 December 2022: 55,000,000 shares).

**UMM AL-QURA CEMENT COMPANY**  
(SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**

**10- LIQUIDITY RISKS**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments that the company commits to in the interest of others.

To reduce the liquidity risk and associated losses which may affect the business of the Company, the company maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The Company avoids financing long-term capital requirements through short-term borrowing. Long-term projects are currently funded with long-term loans only. The Company has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funding to meet these liabilities in a timely manner.

The following is the maturities of assets and liabilities as at 31 March 2023 (Unaudited):

	3 months or less SAR	More than 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
<b>31 March 2023</b>					
<b>Assets</b>					
Deposit against bank letter of guarantee	51,692,153	-	-	-	51,692,153
Accounts receivable	8,668,832	-	-	-	8,668,832
<b>Total</b>	<b>60,360,985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,360,985</b>
<b>Liabilities</b>					
Saudi Industrial Development Fund (SIDF) Loan	55,000,000	120,000,000	148,000,000	-	323,000,000
Provision for dismantling, removing and rehabilitation of areas subject to franchise license	-	-	3,869,991	11,298,736	15,168,727
Lease liabilities	653,363	205,863	461,291	-	1,320,517
Employees' benefit obligations	-	-	-	3,169,135	3,169,135
Accounts payable, accrued expenses and other creditors	83,059,200	-	-	-	83,059,200
Zakat provision	8,050,091	2,100,000	-	-	10,150,091
<b>Total</b>	<b>146,762,654</b>	<b>122,305,863</b>	<b>152,331,282</b>	<b>14,467,871</b>	<b>435,867,670</b>

The following is the maturities of assets and liabilities as at 31 December 2022 (Audited):

	3 months or less SAR	More than 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
<b>31 December 2022</b>					
<b>Assets</b>					
Margin of letter of guarantee	-	-	-	51,034,237	51,034,237
Accounts receivable	7,583,811	-	-	-	7,583,811
<b>Total</b>	<b>7,583,811</b>	<b>-</b>	<b>-</b>	<b>51,034,237</b>	<b>58,618,048</b>
<b>Liabilities</b>					
Saudi Industrial Development Fund (SIDF) Loan	55,000,000	60,000,000	208,000,000	-	323,000,000
Provision for dismantling, removing and rehabilitation of areas subject to franchise license	-	-	3,772,493	11,063,485	14,835,978
Lease obligations	123,363	753,065	615,721	-	1,492,149
Employees' defined benefit plan obligations	-	-	-	3,080,014	3,080,014
Accounts payable, accrued expenses and other credit balances	72,994,651	-	-	-	72,994,651
Zakat provision	-	8,050,091	-	-	8,050,091
<b>Total</b>	<b>128,118,014</b>	<b>68,803,156</b>	<b>212,388,214</b>	<b>14,143,499</b>	<b>423,452,883</b>

**UMM AL-QURA CEMENT COMPANY**  
(SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**

**11- CORRECTION OF PRIOR YEARS ERRORS**

During 2022, the company found that there was an error in calculating the accrual of the limestone exploitation expense, which is due in favor of the Ministry of Industry and Mineral Resources, as a result of the issuance of updating the executive regulations of the new mining investment system on 9 Jumada Al-Awwal 1442 H (corresponding to 24 December 2020), which the company did not implement. Accordingly, the company decided during the fourth quarter of the year 2022 to amend that error by amending the comparative figures for the year 2022, after evaluating the relevant effects on each of the cost of revenues, accrued expenses, inventory, and net profit for the year, and the effect of adjusting this was on the net profit for the year ended on 31 December 2021 with an amount of SAR 3,424,223 which is in line with the requirements of International Accounting Standard No. (8) "Accounting Policies, Changes in Accounting Estimates and Accounting Errors".

Since the adjustments arising from the above mentioned matters were recognized during the financial statements for the year ended on 31 December 2022, so this necessitated that this be amended, with regard to the comparative figures included in interim condensed statement of profit or loss and other comprehensive income for the period ended on March 31, 2022, the following tables below summarize the impact:

<u>Interim condensed statement of profit or loss and other comprehensive income</u>	<b>For the three months period ended 31 March 2022</b>		
	<b>Balance before adjustment</b>	<b>Adjustment</b>	<b>Restated Balance</b>
	<b>SAR</b>	<b>SAR</b>	<b>SAR</b>
Cost of sale	(42,461,063)	662,536	(41,798,527)
Gross profit	23,139,952	662,536	23,802,488
Operating profit	19,787,781	662,536	20,450,317
Profit before zakat	15,944,645	662,536	16,607,181
Net profit for the period	13,844,645	662,536	14,507,181
Total comprehensive income for the period	13,869,844	662,536	14,532,380
Basic and diluted earnings per share in net profit for the period	0,25	0,01	0,26
<u>Interim condensed statement of cash flows</u>	<b>For the three months period ended 31 March 2022</b>		
	<b>Balance before adjustment</b>	<b>Adjustment</b>	<b>Restated Balance</b>
	<b>SAR</b>	<b>SAR</b>	<b>SAR</b>
<b>Cashflows from operating activities</b>			
Net profit for the period before Zakat	15,944,645	662,536	16,607,181
Inventory	(11,818,570)	(2,545,435)	(14,364,005)
Accounts payable, accrued expenses and other credit balances	12,267,298	1,882,899	14,150,197
<u>Interim condensed statement of changes in equity</u>	<b>As at 1 January 2022</b>		
	<b>Balance before adjustment</b>	<b>Adjustment</b>	<b>Restated Balance</b>
	<b>SAR</b>	<b>SAR</b>	<b>SAR</b>
Retained earnings	169,685,593	3,424,223	173,109,816

**12- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

- The Company has contingent liabilities arising from an outstanding letter of guarantee amounted to SAR 50 million as at 31 March 2022 (31 December 2022: amounted to SAR 50 million). The letter of guarantee issued for the Ministry of Energy against supplying the Company with fuel and the Company's commitment to set up a white cement plant. As at 31 March 2023, the letter of guarantee amounted to SAR 100 million (31 December 2022: SAR 100 million). (Note 6)
- The company has capital commitments for purchase of an asset amounted to SAR 4.6 Millions as at 31 March 2023.

**13- SUBSEQUENT EVENTS**

- The company received a written letter from the Ministry of Energy to release the bank guarantee amounted to SAR 100 million, and the company received the cash margin guarantee with an amount of SAR 50 million on 12 April 2023 (Note 6).
- Other than the above, In the opinion of the management, there were no other significant events subsequent to 31 March 2023 that are expected to have a significant impact on these interim condensed financial statements as at 31 March 2023.

**14- APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements were approved by the board of directors on 28 Shawwal 1444 H corresponding to (18 May 2023).