

QASSIM CEMENT COMPANY
(A Saudi Joint Stock Company)
Condensed Interim Financial Statements (Unaudited)
and Review Report
FOR THE THREE MONTHS PERIOD
ENDED 31 MARCH 2022

QASSIM CEMENT COMPANY
(A Saudi Joint Stock Company)

<u>Index</u>	<u>Page</u>
Independent auditor's report on review of condensed interim financial statements	1
Condensed Interim statement of financial position	2
Condensed Interim statement of profit or loss and other comprehensive income	3
Condensed Interim statement of changes in shareholders' equity	4
Condensed interim statement of cash flows	5
Notes to the condensed interim financial statements	6 – 15



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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 31 March 2022 condensed interim financial statements of Qassim Cement Company ("the Company"), which comprise:

- The condensed interim statement of financial position as at 31 March 2022;
- The condensed interim statement of profit or loss and other comprehensive income for the three-month ended 31 March 2022;
- The condensed interim statement of changes in equity for the three-month period ended 31 March 2022;
- The condensed interim statement of cash flows for the three-month period ended 31 March 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 31 March 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 9 Shawwal 1443H
Corresponding to: 10 May 2022



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كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (٢٥,٠٠٠,٠٠٠) ريال سعودي منقوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاء محاسبين ومراجعين قفريون". وهي عضو غير شريك في الشبكة العالمية للشركات كي بي إم جي المستقلة والمتابعة لـ كي بي إم جي العالمية المحدودة، شركة قانونية محدودة بضمان. جميع الحقوق محفوظة.

QASSIM CEMENT COMPANY

(A Saudi Joint Stock Company)

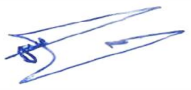
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2022

(Saudi Riyals)

	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
ASSETS			
Non-current assets			
Property, plant, and equipment	(6)	592,987,166	605,902,096
Projects in progress		59,023,003	25,903,515
Investment properties		9,516,450	9,516,450
FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS 'FVTPL'	(7-أ)	73,362,107	69,031,049
Financial investments at amortized cost - non-current portion	(9)	100,000,000	100,000,000
Right-of-use assets		1,896,948	2,080,523
Total non-current assets		836,785,674	812,433,633
Current assets			
INVENTORIES	(8)	256,345,492	267,197,534
Financial investments at amortized cost - current portion	(9)	120,000,000	186,300,000
FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS 'FVTPL'	(7-ب)	585,055,520	596,413,419
Trade receivables		40,499,064	34,739,752
Prepaid expenses and other receivables		35,195,606	15,476,196
Cash and cash equivalents		68,449,129	107,402,465
Total current assets		1,105,544,811	1,207,529,366
Total assets		1,942,330,485	2,019,962,999
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to the Company's Shareholders			
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		540,521,171	569,436,355
Total equity		1,706,657,788	1,735,572,972
Liabilities			
Non-current liabilities			
Provision for rehabilitation of areas subject to franchise license		13,203,272	12,970,997
Employees' benefits obligations		42,296,871	41,231,316
Long-term lease liabilities		1,150,014	1,326,192
Total Non-current liabilities		56,650,157	55,528,505
Current Liabilities			
Trade and other accounts payable		86,156,095	115,604,220
Dividend receivable	(10)	56,556,520	64,308,690
Zakat provision		34,505,910	29,144,597
Other provisions	(16)	983,755	18,983,755
Short-term lease liabilities		820,260	820,260
Total current liabilities		179,022,540	228,861,522
Total liabilities		235,672,697	284,390,027
Total equity and liabilities		1,942,330,485	2,019,962,999

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


 Mr. Ala'a Abdul Hamid Abu Omaira
 Head of Finance


 Eng. Omar Bin Abdullah Al Omar
 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 31 March 2022

(Saudi Riyals)

	Note	Three-month period ended	
		31 March 2022	31 March 2021
Sales		142,490,008	223,350,513
Cost of sales		(115,116,331)	(110,954,017)
Gross profit		27,373,677	112,396,496
Selling and marketing expenses		(2,911,572)	(2,716,472)
General and administrative expenses		(6,671,638)	(5,691,368)
Reversal of impairment of trade receivables		1,064,385	-
Operating income		18,854,852	103,988,656
Unrealized gains on investments at FVTPL, net		1,217,748	1,726,878
Revenues from investments at fair value through profit or loss		67,121	269,775
Income from financial investments at amortized cost		2,691,135	2,900,000
Other income	(12)	8,797,867	466,043
Finance cost		(261,162)	(278,387)
Profit before Zakat		31,367,561	109,072,965
Zakat		(6,282,745)	(8,200,000)
Net income for the period		25,084,816	100,872,965
<u>Other comprehensive income:</u>			
<u>Items that will not be reclassified to profit or loss:</u>			
Re-measurement of employees' end-of-service benefits		-	-
Total comprehensive income		25,084,816	100,872,965
Earnings per share of net income for the period:			
Basic and diluted	(13)	0.28	1.12

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


 Mr. Ala'a Abdul Hamid Abu Omaira
 Head of Finance


 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 31 March 2022

(Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings	Cumulative changes in the items of other comprehensive income	Total
For the three-month period ended 31 March 2021					
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	-	-	100,872,965	-	100,872,965
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	100,872,965	-	100,872,965
Interim dividends (Note 10)	-	-	(108,000,000)	-	(108,000,000)
Balance as at 31 March 2021	900,000,000	270,000,000	636,043,023	(4,081,829)	1,801,961,194
For the three-month period ended 31 March 2022					
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	-	-	25,084,816	-	25,084,816
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	25,084,816	-	25,084,816
Interim dividends (Note 10)	-	-	(54,000,000)	-	(54,000,000)
Balance as at 31 March 2022	900,000,000	270,000,000	540,521,171	(3,863,383)	1,706,657,788

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

Mr. Ala'a Abdul Hamid Abu Omaira
Head of Finance



Eng. Omar Bin Abdullah Al Omar
Chief Executive Officer Board Member



QASSIM CEMENT COMPANY

(A Saudi Joint Stock Company)


CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)


FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022

(Saudi Riyals)

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Profit for the period	25,084,816	100,872,965
Adjustments:		
Zakat expense	6,282,745	8,200,000
Depreciation of property, plant, and equipment	17,898,730	18,546,114
Depreciation of right-of-use assets	183,575	183,576
Reduction of provision for expected credit losses on trade receivables	(1,064,385)	--
Reversal of other provisions	(8,000,000)	--
Provision for obsolete and slow-moving inventory	--	141,133
Unrealized (gains) from financial investments at FVTPL	(1,217,748)	(1,726,878)
Revenues of investments at amortized cost	(2,691,135)	(2,900,000)
Employees' benefits obligations	1,923,877	1,817,115
Finance cost	261,162	278,387
	38,661,637	125,412,412
Working capital changes:		
INVENTORIES	10,852,042	13,262,681
Trade receivables	(4,694,927)	(6,078,420)
Prepaid expenses and other receivables	(18,199,661)	52,405,145
Trade and other payables	(30,369,557)	(29,210,593)
Used from other provisions	(10,000,000)	--
End-of-service benefits paid	(858,322)	(700,603)
Net cash (used) / generated in operating activities	(14,608,788)	155,090,622
Investing activities		
Payment for purchase property, plant and equipment	(38,103,288)	(702,517)
Paid to purchase investments at fair value through profit or loss	--	(125,027,520)
Proceeds from sale of investments at fair value through profit or loss	8,244,589	150,654,100
Paid to purchase financial investments at amortized cost	(66,382,875)	--
PROCEEDS FROM FINANCIAL INVESTMENTS AT AMORTIZED COST	132,682,875	--
Proceeds from revenues of investments at amortized cost	1,171,386	--
Net cash generated from investing activities	37,612,687	24,924,063
FINANCING ACTIVITIES		
Lease payments	(205,065)	(205,066)
Dividends paid	(61,752,170)	(107,865,555)
Net cash used in financing activities	(61,957,235)	(108,070,621)
Change in cash and cash equivalents during the period	(38,953,336)	71,944,064
Cash and cash equivalents as at the beginning of the period	107,402,465	66,893,586
Cash and cash equivalents as at the end of the period	68,449,129	138,837,650
Significant non-cash transactions		
Projects in progress transferred to property, plant, and equipment	665,835	179,425

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


 Mr. Ala'a Abdul Hamid Abu Omaira
 Head of Finance


 Eng. Omar Bin Abdullah Al Omar
 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 31 MARCH 2022

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 31 March 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 1st of January and end on the 31st 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 31 March 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 25 Ramadan 1443H (corresponding to 26 April 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.

QASSIM CEMENT COMPANY
(A Saudi Joint Stock Company)
Notes to the Condensed Interim Financial Statements (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022
(Saudi Riyals)

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.

a) 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 THREE MONTHS PERIOD ENDED 31 MARCH 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 31 March 2022 and 2021 is as follows:

	<u>Operating Segment</u>		<u>Investing sector</u>	
	<u>31 March 2022 (Unaudited)</u>	<u>31 March 2021 (Unaudited)</u>	<u>31 March 2022 (Unaudited)</u>	<u>31 March 2021 (Unaudited)</u>
Revenue from contracts with customer	142,490,008	223,350,513	--	--
Income for the period before Zakat	27,391,557	104,176,312	3,976,004	4,896,653

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

	<u>OPERATING SEGMENT</u>		<u>Investing sector</u>	
	<u>31 March 2022 (Unaudited)</u>	<u>31 December 2021 (Audited)</u>	<u>31 March 2022 (Unaudited)</u>	<u>31 December 2021 (Audited)</u>
Total assets	1,063,912,858	1,068,218,531	878,417,627	951,744,468
Total liabilities	235,672,697	284,390,027	--	--

6- PROPERTY, PLANT AND EQUIPMENT

As at 31 March 2022, the total cost of property, plant and equipment was SR 2,387 million (31 December 2021: SR 2,382 million), and the accumulated depreciation was SR 1,794 million (31 December 2021: SR 1,776 million). During the three-month period ended 31 March 2022, the Company has added property, plant, equipment, and projects in progress of SR 38.1 million (for the year ended 31 December 2021: SR 27,3 million).

QASSIM CEMENT COMPANY

(A Saudi Joint Stock Company)

**Notes to the Condensed Interim Financial Statements (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022
(Saudi Riyals)****7- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS 'FVTPL'**

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Financial investments at FVTPL - non-current (7-l)	73,362,107	69,031,049
Financial investments at FVTPL - current (7-b)	585,055,520	596,413,419

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

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the period/ year	69,031,049	63,865,085
Unrealized gain on investment at FVTPL	4,331,058	5,165,964
	73,362,107	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

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the period/ year	596,413,419	621,178,885
Additions during the period / year	-	240,414,694
Disposals during the period/ year	(8,244,589)	(285,513,505)
Unrealized gains / (loss) on investments at FVTPL	(3,113,310)	20,333,345
	585,055,520	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

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Spare parts	117,718,800	112,791,435
Raw materials	20,632,859	17,506,100
Work in progress	137,675,293	150,065,043
Finished goods	1,083,291	7,160,999
Packing and packaging materials	1,762,331	2,637,392
Consumables and supplies	2,970,353	3,358,800
Goods-in-transit	1,486,379	661,579
	283,329,306	294,181,348
Less: Provision for obsolete and slow-moving inventories	(26,983,814)	(26,983,814)
	256,345,492	267,197,534

QASSIM CEMENT COMPANY
(A Saudi Joint Stock Company)
Notes to the Condensed Interim Financial Statements (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022
(Saudi Riyals)

8- INVENTORIES (CONTINUED)

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

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

9- FINANCIAL INVESTMENTS AT AMORTIZED COST

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the period/ year	286,300,000	250,000,000
Additions during the period/ year	66,382,875	321,300,000
Disposal during the period / year	(132,682,875)	(285,000,000)
	220,000,000	286,300,000

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

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Non-current portion of financial investments at amortized cost (*)	100,000,000	100,000,000
Current portion of financial investments at amortized cost	120,000,000	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 4.68% per annum (2021: 4.57%). During the three-month period ended 31 March 2022, total Murabaha income of SR 2.69 million has been charged to the statement of profit or loss (31 March 2021: SR 2.90 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 three-month period ended 31 March 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.

For the three-month period ended 31 March 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.

QASSIM CEMENT COMPANY
(A Saudi Joint Stock Company)
Notes to the Condensed Interim Financial Statements (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022
(Saudi Riyals)

11- ZAKAT

The company submitted all tax returns due for the year ended at 31 December 2020. On 17 Ramadan 1442H (corresponding to 29 April 2021), the Company obtained a certificate from ZATCA for the year ended 31 December 2020 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 2022.

12- OTHER INCOME

	31 March 2022	31 March 2021
	(Unaudited)	(Unaudited)
Rental income	369,239	165,884
Deposits received from Human Resources Development Fund	302,042	125,504
Revenue from sale of cement dust	27,910	43,784
Reversal of other provisions	8,000,000	--
Other miscellaneous income	98,676	130,871
	8,797,867	466,043

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.

	<i>For the three-month period ended</i>	
	31 March 2022	31 March 2021
	(Unaudited)	(Unaudited)
Income for the period	25,084,816	100,872,965
Number of shares		
Weighted average number of shares	90,000,000	90,000,000
BASIC AND DILUTED EARNINGS PER SHARE	0,28	1.12

14- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 31 March 2022, the Company has bank facilities in the form of letters of guarantee and letters of credit from commercial banks of SR 103,52 million (31 December 2021: SR 23.5 million).

As at 31 March 2022, the capital commitments on the Company are SR 159,4 million (31 December 2021: SR 177.7 million). the total value of project contracts amounted to SR 204,3 million as at 31 March 2022 (31 December 2021: SR 203.4 million).

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(A Saudi Joint Stock Company)
Notes to the Condensed Interim Financial Statements (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022
(Saudi Riyals)

15- DISCLOSURES RELATED TO PARTY 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:

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Salaries and short-term benefits - key management personnel	6,324,958	5,086,076
BOD members remunerations and sub-committees	816,000	941,644
Post-employment benefits - key management personnel	212,735	183,803
	7,353,693	6,211,523

16- OTHER PROVISIONS

	31 March 2022	31 December 2021
Provision for legal claims and objections	983,755	18,983,755
	983,755	18,983,755

Movement in other provisions during the year is as follows:

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

QASSIM CEMENT COMPANY
(A Saudi Joint Stock Company)
Notes to the Condensed Interim Financial Statements (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022
(Saudi Riyals)

17. FINANCIAL INSTRUMENTS (CONTINUED)

a) 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.

	31 March 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	658,417,627	-	-	658,417,627	121,485,990	441,736,730	95,194,907	658,417,627
	658,417,627	-	-	658,417,627	121,485,990	441,736,730	95,194,907	658,417,627
Financial assets at amortized cost:								
FINANCIAL INVESTMENTS AT AMORTIZED COST	-	220,000,000	-	220,000,000	-	-	-	-
Trade receivables	-	40,499,064	-	40,499,064	-	-	-	-
Cash and cash equivalents	-	68,449,129	-	68,449,129	-	-	-	-
	-	328,948,193		328,948,193	-	-	-	-
Financial liabilities not measured at fair value:								
Trade payables	-	-	28,938,278	28,938,278	-	-	-	-
Accrued expenses and other payables	-	-	57,217,817	57,217,817	-	-	-	-
	-	-	86,156,095	86,156,095	-	-	-	-

QASSIM CEMENT COMPANY
(A Saudi Joint Stock Company)
Notes to the Condensed Interim Financial Statements (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022
(Saudi Riyals)

17. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

a) Fair value measurement of financial instruments (continued)

	31 December 2021				
	Carrying amount		Fair value		
	Fair value	Amortized cost	Other financial liabilities	Total	
Financial assets at fair value:					
FVTPL	665,444,468	-	-	665,444,468	121,570,706
	665,444,468	-	-	665,444,468	121,570,706
					452,805,258
					91,068,504
					665,444,468
Financial assets at amortized cost:					
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	-
Financial liabilities not measured at fair value:					
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	-

QASSIM CEMENT COMPANY
(A Saudi Joint Stock Company)
Notes to the Condensed Interim Financial Statements (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022
(Saudi Riyals)

18- SUBSEQUENT EVENTS

No significant events occurred after 31 March 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.