

**QASSIM CEMENT COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed Interim Financial Statements**  
**(Unaudited) and Review Report**  
**For the three months and six months periods ended**  
**30 June 2022**

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## كي بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed interim financial statements

## To the Shareholders of Qassim Cement Company

### Introduction

We have reviewed the accompanying 30 June 2022 condensed interim financial statements of Qassim Cement Company ("the Company"), which comprise:

- The condensed interim statement of financial position as at 30 June 2022;
- The condensed interim statement of profit or loss and other comprehensive income for the three-month and six months periods ended 30 June 2022;
- The condensed interim statement of changes in equity for the six months period ended 30 June 2022;
- The condensed interim statement of cash flows for the six months periods ended 30 June 2022; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim 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" that is 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 the 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 30 June 2022 condensed interim financial statements of Qassim Cement Company ("the Company") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

### KPMG Professional Services

Fahad Mubark Aldossari  
License No. 469

Riyadh on 19 Muharram 1444H  
Corresponding to: 17 August 2022



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**QASSIM CEMENT COMPANY**

(A Saudi Joint Stock Company)

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

As of 30 June 2022

(Saudi Riyals)

	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, and equipment	(6)	577,892,511	605,902,096
Projects in progress		70,600,938	25,903,515
Investment properties		9,516,450	9,516,450
Financial investments at fair value through profit or loss 'FVTPL'	(7-a)	76,756,518	69,031,049
Financial investments at amortized cost - non-current portion	(9)	100,000,000	100,000,000
Right-of-use assets		1,713,372	2,080,523
<b>Total non-current assets</b>		<b>836,479,789</b>	<b>812,433,633</b>
<b>Current assets</b>			
Trade receivables		59,347,844	34,739,752
Prepaid expenses and other receivables		24,470,499	15,476,196
Cash and cash equivalents		84,029,511	107,402,465
Inventories	(8)	295,822,851	267,197,534
Financial investments at amortized cost - current portion	(9)	100,000,000	186,300,000
Financial investments at fair value through profit or loss 'FVTPL'	(7-b)	532,972,040	596,413,419
<b>Total current assets</b>		<b>1,096,642,745</b>	<b>1,207,529,366</b>
<b>Total assets</b>		<b>1,933,122,534</b>	<b>2,019,962,999</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the Company's Shareholders</b>			
Share capital	(1)	900,000,000	900,000,000
Statutory reserve		270,000,000	270,000,000
Cumulative changes in other comprehensive income		(3,863,383)	(3,863,383)
Retained earnings		524,479,257	569,436,355
<b>Total equity</b>		<b>1,690,615,874</b>	<b>1,735,572,972</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for rehabilitation of areas subject to franchise license		13,435,546	12,970,997
Employees' benefits obligations		41,884,496	41,231,316
Long-term lease liabilities		971,388	1,326,192
<b>Total Non-current liabilities</b>		<b>56,291,430</b>	<b>55,528,505</b>
<b>Current Liabilities</b>			
Trade and other accounts payable		111,947,168	115,604,220
Dividend receivable	(10)	57,199,339	64,308,690
Zakat provision		15,264,708	29,144,597
Other provisions	(16)	983,755	18,983,755
Short-term lease liabilities		820,260	820,260
<b>Total current liabilities</b>		<b>186,215,230</b>	<b>228,861,522</b>
<b>Total liabilities</b>		<b>242,506,660</b>	<b>284,390,027</b>
<b>Total equity and liabilities</b>		<b>1,933,122,534</b>	<b>2,019,962,999</b>

(The accompanying notes 1 to 18 form an integral part of these condensed interim financial statements)

Mr. Ala'a Abdul Hamid Abu Omaira

Eng. Omar Bin Abdullah Al Omar

Finance Director

Chief Executive Officer Board Member



**QASSIM CEMENT COMPANY**

(A Saudi Joint Stock Company)

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

For the period ended 30 June 2022

(Saudi Riyals)

	Note	Three-month period ended		For six-month period ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Sales		152,132,990	197,807,541	294,622,998	421,158,054
Cost of sales		(106,460,678)	(97,720,399)	(221,577,009)	(208,674,416)
<b>Gross profit</b>		<b>45,672,312</b>	<b>100,087,142</b>	<b>73,045,989</b>	<b>212,483,638</b>
Selling and distribution expenses		(2,851,295)	(2,680,882)	(5,762,867)	(5,397,354)
General and administrative expenses		(5,954,248)	(5,712,516)	(12,625,886)	(11,403,884)
Impairment Loss on trade receivables		143,747	--	1,208,132	--
<b>Operating profit</b>		<b>37,010,516</b>	<b>91,693,744</b>	<b>55,865,368</b>	<b>195,682,400</b>
(losses) /Gains on investments at fair value through profit or loss - unrealized		(7,026,606)	11,538,362	(7,585,527)	12,027,626
Gains on investments at fair value through profit or loss - Realized		1,695,039	835,895	3,538,829	2,343,283
Income from financial investments at amortized cost		2,568,056	2,826,944	5,259,191	5,726,944
Other income	(12)	1,605,049	302,135	10,402,916	768,179
Other expenses		--	(400,271)	--	(400,271)
Finance costs		(258,713)	(276,069)	(519,875)	(554,456)
<b>Income before Zakat</b>		<b>35,593,341</b>	<b>106,520,740</b>	<b>66,960,902</b>	<b>215,593,705</b>
Zakat		(6,635,255)	(6,344,095)	(12,918,000)	(14,544,095)
<b>Profit for the period</b>		<b>28,958,086</b>	<b>100,176,645</b>	<b>54,042,902</b>	<b>201,049,610</b>
<i>Other comprehensive income</i>		--	--	--	--
<i>Items that will not be reclassified to profit or loss:</i>		--	--	--	--
Re measurement of defined benefit liability		--	--	--	--
<b>Total other comprehensive income</b>		<b>28,958,086</b>	<b>100,176,645</b>	<b>54,042,902</b>	<b>201,049,610</b>
<b>Total comprehensive income</b>		<b>28,958,086</b>	<b>100,176,645</b>	<b>54,042,902</b>	<b>201,049,610</b>
<b>Basic and diluted earnings per share</b>	(13)	<b>0.32</b>	<b>1.11</b>	<b>0.60</b>	<b>2.23</b>

(The accompanying notes 1 to 18 form an integral part of these condensed interim financial statements)

Mr. Ala'a Abdul Hamid Abu Omaira

Finance Director

Eng. Omar Bin Abdullah Al Omar

Chief Executive Officer Board Member

**QASSIM CEMENT COMPANY**  
(A Saudi Joint Stock Company)  
**Condensed Interim Statement of Changes in Equity (Unaudited)**  
For the period ended 30 June 2022  
(Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings	Cumulative changes in the items of other comprehensive income	Total
<b>For the three-month period ended 30 June 2021</b>					
Balance as at 01 January 2021	900,000,000	270,000,000	643,170,058	(4,081,829)	1,809,088,229
Profit for the period	--	--	201,049,610	--	201,049,610
Other comprehensive income	--	--	--	--	--
Total comprehensive income	--	--	201,049,610	--	201,049,610
Interim dividends (Note 10)	--	--	(207,000,000)	--	(207,000,000)
Balance as at 30 June 2021	900,000,000	270,000,000	637,219,668	(4,081,829)	1,803,137,839
<b>FOR THE THREE MONTHS PERIOD ENDED 30 June 2022</b>					
Balance as at 1 January 2022	900,000,000	270,000,000	569,436,355	(3,863,383)	1,735,572,972
Profit for the period	--	--	54,042,902	--	54,042,902
Other comprehensive income	--	--	--	--	--
Total comprehensive income	--	--	54,042,902	--	54,042,902
Interim dividends (Note 10)	--	--	(99,000,000)	--	(99,000,000)
Balance as at 30 June 2022	900,000,000	270,000,000	524,479,257	(3,863,383)	1,690,615,874

(The accompanying notes 1 to 18 form an integral part of these condensed interim financial statements)

Mr. Ala'a Abdul Hamid Abu Omaira

Finance Director

Eng. Omar Bin Abdullah Al Omar

Chief Executive Officer Board Member



**QASSIM CEMENT COMPANY**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)**

FOR THE THREE MONTHS PERIOD ENDED 30 June 2022

(Saudi Riyals)

	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Profit for the period	54,042,902	201,049,610
<b>Adjustments:</b>		
Zakat expense	12,918,000	14,544,095
Depreciation of property, plant, and equipment	35,793,440	37,102,510
Depreciation of right-of-use assets	367,151	367,151
Reduction of provision for expected credit losses on trade receivables	(1,208,132)	--
Reversal of other provisions	(8,000,000)	--
Provision for obsolete and slow-moving inventory	403,175	2,019,224
Unrealized (gains) from financial investments at FVTPL	7,585,527	(12,027,626)
Revenues of investments at amortized cost	(5,259,191)	(5,726,944)
Employees' benefits obligations	2,871,601	2,676,148
Finance cost	519,875	554,456
	100,034,348	240,558,624
<b>Working capital changes:</b>		
Inventory	(29,028,492)	8,424,972
Trade receivables	(23,399,960)	(4,082,761)
Prepaid expenses and other receivables	(12,094,336)	54,362,484
Trade and other payables	(3,657,052)	(8,355,285)
Used from other provisions	(10,000,000)	(2,866,771)
End-of-service benefits paid	(2,218,421)	(1,178,903)
Zakat Paid	(26,797,889)	(29,364,622)
<b>Net cash (used) / generated in operating activities</b>	<b>(7,161,802)</b>	<b>257,497,738</b>
<b>Investing activities</b>		
Payment for purchase property, plant and equipment	(52,481,278)	(2,062,536)
Paid to purchase investments at fair value through profit or loss	(30,000,000)	(202,902,720)
Proceeds from sale of investments at fair value through profit or loss	81,242,471	215,937,141
Paid to purchase financial investments at amortized cost	(66,382,875)	(235,000,000)
Proceeds From Financial Investments At Amortized Cost	152,682,875	200,000,000
Proceeds from revenues of investments at amortized cost	5,247,136	6,291,306
<b>Net cash generated from investing activities</b>	<b>90,308,329</b>	<b>(17,736,809)</b>
<b>Financing activities</b>		
Lease payments	(410,130)	(410,130)
Dividends paid	(106,109,351)	(206,017,622)
<b>Net cash used in financing activities</b>	<b>(106,519,481)</b>	<b>(206,427,752)</b>
Change in cash and cash equivalents during the period	(23,372,954)	33,333,177
Cash and cash equivalents as at the beginning of the period	107,402,465	66,893,586
<b>Cash and cash equivalents as at the end of the period</b>	<b>84,029,511</b>	<b>100,226,763</b>

Significant non-cash transactions

30 June 2022

30 June 2021

(Unaudited)

(Unaudited)

Projects in progress transferred to property, plant, and equipment

1,895,316

2,149,390

(The accompanying notes 1 to 18 form an integral part of these condensed interim financial statements)

Mr. Ala'a Abdul Hamid Abu Omaira

Eng. Omar Bin Abdullah Al Omar

Finance Director

Chief Executive Officer Board Member

# **QASSIM CEMENT COMPANY**

(A Saudi Joint Stock Company)

## **Notes to the Condensed Interim Financial Statements (Unaudited)**

**FOR THE THREE MONTHS PERIOD ENDED 30 June 2022**

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### **1- COMPANY INFORMATION**

Qassim Cement Company (the "Company") is a Saudi Joint Stock Company registered in Buraydah in Saudi Arabia under commercial registration number (1131001224) dated 28 Sha'aban 1398H (corresponding to 2 August 1978). The Company was established by the Royal Decree no. M/62 dated 15 Sha'aban 1396H (corresponding to 11 August 1976).

As at 30 June 2022 and 31 December 2021, the share capital of the Company is SR 900 million divided into 90 million shares at SR 10 each.

The Company is engaged in manufacturing and producing cement, its derivatives and supplements, the trade of these products, and carrying out all works directly and indirectly related to this purpose. The Company carries out its activities through its factory located in Buraydah - Qassim.

The Company's fiscal year shall begin on 1<sup>st</sup> of January and end on the 31<sup>st</sup> of December of each Gregorian year.

The registered address of the Company is: P.O. Box 4266 Unit No. 1- Buraydah: 52271-6735, Kingdom of Saudi Arabia.

### **2- PREPARATION OF THE FINANCIAL STATEMENTS**

#### **2-1 Statement of compliance**

These condensed interim financial statements for the period ended 31 March 2022 have been prepared in accordance with IAS 34 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). These condensed interim financial statements should be read in conjunction with the Company's last year financial statements as at 31 December 2021 ("Last year financial statements"). These financial statements do not include all the required information to prepare a full set of financial statements in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia; however, certain accounting policies and selected explanatory notes are included to explain significant events and transactions to understand the changes in the Company's financial position and performance from last year financial statements. Further, the results for the three-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the year ended 31 December 2022.

These condensed interim financial statements have been approved for issuance by the audit committee on 19 Muharram 1443H (corresponding to 17 August 2022) based on an authorization from the Board of Directors.

#### **2.2 Basis of measurement**

The condensed interim financial statements have been prepared under the historical cost convention except for the following material items mentioned in the condensed statement of financial position:

- Term Murabaha is measured at amortized cost.
- Investments at fair value through statement of profit and loss are measured at fair value.
- Future employees' benefits obligations entitlements are recognized based on the projected unit credit method.

#### **2-3 Functional and presentation currency**

These condensed interim financial statements are prepared in Saudi Arabian Riyals ("SAR") which is the Company's functional and presentation currency.



**3- USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, costs, assets and liabilities, and the disclosure of contingent liabilities, at the financial period date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and liabilities affected in the future.

These estimates and assumptions are based on historical experience and factors including expectations of future events that are appropriate in the circumstances and are used to determine the carrying amounts of assets and liabilities that are not independent from other sources. The estimates and assumptions are reviewed on an ongoing basis.

Accounting estimates recognized in the period in which the estimates are reviewed in the reviewing period and future periods are reviewed if the changed estimates affect both current and future periods.

The significant judgments made by management in applying the Company's accounting policies are consistent with those disclosed in the previous year's financial statements.

The continued outbreak of coronavirus disease (COVID19) was declared a pandemic by the World Health Organization in March 2020. The demand for cement globally remain largely unaffected by the outbreak and as such the Company continues to operate while considering the health and safety of the workforce. The Company's management continues to closely monitor the development of the coronavirus (COVID19) even though the management at this time is not aware of any expected factors that may change the impact of the pandemic on the Company's operations during or after 2022. There is no change in estimates and judgements required as a result of COVID 19 assessments in these condensed interim financial statements.

**4- SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used when preparing these condensed interim financial statements are in line with what is stated in the notes to the financial statements of the Company for the year ended 31 December 2021.

The principal accounting policies have been consistently applied to all periods presented in these condensed interim financial statements.

**New Standards, Amendments To Standards And Interpretation**

There are no new standards issued. However, there are a number of amendments to standards that are effective from 1 January 2022 which are described in the Company's annual financial statements but have no material impact on the condensed interim financial statements of the Company.

**QASSIM CEMENT COMPANY**

(A Saudi Joint Stock Company)

**Notes to the Condensed Interim Financial Statements (Unaudited)****FOR THE SIX MONTHS PERIOD ENDED 30 June 2022****(Saudi Riyals)****5- SEGMENT INFORMATION**

The Company's activities mainly represent two operating sectors: the first one is the manufacturing and selling of cement and it is mainly sold to local customers, and the second is the investing sector. The Company's segment information is divided into units as follows:

The financial information for revenue and profits related to the sectors for the three period ended 30 June 2022 and 2021 is as follows:

	<b>Operating Segment</b>		<b>Investing sector</b>	
	<b>30 June 2022 (Unaudited)</b>	<b>30 June 2021 (Unaudited)</b>	<b>30 June 2022 (Unaudited)</b>	<b>30 June 2021 (Unaudited)</b>
Revenue from contracts with customer	<b>294,622,998</b>	421,158,054	--	--
Income for the period before Zakat	<b>65,748,409</b>	195,495,851	<b>1,212,493</b>	20,097,854

b) Financial information of sectors' assets and liabilities as at 30 June 2022 and 31 December 2021 is as follows:

	<b>Operating segment</b>		<b>Investing sector</b>	
	<b>30 June 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Total assets	<b>1,123,393,976</b>	1,068,218,531	<b>809,728,558</b>	951,744,468
Total liabilities	<b>242,506,660</b>	284,390,027	--	--

**6- PROPERTY, PLANT AND EQUIPMENT**

As at 30 June 2022, the total cost of property, plant and equipment was SR 2,39 million (31 December 2021: SR 2,38 million), and the accumulated depreciation was SR 1,812 million (31 December 2021: SR 1,776 million). During the six -month period ended 30 June 2022, the Company has added property, plant, equipment amounting with SR 5,8 million, and projects in progress of SR 1,89 million regarding the crude oil loading station project (for the year ended 31 December 2021: additions for property, plant, equipment amounting with SR 8,04 million, and projects in progress of SR 2,8 million).

**QASSIM CEMENT COMPANY**

(A Saudi Joint Stock Company)

**Notes to the Condensed Interim Financial Statements (Unaudited)****FOR THE SIX MONTHS PERIOD ENDED 30 June 2022****(Saudi Riyals)****7- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS 'FVTPL'**

	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>31 December</b> <b>2021</b> <b>(Audited)</b>
Financial investments at FVTPL - non-current (7-a)	<b>76,756,518</b>	69,031,049
Financial investments at FVTPL - current (7-b)	<b>532,972,040</b>	596,413,419

**7-a) Financial investments at FVTPL - non-current**

	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>31 December</b> <b>2021</b> <b>(Audited)</b>
Balance at the beginning of the period/ year	<b>69,031,049</b>	63,865,085
Unrealized gain on investment at FVTPL	<b>7,725,469</b>	5,165,964
	<b>76,756,518</b>	69,031,049

The above investments are represented in shares of real estate funds, and these investments are assessed at their fair value.

**7-b) Financial investments at FVTPL - current**

	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
Balance at the beginning of the period/ year	<b>596,413,419</b>	621,178,885
Additions during the period / year	<b>30,000,000</b>	240,414,694
Disposals during the period/ year	<b>(81,242,471)</b>	(285,513,505)
Unrealized gains / (loss) on investments at FVTPL	<b>(12,198,908)</b>	20,333,345
	<b>532,972,040</b>	596,413,419

The above investments represent shares of commodity trading funds and trading finance funds with financial companies, and they are valued at fair value.

**8- INVENTORIES**

	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
Spare parts	<b>114,590,296</b>	112,791,435
Raw materials	<b>20,382,172</b>	17,506,100
Work in progress	<b>144,984,579</b>	150,065,043
Clinker purchases	<b>27,427,008</b>	--
Finished goods	<b>6,311,571</b>	7,160,999
Packing and packaging materials	<b>3,577,879</b>	2,637,392
Consumables and supplies	<b>3,490,488</b>	3,358,800
Goods-in-transit	<b>2,445,847</b>	661,579
	<b>323,209,840</b>	294,181,348
Less: Provision for obsolete and slow-moving inventories	<b>(27,386,989)</b>	(26,983,814)
	<b>295,822,851</b>	267,197,534

Movement in provisions for obsolete and slow-moving inventories is as follows:

	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
Balance at start of the period / year	<b>26,983,814</b>	31,029,440
Provided during the period / year	<b>403,175</b>	3,737,846
Utilized during the period/ year	<b>--</b>	(7,783,472)
	<b>26,983,814</b>	26,983,814



**QASSIM CEMENT COMPANY**

(A Saudi Joint Stock Company)

**Notes to the Condensed Interim Financial Statements (Unaudited)****FOR THE SIX MONTHS PERIOD ENDED 30 June 2022****(Saudi Riyals)****9- FINANCIAL INVESTMENTS AT AMORTIZED COST**

	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>31 December</b> <b>2021</b> <b>(Audited)</b>
Balance at the beginning of the period/ year	<b>286,300,000</b>	250,000,000
Additions during the period/ year	<b>66,382,875</b>	321,300,000
Disposal during the period / year	<b>(152,682,875)</b>	(285,000,000)
	<b>200,000,000</b>	286,300,000

Financial investments were classified at amortized cost as at the end of the period/ year as follows:

	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>31 December</b> <b>2021</b> <b>(Audited)</b>
Non-current portion of financial investments at amortized cost (*)	<b>100,000,000</b>	100,000,000
Current portion of financial investments at amortized cost	<b>100,000,000</b>	186,300,000

The above investments are represented in Murabaha and Sukuk compliant with the provisions of Sharia', and a return is due. The average commission rate is 4.75% per annum (2021: 4.57%). Total Murabaha income of SR 5,26 million has been charged to the statement of profit or loss (30 June 2021: SR 5,73 million).

(\*) Non-current portion of financial investments at amortized cost is represented in Sukuk for period exceeding one year of that date.

**10- DIVIDENDS****For the six-month period ended 30 June 2022**

- On 8 February 2022, based on the authorization of the General Assembly to shareholders, the Board of Directors recommended to distribute dividends of SR 54 million at SR 0.60 per share for the fourth quarter dividends of 2021.
- On 23 March 2022, the Company's general assembly convened and approved the Board of Directors' distribution of dividends to the shareholders in the amount of SR 315 million at (SR 3.5) per share for the first, second, third and fourth quarters of 2021.
- On May 17, 2022, based on the authorization of the General Assembly to shareholders, the Board of Directors recommended to distribute dividends of 45 million at SR 0.50 per share for the first quarter of 2022.

**For the six-month period ended 30 June 2021**

- On 4 February 2021, the Board of Directors has recommended, based on an authorization from the shareholders' general assembly, dividends of SR 108 million at SR 1.20 per share for the fourth quarter dividends of 2020.
- On 17 March 2021, the Company's shareholders' general assembly approved the distribution of dividends to the shareholders in the amount of SR 400.5 million at (SR 4.45) per share for the first, second, third and fourth quarter of 2020.
- On 2 May 2021, the Board of Directors has recommended, based on an authorization from the shareholders' general assembly, dividends of SR 99 million at SR 1.10 per share for the first quarter dividends of 2021.

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**Notes to the Condensed Interim Financial Statements (Unaudited)****FOR THE SIX MONTHS PERIOD ENDED 30 June 2022****(Saudi Riyals)****11- ZAKAT**

The company submitted all tax returns due for the year ended at 31 December 2021. On 13 Ramadan 1443H (corresponding to 14 April 2022), the Company obtained a certificate from ZATCA for the year ended 31 December 2021 to enable it to complete all its transactions, including the payment of its final accruals for contracts. The certificate is valid up to 30 April 2023.

**12- OTHER INCOME**

	<b>Three-month period ended</b>		<b>Six-month period ended</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Rental income	270,834	162,445	640,073	328,330
Deposits received from Human Resources Development Fund	355,451		657,493	406,709
Cancellation other provision	--	--	8,000,000	--
Other miscellaneous income	978,764	(141,515)	1,105,350	33,140
	<b>,605,0491</b>	<b>302,135</b>	<b>10,402,916</b>	<b>768,179</b>

**13- BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing income for the period attributable to the Company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

The diluted earnings per share are the same as the basic earnings per share as the company has no diluted instruments.

	<b>Three-month period ended</b>		<b>Six-month period ended</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Income for the period	28,958,086	100,176,645	54,042,902	201,049,610
<b>No. of shares</b>				
Weighted average number of shares	90,000,000	90,000,000	90,000,000	90,000,000
Basic and diluted earnings per share	0.32	1.11	0.60	2.23

**14- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

As at 30 June 2022, the Company has bank facilities in the form of letters of guarantee and letters of credit from commercial banks of SR 105.48 million (31 December 2021: SR 23.5 million).

As at 30 June 2022, the capital commitments on the Company are SR 145.2 million (31 December 2021: SR 177.7 million). The total value of project contracts amounted to SR 205.5 million as at 30 June 2022 (31 December 2021: SR 203.4 million).

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**Notes to the Condensed Interim Financial Statements (Unaudited)****FOR THE SIX MONTHS PERIOD ENDED 30 June 2022****(Saudi Riyals)****15- DISCLOSURES RELATED TO RELATED PARTIES**

Related parties represent major shareholders, members of the Board of Directors of the Company, key management personnel of the Company, and entities managed, or a significant influence is exercised over them by these parties.

**Key management personnel remuneration**

The remunerations of the members of the board of directors and other key management personnel charged during the period are as follows:

	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>30 June 2021</b> <b>(Unaudited)</b>
Salaries and short-term benefits - key management personnel	<b>8,680,177</b>	7,556,645
BOD members remunerations and sub-committees	<b>1,616,000</b>	1,741,644
Post-employment benefits - key management personnel	<b>378,920</b>	343,111
	<b>10,675,097</b>	9,641,400

**16- OTHER PROVISIONS**

	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>31 December</b> <b>2021</b> <b>(Audited)</b>
Provision for legal claims and objections	<b>983,755</b>	18,983,755
	<b>983,755</b>	18,983,755

Movement in other provisions during the year is as follows:

	<b>30 June 2022</b> <b>(Unaudited)</b>	<b>31 December</b> <b>2021</b>
Balance at beginning of the period / year	<b>18,983,755</b>	43,404,537
Utilized during the period/ year	<b>(10,000,000)</b>	(2,857,122)
Reversal during the period/ year	<b>(8,000,000)</b>	(21,563,660)
	<b>983,755</b>	18,983,755

**17- FINANCIAL INSTRUMENTS****Fair value measurement**

A number of the Company's accounting policies and disclosures require the measurement of fair values for financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted (unadjusted) market prices in active markets for assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1, which are observable inputs for an asset or liability, either directly (such as prices) or indirectly (derived from prices).

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

If the inputs used to measure the fair value of the assets and liabilities fall within different levels in the fair value hierarchy, then the fair value is categorized as a whole using the lowest level of the fair value hierarchy inputs that are significant to the measurement as a whole. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



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**17. FINANCIAL INSTRUMENTS (CONTINUED)**

**Fair value measurement of financial instruments**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. They do not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value.

30 June 2022									
Carrying amount					Fair value				
	Fair value	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Financial assets at fair value:									
FVTPL	609,728,558	-	-	609,728,558	58,949,373	455,005,256	95,773,929	609,728,558	
	609,728,558	-	-	609,728,558	58,949,373	455,005,256	95,773,929	609,728,558	
Financial assets at amortized cost:									
Financial investments at amortized cost	-	200,000,000	-	200,000,000	-	-	-	-	
Trade receivables	-	59,347,844	-	59,347,844	-	-	-	-	
Cash and cash equivalents	-	84,029,511	-	84,029,511	-	-	-	-	
	-	343,377,355	-	343,377,355	-	-	-	-	
Financial liabilities not measured at fair value:									
Trade payables	-	-	43,688,393	43,688,393	-	-	-	-	
Accrued expenses and other payables	-	-	68,258,775	68,258,775	-	-	-	-	
	-	-	111,947,168	111,947,168	-	-	-	-	

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**17. FINANCIAL INSTRUMENTS (CONTINUED)**

**Fair value measurement of financial instruments**

	31 December 2021				
	Carrying amount			Fair value	
	Fair value	Amortized cost	Other financial liabilities	Total	Total
<b>Financial assets at fair value:</b>					
FVTPL	665,444,468	-	-	665,444,468	665,444,468
	665,444,468	-	-	665,444,468	665,444,468
<b>Financial assets at amortized cost:</b>					
Financial investments at amortized cost	-	286,300,000	-	286,300,000	-
Trade receivables	-	34,739,752	-	34,739,752	-
Cash and cash equivalents	-	107,402,465	-	107,402,465	-
	-	428,442,217	-	428,442,217	-
<b>Financial liabilities not measured at fair value:</b>					
Trade payables	-	-	26,529,892	26,529,892	-
Accrued expenses and other payables	-	-	89,074,328	89,074,328	-
	-	-	115,604,220	115,604,220	-

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**Notes to the Condensed Interim Financial Statements (Unaudited)**

**FOR THE SIX MONTHS PERIOD ENDED 30 June 2022**

**(Saudi Riyals)**

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**18- SUBSEQUENT EVENTS**

No significant events occurred after 30 June 2022 and prior to the date on which the review report was signed that could have a material impact on the condensed interim financial statements.