

NATIONAL GYPSUM COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENT (UNAUDITED)
AND THE INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE AND THE SIX MONTHS PERIOD
ENDED JUNE 30, 2023

NATIONAL GYPSUM COMPANY

(A saudi joint stock company)

**Interim condensed financial statement (unaudited) for the three and the six months period ended
june 30,2023**

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INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**To The Shareholders of
NATIONAL GYPSUM COMPANY
(A saudi joint stock company)
RIYADH- KINGDOM OF SAUDI ARABIA**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **NATIONAL GYPSUM COMPANY (A saudi joint stock company)** (the "Company") as at 30 June 2023 and the related interim condensed statements of comprehensive income for the three and six months then ended, changes in equity and cash flows for the six-month period ended at 30 June 2023 and a summary of significant accounting policies and other notes.

The Company's management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" 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 the international standard on review engagements (2410), "Review of Interim Financial Information Performed by the Independent Auditors of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial information consists of making inquiries, primarily to persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international standards on auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

Basis of Qualified Conclusion

- 1- Referring to note no. (4,12), the balance of property, machinery and equipment, capital projects in progress as at 30 June 2023 amounted to 42.7 Million Saudi Riyals represented in the value of the installation and operation of the Alpha and Beta factory in the company's branch in Dammam, as it has not been completed. The company is involved in the installation and operation works related to the factory, since these works have been suspended for a long period of time. In addition to that, the property, machinery, and equipment includes an amount of 70.2 Million Saudi Riyals, which represents the net cost of machinery and equipment for the gypsum wall industry, which achieve net annual losses. The company has prepared a study by one of Local companies at the end of the year 2022 to study the recoverable value, which has not been updated during the current period, and based on our review of that study and the surrounding conditions and indicators, we were unable to determine whether there was a need to prove any decline in the values of those assets within these interim condensed financial statements.
- 2- Referring to trade receivables, whose balance on the date of the financial statements amounted to 40 Million Saudi Riyals, with an allowance for expected credit losses amounting to 1.7 Million Saudi Riyals. we were not provided with a study of expected credit losses, so we were unable to determine whether there was a need to support it.

Qualified conclusions

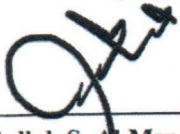
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at 30 June 2023. are not prepared, in all material respects, in accordance with International Accounting Standard No. 34 endorsed in the Kingdom of Saudi Arabia.

Other Matter

The Company's financial statements for the year ended 31 December 2022, were audited by another auditor, who expressed an modified opinion on 8 Ramadan 1444 H, 30 March 2023.

The Company's interim condensed financial statements for the three, six month period ended 30 June 2022 have been reviewed by another auditor who expressed modified conclusion on the report on 24 Muharram 1444 H, 22 August 2022.

For Al-Kharashi & Co.



Abdullah S. Al Msned
License No. (456)



Riyadh:

14 August 2023

27 Muharram 1445

NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

STATEMENT OF INTERIM CONDENSED FINANCIAL POSITION (UNAUDITED)**As of JUNE 30,2023****(All amounts in Saudi Riyal unless otherwise stated)**

	<u>note</u>	<u>June 30, 2023</u> <u>(UNAUDITED)</u>	<u>December 31 ,2022</u> <u>(AUDITED)</u>
Assets			
Non – current assets			
Property , plant and equipment – net	4	249.728.377	255.018.533
Investments in associates	5	33.210.207	34.214.671
Investments in equity instruments at fair value through other comprehensive income	6	33.891.965	31.364.650
Financial assets held at fair value through profit and loss	7	10.150.393	10.089.515
Right to use assets		6.708.801	6.980.569
Total non -current assets		333.689.743	337.667.938
Current assets			
Inventory – net		29.730.428	27.853.033
Trade receivables – net		40.035.692	35.454.630
Prepaid expenses and other receivable balances		8.193.768	5.297.024
Cash and cash equivalents		48.510.037	49.849.442
Total current assets		126.469.925	118.454.129
Total assets		460.159.668	456.122.067
Shareholders' Equity and liabilities			
Shareholder's Equity			
Share capital		316.666.667	316.666.667
Statutory reserve		95.000.001	95.000.001
Evaluation reserve for investments at fair value through other comprehensive income		12.305.362	11.224.152
Employee's end of service benefits		316.395	316.395
Retained earnings		10.787.629	8.720.423
Total shareholders' equity		435.076.054	431.927.638
Non- current liabilities			
Lease obligation		5.545.420	6.130.654
Employees' defined benefit obligation		4.143.036	3.588.133
Total non -current liabilities		9.688.456	9.718.787
Current liabilities			
Trade payables		3.617.439	1.666.457
Accrued expenses and dividend payable		9.590.327	9.295.074
Lease obligation		585.235	592.909
Zakat provision	9	1.602.157	2.921.202
Total current liabilities		15.395.158	14.475.642
Total liabilities		25.083.614	24.194.429
Total Shareholders' Equity and liabilities		460.159.668	456.122.067

Financial Manager

Chief Executive officer

Chairman of the Board of Directors

The accompanying notes form an integral part of these interim condensed financial statements , read together.



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

**STATEMENT OF INTERIM CONDENSED PROFITS OR LOSSES
AND OTHER COMPEHENSIVE INCOME (UNAUDITED)****for the three and the six months period ended june 30,2023****(All amounts in Saudi Riyal unless otherwise stated)**

	Three month period ended		Six month period ended	
	june 30,2023	june 30,2022	june 30,2023	june 30,2022
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
Sales – net	14.300.828	17,645,506	27.657.009	32,230,280
Cost of sales	(10.596.301)	(12,316,107)	(22.077.503)	(21,715,746)
Gross profit	3.704.527	5,329,399	5.579.506	10,514,534
Selling and marketing expenses	(1.012.368)	(1,202,458)	(1.946.054)	(2,250,037)
General and administrative expenses	(1.496.233)	(1,663,003)	(2.915.908)	(3,215,657)
Provision for expected credit losses	-	(1.000.000)	-	(1.000.000)
Profit for the period from main operations	1.195.926	1,463,938	717.544	4,048,840
Company's share from results of investment in associate	808.584	778,401	2.195.356	1,663,209
Unrealized profits in investments at fair value through profits or losses	98.043	25,217	60.878	30.922
Dividends from investments in equity instruments at fair value	346.590	507,922	593.419	759,760
Financing costs	-	-	(54.979)	(37,192)
Other (Expenses)/ income – net	(94.843)	(132,904)	157.145	88.596
Net profit for the period before zakat	2.354.300	2,642,574	3.669.363	6.554.135
Zakat	(829.978)	(976.342)	(1.602.157)	(1.675.868)
Net profit for the period	1.524.322	1.666.232	2.067.206	4.878.267
<u>Other comprehensive income</u>				
Unrealized (losses)/ profits of equity investments at fair value through other comprehensive income	1.549.341	(6.951.970)	1.081.210	1.450.584
Comprehensive income/ (loss) for the period	1.549.341	(6.951.970)	1.081.210	1.450.584
Total comprehensive income/ (loss) for the period	3.073.663	(5.285.738)	3.148.416	6.328.851
<u>Profit per share</u>				
Basic & diluted share bashe on profit for the period	0.05	0.05	0.07	0.15

Financial Manager



Chief Executive officer

Chairman of the Board of Directors



The accompanying notes form an integral part of these interim condensed financial statement, read together .



NATIONAL GYPSUM COMPANY

(A saudi joint stock company)

STATEMENT OF INTERIM CONDENSED CHANGES IN SHAREHOLDER'S EQUITY (UNAUDITED)

for the six months period ended june 30,2023

(All amounts in Saudi Riyal unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Reserve for revaluation of investments through OCI</u>	<u>Employee's end of service benefits</u>	<u>Retained earnings</u>	<u>Total shareholder's equity</u>
Balance as at the January 01,2022 (Audited)	316.666.667	95.000.001	17.047.150	498.487	45.106.240	474.318.545
Net profit fir the period	-	-	-	-	4.878.267	4.878.267
Change in other comprehensive income items for the period	-	-	1.450.584	-	-	1.450.584
Total comprehensive income for the period	-	-	1.450.584	-	4.878.267	6.328.851
Dividends (note18)	-	-	-	-	(31.666.667)	(31.666.667)
Loss on sale of investments at fair value through other comprehensive income	-	-	383.308	-	(383.308)	-
Balance at June 30,2022 (unaudited)	316.666.667	95.000.001	18.881.042	498.487	17.934.532	448.980.729
Balance as at the January 01,2023 (Audited)	316.666.667	95.000.001	11.224.152	316.395	8.720.423	431.927.638
Net profit fir the period	-	-	-	-	2.067.206	2.067.206
Change in other comprehensive income items for the period	-	-	1.081.210	-	-	1.081.210
Total comprehensive income for the period	-	-	1.081.210	-	2.067.206	3.148.416
Balance at June 30,2023 (unaudited)	316.666.667	95.000.001	12.305.362	316.395	10.787.629	435.076.054

Financial Manager

Chief Executive officer

Chairman of the Board of Directors

The accompanying notes form an integral part of these interim condensed financial statement, read together .



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

STATEMENT OF INTERIM CONDENSED CASH FLOW (UNAUDITED)

for the three and the six months period ended June 30, 2023

(All amounts in Saudi Riyal unless otherwise stated)

	June 30, 2023 (UNAUDITED)	June 30, 2022 (UNAUDITED)
Cash flows from operating activities:		
Net profit for the period before zakat	3,669,363	6,554,135
Adjustments for Net profit:		
Depreciation	5,284,721	4,143,496
Depreciation of right-of-use assets	271,768	271,766
Utilized from strategic spare parts	377,335	89,111
Provision for expected credit losses- provided	-	1,000,000
Employee's defined benefit obligations-charged	657,194	673,424
Finance cost	54,979	37,192
Company's share of results from investment in an associate	(2,195,356)	(1,663,209)
Unrealized profits in investments at fair value through profits or losses	(60,878)	(30,922)
	8,059,126	11,074,993
Changes in operating assets and liabilities:		
Inventories	(1,877,395)	(2,123,001)
Trade receivables	(4,581,062)	(8,634,759)
Prepaid expenses and other receivable balances	(1,120,529)	(1,395,475)
Trade payables	1,950,982	(630,324)
Accruals and other payable	295,253	(2,774,071)
Zakat paid	(2,921,202)	(3,430,104)
Employees's defined benefit obligations -paid	(102,291)	(50,911)
Net cash flows (used in) operating activities	(297,118)	(7,963,652)
Cash flows from investing activities:		
Payment of purchase property, plant and equipment	(371,900)	(50,329)
Payment of purchase investments at fair value through OCI	(22,500)	(858,628)
Proceeds from sale of investments at fair value through OCI	-	331,791
Net cash flows (used in) investing activities	(394,400)	(577,166)
Cash flows from financing activities		
Payments of lease liabilities	(647,887)	-
Dividends	-	(31,666,667)
Cash flows (used in) financing activities:	(647,887)	(31,666,667)
Net change in cash and cash equivalents	(1,339,405)	(40,207,485)
Cash and cash equivalents at the beginning of the period	49,849,442	87,975,714
Cash and cash equivalents at end of the period	48,510,037	47,768,229
Non cash transaction		
Re- measurement investments at fair value through other comprehensive income	1,081,210	1,450,584
Prepaid expenses and other receivable balances(unrecieved dividends)	1,776,215	-
(Loss) on sale of investments at fair value through other comprehensive income	-	(383,308)

Financial Manager

Chief Executive officer

Chairman of the Board of Directors

The accompanying notes form an integral part of these interim condensed financial statement, read together.



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022

(All amounts in Saudi Riyal unless otherwise stated)

1. Company's profile

Incorporation of the company

National Gypsum Company ("the company") is a Saudi joint stock company registered in the city of Riyadh, Kingdom of Saudi Arabia under the commercial registration No.1010001487 dated April 27, 1959 (corresponding to Shawwal 19, 1378 H).

Company's activity

The main activity of the company, according to the commercial registration, is the manufacture and production of gypsum and its derivatives extracted from concession areas, trading in gypsum and its derivatives, the production of various materials that can be extracted from gypsum mechanically and chemically, and carrying out all the necessary work to achieve its purpose, which helps to achieve this purpose. The company has concession rights for raw stone in three concession areas (quarries) in the city of Riyadh, the city of Dammam and the city of Yanbu, noting that the quarries' operations in each of the cities of Dammam and Yanbu are temporarily suspended.

Company's Address

General and commercial administration

Prince Muhammad Bin Abdulaziz Road - Al Olaya District, PO Box 187 Riyadh, Postal Code 11411 , Riyadh, Saudi Arabia

Share capital of the company

The share capital is SR 316,666,667, divided into 31,666,667 shares, with a nominal value of SR.10 per share.

Company's Branches

The company has several branches registered as follows:

<u>Branch</u>	<u>C.R. Date</u>	<u>C.R. No</u>
Jeddah	26 Muharram 1392H	4030007100
Dammam	6 Rajab 1395H	2050003512
Yanbu	18 Rabi Awwal 1400H	4700000546
The National Factory for Gypsum Walls - Riyadh	10 Rabi al-Akhir 1425H	1010198301
The National Gypsum Company Factory - Dammam	4 Jumada Al-Akhir 1426H	2050048707
National Gypsum Company - Dammam	4 Rabi al Awwal 1428H	2050053971

2. Basis of preparation of interim condensed financial statements

A. Statement of compliance

These interim condensed financial statements have been prepared for the three and six months periods ended June 30, 2023 in accordance with IAS (34) "Interim Financial Reporting" adopted in Saudi Arabia and other standards and pronouncements endorsed by SOCPA. These condensed interim financial statements do not include all the information and explanations required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2022.

B. Basis of measurement

These financial statements have been prepared in accordance with the historical cost principle and using accrual basis and going concern principle except for:

- Investments that are measured at fair value through other comprehensive income.
- Investments that are measured at fair value through profit or loss.
- Employees' defined benefit obligations, which are measured at the present value of future obligations in accordance with the projected credit unit method.



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022

(All amounts in Saudi Riyal unless otherwise stated)

2. Basis of preparation of interim condensed financial statements (Continued)

c. Significant accounting estimates, assumptions and judgments

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures about assets and contingent liabilities at the date of the financial statements, the amounts of revenues and expenses declared during the reporting period. Although these estimates and judgments are based on management's best information regarding current operations and events, actual results may differ from these estimates. Significant judgments made by management in applying the Company's accounting policies and the main sources of estimation uncertainty are consistent with those applied to the financial statements for the year ended December 31, 2022.

D. Functional and presentation currency

The financial statements items are presented in Saudi Riyals ("SR") which is the functional and presentation currency.

E. New standard, amendments to standards and changes

There are no new standards issued, however there are amendments to the standards effective from January 1, 2023, but they do not have a material impact on the interim condensed financial statements.

3. Significant accounting policies

The accounting policies applied to these interim condensed financial statements are the same as those applied to the financial statements for the year ended 31 December 2022.

4. Property, plant and equipment - net

	June 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Property, plant and equipment	191.778.261	196.506.028
Add:		
Strategic spare parts	15.190.361	15.752.750
Capital projects in progress	42.759.755	42.759.755
	249.728.377	255.018.533

4.1 Capital projects in progress

The capital projects in progress represent in the amount spent on the installation and operation of the Alpha and Beta Factory in Dammam. 85% of the installation work in the factory has been completed, and the month of March 2020 has been set for trial operation with continuing of the rest of the installations for important devices, but due to the global situation of the Corona pandemic, and the suspension of most activities. During the year 2022, the company obtained a study to re-evaluate the factory and is currently reviewing this study submitted to it.

The carrying value of property, plant and equipment is reviewed to ensure that there is no impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If such evidence exists and the carrying amount exceeds the recoverable amount, the value of property, plant and equipment is decreased to the recoverable amount, which is the greater of the fair value of the asset less the selling costs or the present value of the cash flows estimated future benefits for those assets.

Repair and maintenance expenses are charged to the statement of profit or loss and other comprehensive income. Improvements that materially extend the value or estimated life of the asset are capitalized.

The residual values or useful lives and method of depreciation are reviewed at the end of each financial year, and the effect of changes in estimate is calculated on a future basis.

Strategic spare parts within property, plant and equipment are recognized at cost.



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX- MONTHS PERIOD ENDED JUNE 30,2022

(All amounts in Saudi Riyal unless otherwise stated)

4. Property, plant and equipment – net...(Continued)

	<u>Lands</u>	<u>Buildings</u>	<u>Roads</u>	<u>Plant and equipment</u>	<u>Water extensions</u>	<u>Electricity extensions</u>	<u>Transportation</u>	<u>Tools</u>	<u>Furniture and fixtures</u>	<u>Total</u>
Cost										
as of jan 1,2022	22.250.326	125.089.097	14.141.134	488.870.218	3.017.905	8.317.471	13.945.442	1.377.296	10.513.185	687.522.074
Additions during the year	-	-	-	16.055	-	-	600.000	17.501	89.115	722.671
as of dec31,2022	22.250.326	125.089.097	14.141.134	488.886.273	3.017.905	8.317.471	14.545.442	1.394.797	10.602.300	688.244.745
Additions during the period	-	-	-	129.224	-	-	-	2.261	37.920	169.405
As of June 30,2023	22.250.326	125.089.097	14.141.134	489.015.497	3.017.905	8.317.471	14.545.442	1.397.058	10.640.220	688.414.150
Depreciation:										
as of jan 1,2022	-	104.833.596	7.312.603	335.688.721	2.548.735	7.272.167	13.098.855	1.349.641	8.945.616	481.049.934
Charged during the year	-	2.870.215	992.660	6.015.866	51.241	163.902	270.520	7.806	316.573	10.688.783
as of dec31,2022	-	107.703.811	8.305.263	341.704.587	2.599.976	7.436.069	13.369.375	1.357.447	9.262.189	491.738.717
Charged during the period	-	1.433.236	496.330	2.564.817	25.666	81.342	128.815	13.154	153.812	4.897.172
As of June 30,2023	-	109.137.047	8.801.593	344.269.404	2.625.642	7.517.411	13.498.190	1.370.601	9.416.001	496.635.889
Net book value:										
On June 30, 2022	22.250.326	15.952.050	5.339.541	144.746.093	392.263	800.060	1.047.252	26.457	1.224.219	191.778.261
On December 31, 2022	22.250.326	17.385.286	5.835.871	147.181.686	417.929	881.402	1.176.067	37.350	1.340.111	196.506.028

- The land on which one of the company's factories was established in Yanbu is leased from the Royal Commission for Jubail and Yanbu (Ministry of Energy) for a period of 10 years starting from 2020, the annual rent is amounting to SR. 287,888.

- The other buildings are built on land owned by the company.



NATIONAL GYPSUM COMPANY

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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022

(All amounts in Saudi Riyal unless otherwise stated)

4. Property, plant and equipment – net...(Continued)

4.2 Strategic spare parts - net

	June 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Cost		
At the beginning of the period / year	17,224.395	17,211.039
Additions during the period / year	202.495	13.356
Disposals during the period / year	(377.335)	-
At the end of the year	17,049.555	17,224.395
Accumulated Depreciation		
At the beginning of the period / year	1,471.645	739.608
Charged during the period / year	387.549	732.037
At the end of the period / year	1,859.194	1,471.645
Net book value	15,190.361	15,752.750

5. Investments in associates

The investments in an associate company represent in the investment in the Qatari Saudi Gypsum Industries Company, 33.3% as of June 30, 2023 and December 31, 2022 as of

	June 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Balance at beginning of the period / year	34,214.671	34,035.624
Company's share of the associate's net income	2,195.356	2,520.552
Dividend during the period / year	(1,776.215)	(905.948)
Company's share of the associate's other comprehensive income during the period / year	(1,423.605)	(1,435.557)
Balance at end of the period / year	33,210.207	34,214.671

The following is the summary of statement of financial position of the Qatari Saudi company Gypsum industry:

	June 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Current assets	19,186.675	17,875.863
Non -current assets	82,195.117	88,276.350
Current liabilities	1,029.815	2,828.268
Non -current liabilities	721.356	679.930
Equity	99,630.621	102,644.015
%33.3 – Company's share of the equity	33,210.207	34,214.671
Booking value of investment	33,210.207	34,214.671

The following is the summary of statement of profit of loss of the Qatari Saudi company

Gypsum industry:

	June 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Net sales	3,808.755	3,607.415
Cost of sales	(2,316.539)	(2,041.086)
expenses	(1,301.103)	(1,824.952)
Other income	6,394.955	5,241.478
Net profit of the period	6,586.068	4,982.855
Other comprehensive income	(4,210.846)	(634.688)
Total Other comprehensive income	2,375.222	4,348.167



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022

(All amounts in Saudi Riyal unless otherwise stated)

6. Investments in equity instruments at fair value through other comprehensive income

<u>Investments in stocks</u>	No. of shares as at June 30 2023	Share price as at June 30, 2023	June 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Tabuk cement company	77.142	16.64	1.283.643	1.150.958
Kayan Petrochemical Company	500.000	13.82	6.910.000	6.830.000
National Building and Marketing Co	100	235	23.500	25.000
Saudi Arabian Oil Company (Aramco)	363.000	32.25	11.706.750	10.593.000
Al Rajhi Bank	60.118	73	4.388.614	4.520.874
Methanol Chemicals Company	249.770	25.25	6.306.693	6.319.181
ACWA Power Company	253	166.8	42.200	38.456
MARAFIQ (The Power and Utility company for Jubail a& Yanbu)	6.465	70.20	453.843	303.209
Elm Company	4.771	582	2.776.722	1.583.972
			33.891.965	31.364.650

The movement of investment during the year was as follows:

	June 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Balance at the beginning of the period / year	31.364.650	35.281.072
Additions during the period / year	22.500	1.186.118
Net unrealized (losses) / gains of fair value during the period / year	2.504.815	(4.770.749)
Disposals during the period / year	-	(331.791)
Balance at the end of the period / year	33.891.965	31.364.650

7 - Financial assets held at fair value through profit or loss

The company invested an amount of SR. 10 million in an indirect financing fund closed with Riyadh Capital Company, amounting to SR. 1,000,000 units at SR. 10 / unit with an annual return of 5% of the investment amount. The term of the fund is five years.

The movement of investment during the year was as follows:

	June 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Balance at the beginning of the period / year	10.089.515	10.000.000
gains of fair value	60.878	89.515
Balance at the end of the period / year	10.150.393	10.089.515

8 - Transactions with related parties

Transactions with related parties mainly represent salaries, allowances and remunerations for senior executives' staff.

Senior management personnel are persons who have the power and authority to plan, direct and control the activities of the company, directly or indirectly, including members of the board of directors and shareholders (whether executive or otherwise).

The following is a statement of the total amounts that were included in the statement of profits or losses during the period:

	June 30, 2023 (UNAUDITED)	June 30, 2022 (UNAUDITED)
Salaries and bonuses for senior management staff	353.000	403.500
Allowance for attending board meetings	93.000	135.000
Allowance for attending the company's committee sessions	57.000	84.000



NATIONAL GYPSUM COMPANY

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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022

(All amounts in Saudi Riyal unless otherwise stated)

9. Zakat

Movement of zakat Provision

	June 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Balance at beginning of the period / year	2.921.202	3.430.104
Provided for the period / year	1.602.157	2.921.202
Less: Zakat paid during the period / year	(2.921.202)	(3.430.104)
Balance at the end of the year	1.602.157	2.921.202

Zakat status

- The authority issued a zakat re assessment for the year from 2014 to 2018 in which the company requested the payment of zakat differences amounted to 211.129 Saudi riyals , the company paid these differences . The company finalized its zakat status with the Zakat, Tax and Customs Authority (ZATCA) until the year 2018.
- The company submitted its zakat returns until the year 2022, and obtained zakah Certificate .

10. Profit per share

Basic earnings per share is calculated on the basis of profit attributable to ordinary shareholders and the weighted average number ordinary shares outstanding profit attributable to ordinary shareholders.

	Three month period ended june 30,2023 (UNAUDITED)	Six month period ended june 30,2022 (UNAUDITED)	Three month period ended june 30,2023 (UNAUDITED)	Six month period ended june 30,2022 (UNAUDITED)
Net profit for the period	1.524.322	1.666.232	2.067.206	4.878.267
Weighted average of share during the period	31.666.667	31.666.667	31.666.667	31.666.667
Basic & diluted share base on profit	0.05	0.05	0.07	0.15

11. Contingent liabilities

As at June 30, 2023, the Company contingent liabilities represent letter of bank guarantee issued to a supplier in the amount of SR 1.7 million (December 31, 2022: SR. 1.7 million).



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(All amounts in Saudi Riyal unless otherwise stated)

12. Segment reporting

The company is managed as a single operating sector in the production of gypsum of all kinds and the company practice its activities in the Kingdom of Saudi Arabia. Here are its details:

As at	Riyadh		Yanbu		Dammam		Total		Total
30/06/2023	Gypsum	Walls	Gypsum	Walls	Gypsum	Walls	Gypsum	Walls	
(unaudited)									
Net sales	21,755,653	95,685	2,450,138	-	3,109,847	245,686	27,315,638	341,371	27,657,009
Gross profit / loss	10,828,700	(135,263)	(1,561,596)	(347,486)	(1,187,375)	(2,017,474)	8,079,729	(2,500,223)	5,579,506
Net profit / loss before Zakat	7,270,936	(143,263)	(855,383)	(353,318)	(199,302)	(2,050,308)	6,216,252	(2,546,889)	3,669,363
Net property, plant, equipment and equivalent	47,273,236	2,416,737	33,091,303	7,264,959	99,091,164	60,590,978	179,455,703	70,272,674	249,728,377

As at	Riyadh		Yanbu		Dammam		Total		Total
30/06/2022	Gypsum	Walls	Gypsum	Walls	Gypsum	Walls	Gypsum	Walls	
(unaudited)									
Net sales	20,737,210	166,944	5,106,959	-	5,882,232	336,935	31,726,401	503,879	32,230,280
Gross profit / loss	10,067,778	(90,454)	276,996	(197,483)	1,452,026	(994,329)	11,796,800	(1,282,266)	10,514,534
Net profit / loss before Zakat	7,318,744	(149,136)	(39,473)	(214,207)	657,622	(1,019,415)	7,936,893	(1,382,758)	6,554,135
Net property, plant, equipment and equivalent	85,580,349	10,887,353	51,282,262	24,589,937	65,268,892	23,875,452	202,131,503	59,352,742	261,484,245

13. The fair value of the assets and liabilities

Fair value is the selling price that would be received in exchange for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or, otherwise, The best market available on that date. The fair value of obligations reflects the risk of inability to perform.

When measuring the fair value of a financial asset or liability, the company uses market observable data as much as possible.

Fair values are categorized into a hierarchy based on the data used in the valuation techniques as follows:

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



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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022

(All amounts in Saudi Riyal unless otherwise stated)

14. Financial risk management

Foreign currency risk

Currency risk represents the risk resulting from the fluctuation in the value of financial instruments as a result of changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates during its normal business cycle. The company did not perform any significant transactions in currencies other than the Saudi Riyal, US dollar and euro during the year. Therefore, the company was not exposed to significant risks in other foreign currencies for the year ending on December 31, 2022, as the change in the exchange rate of the Saudi riyal against the US dollar and euro does not represent a significant currency risk.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk consists of commission rate risk, currency risk and other price risk.

Commission rate risk

Commission rate risk is the fluctuation of the fair value or financial instrument due to changes in market commission rates., the company has bank facilities from a local bank to issue letters of guarantee and credit to suppliers. Therefore, the company is not exposed to these risks.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The management works to ensure that sufficient funds are available to meet any obligations when they fall due.

The company's financial liabilities consist of trade payables, accrued expenses, other payable balances and lease obligations. The company works to reduce liquidity risk by making sure that bank facilities are available when needed, knowing that the company has an abundance of cash at banks.

15. Comparative figures

Certain comparative figures for the previous period have been reclassified to conform to the classification of the interim condensed financial statements for this period.

16. Approval of the financial statements

These financial statements were approved by the Board of Directors on August 13 2023 (corresponding to Muharram 26, 1445 H).

