

SAUDI CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT ON
REVIEW OF CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS FOR
THE THREE MONTHS PERIOD ENDED 31
MARCH 2022**

SAUDI CEMENT COMPANY
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022**

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the shareholders
Saudi Cement Company
(A Saudi Joint Stock Company)
Dammam - Kingdom of Saudi Arabia.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Saudi Cement Company "Saudi Joint Stock Company" ("the Company") and its subsidiary (collectively referred to as the "Group") that include the condensed consolidated interim statement of financial position as of 31 March 2022 and the related condensed consolidated interim statements of income and other comprehensive income, changes in equity and cash flows for the three months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 – ("IAS 34") "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated 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" endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.



Maher T. Al-Khatib
Certified Public Accountant
Registration No. 514



April 27, 2022 G
Ramadhan 26, 1443 H

SAUDI CEMENT COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

| | | 31 March 2022 (Un-Audited) SR '000 | 31 December 2021 (Audited) SR '000 |
|---|------|---|---|
| | Note | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 2,244,946 | 2,283,292 |
| Right-of-use assets | 4 | 18,548 | 20,455 |
| Intangibles | | 14,005 | 14,941 |
| Investments in an associate | 5 | 39,704 | 37,407 |
| Equity investment designated at fair value through other comprehensive income (FVOCI) | | 3,533 | 3,533 |
| Total non-current assets | | 2,320,736 | 2,359,628 |
| Current assets | | | |
| Inventories | | 546,657 | 517,070 |
| Trade receivables | | 383,082 | 394,480 |
| Prepayments and other receivables | | 43,572 | 39,476 |
| Term deposit | | 115 | 113 |
| Cash and cash equivalents | 6 | 204,114 | 81,496 |
| Total current assets | | 1,177,540 | 1,032,635 |
| TOTAL ASSETS | | 3,498,276 | 3,392,263 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 1,530,000 | 1,530,000 |
| Statutory reserve | | 459,000 | 459,000 |
| Fair value reserve | | 673 | 673 |
| Retained earnings | | 504,688 | 443,619 |
| Total equity | | 2,494,361 | 2,433,292 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Employees' benefits | | 102,041 | 104,255 |
| Lease liabilities | 4 | 14,763 | 14,755 |
| Retention payable | | 1,400 | 1,400 |
| Total non-current liabilities | | 118,204 | 120,410 |
| Current liabilities | | | |
| Lease liabilities | 4 | 5,763 | 8,853 |
| Short term loans | 7 | 350,000 | 350,000 |
| Trade payables | | 48,476 | 57,405 |
| Dividend payable | 12 | 235,305 | 226,549 |
| Accruals and other payables | | 215,505 | 170,592 |
| Provision for Zakat | | 30,662 | 25,162 |
| Total current liabilities | | 885,711 | 838,561 |
| TOTAL LIABILITIES | | 1,003,915 | 958,971 |
| TOTAL EQUITY AND LIABILITIES | | 3,498,276 | 3,392,263 |

Designated Member / CEO
Mohammed A. AlGarni

Finance Manager
Evan Abaza

The accompanying notes from 1 to 16 form an integral part of these condensed consolidated interim financial statements.

SAUDI CEMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

For the three months period ended 31 March 2022

| | 31 March 2022 (Un-Audited) SR '000 | 31 March 2021 (Un-Audited) SR '000 |
|--|---|---|
| Note | | |
| Revenue | 315,059 | 429,069 |
| Cost of revenue | (214,323) | (255,436) |
| GROSS PROFIT | 100,736 | 173,633 |
| Selling and distribution expenses | (21,642) | (31,873) |
| General and administrative expenses | (19,019) | (17,081) |
| OPERATING PROFIT | 60,075 | 124,679 |
| Other income | 5,741 | 973 |
| Share in net results of an associate | 2,364 | 175 |
| Finance charges | (1,552) | (1,726) |
| INCOME BEFORE ZAKAT | 66,628 | 124,101 |
| Zakat | (5,500) | (6,000) |
| NET INCOME FOR THE PERIOD | 61,128 | 118,101 |
| Other comprehensive loss | | |
| <i>Item that will not be reclassified to profit or loss in subsequent period</i> | | |
| Share of other comprehensive loss of an associate | (59) | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 61,069 | 118,101 |
| Net income for the period attributable to: | | |
| Shareholders of the Company | 61,128 | 119,423 |
| Non-controlling interests | - | (1,322) |
| | 61,128 | 118,101 |
| Total comprehensive income for the period attributable to: | | |
| Shareholders of the Company | 61,069 | 119,423 |
| Non-controlling interests | - | (1,322) |
| | 61,069 | 118,101 |
| Earnings per share (Saudi Riyals) | | |
| Basic and diluted earnings per share attributable to the shareholders of the Company | 13 0.40 | 0.78 |

Designated Member / CEO
Mohammed A. AlGarni

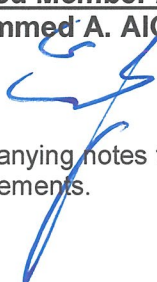
Finance Manager
Evan Abaza

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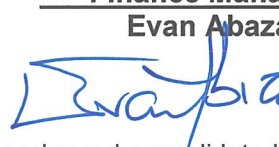
SAUDI CEMENT COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the three months period ended 31 March 2022

| | Share capital | Statutory reserve | Fair value reserve | Retained earnings | Equity attributable to share holders | Non- controlling interests | Total |
|--|------------------|----------------------|--------------------------|----------------------|---|----------------------------------|-----------|
| | SR '000 | SR '000 | SR '000 | SR '000 | SR '000 | SR '000 | SR '000 |
| Balance at 1 January 2021 (Audited) | 1,530,000 | 459,000 | 111 | 662,974 | 2,652,085 | 24,851 | 2,676,936 |
| Net income for the period | - | - | - | 119,423 | 119,423 | (1,322) | 118,101 |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 119,423 | 119,423 | (1,322) | 118,101 |
| Balance at 31 March 2021 (Un-audited) | 1,530,000 | 459,000 | 111 | 782,397 | 2,771,508 | 23,529 | 2,795,037 |
| Balance at 1 January 2022 (Audited) | 1,530,000 | 459,000 | 673 | 443,619 | 2,433,292 | - | 2,433,292 |
| Net income for the period | - | - | - | 61,128 | 61,128 | - | 61,128 |
| Other comprehensive loss | - | - | - | (59) | (59) | - | (59) |
| Total comprehensive income for the period | - | - | - | 61,069 | 61,069 | - | 61,069 |
| Balance at 31 March 2022 (Un-Audited) | 1,530,000 | 459,000 | 673 | 504,688 | 2,494,361 | - | 2,494,361 |

Designated Member / CEO
Mohammed A. AlGarni



Finance Manager
Evan Abaza



The accompanying notes from 1 to 16 form an integral part of these condensed consolidated interim financial statements.

SAUDI CEMENT COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the three months period ended 31 March 2022

| | | 31 March 2022 | 31 March 2021 |
|---|---|-------------------------|-------------------------|
| | | (Un-Audited) SR '000 | (Un-Audited) SR '000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Income before Zakat | | 66,628 | 124,101 |
| Adjustments to reconcile income before zakat to net cash generated by operating activities | | | |
| Depreciation – property, plant and equipment | | 53,675 | 53,610 |
| Depreciation - right-of-use assets | 4 | 1,907 | 1,903 |
| Amortization- intangibles | | 936 | 936 |
| Finance charges | | 1,552 | 1,726 |
| Allowance for slow moving and obsolete inventories | | 59 | 2,941 |
| Reversal of impairment of receivables | | (6) | - |
| Share in net results of an associate | | (2,364) | (175) |
| Provision for employees' benefits | | 2,525 | 4,161 |
| | | 124,912 | 189,203 |
| Working capital changes | | | |
| Inventories | | (29,646) | 66,088 |
| Trade receivables | | 11,392 | (30,701) |
| Prepayments and other receivables | | (4,096) | 3,942 |
| Trade payables | | (8,929) | (8,894) |
| Accruals and other payables | | 53,690 | 30,939 |
| | | 22,411 | 61,374 |
| Finance charges paid | | (1,316) | (1,409) |
| Employees benefits paid | | (4,740) | (1,145) |
| Net cash generated from operating activities | | 141,267 | 248,023 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions to property, plant and equipment, net | 3 | (15,329) | (16,119) |
| Term deposit | | (2) | (3) |
| Net cash used in investing activities | | (15,331) | (16,122) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of lease liability | | (3,318) | (3,673) |
| Net cash used in financing activities | | (3,318) | (3,673) |
| Net change in cash and cash equivalents | | 122,618 | 228,228 |
| Cash and cash equivalents at beginning of the period | 6 | 81,496 | 124,513 |
| Cash and cash equivalents at end of the period | 6 | 204,114 | 352,741 |

Designated Member / CEO
Mohammed A. AlGarni
Finance Manager
Evan Abaza

The accompanying notes from 1 to 16 form an integral part of these condensed consolidated interim financial statements.




SAUDI CEMENT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three months period ended 31 March 2022

1 CORPORATE INFORMATION

Saudi Cement Company ("the Company") is a Saudi Joint Stock Company incorporated under Royal Decree number 6/6/10/726 dated 8 Rabi' II 1375 H (corresponding to 23 November 1955) and registered in the Kingdom of Saudi Arabia, in the city of Dammam under Commercial Registration number 2050000602 dated 6 Dhul Qaidah 1377 H (corresponding to 24 May 1958). The Company is engaged in manufacturing and selling cement and its related products.

The Company obtained under the Royal Decree number 10/6/6/8500 dated 26 Rajab 1370H corresponding to 3 May 1951, the right of the mining concession for the extraction of limestone, gypsum and clay and all the necessary materials for the manufacture of cement in Al Hassa for 30 years period.

Thereafter, the Company obtained the licenses for the existing quarries under the Royal Decree number M/11 dated 29/04/1405H (corresponding to 22/01/1985) which gives mining concession for the extraction of limestone, gypsum and clay and all the necessary materials for the manufacture of cement for 30 years period.

In the year 1985, a Saudi Bahraini Company obtained the right of the mining concession for the extraction of limestone, gypsum and clay under the Royal Decree number M/12 dated 29/04/1405H (corresponding to 22/01/1985) which was merged with the Saudi Cement Company in 1990. Accordingly, the Ministry of Petroleum and Mineral Resources resolved on 04/01/1412H (corresponding to 15/07/1991) to transfer all quarries and related licenses of Saudi Bahraini Company to the Saudi Cement Company.

In the year 2020, all of the above licenses which have been issued under the Royal Decree numbers M/11 and M/12 dated 29/04/1405H (corresponding to 22/01/1985) were renewed by the Ministry of Industry and Mineral Resources for a period of 30 years started from 29/4/1435 H (corresponding to 01 March 2014) except quarry license for Aba Hamama area in Al-Ahsa region which has been renewed for 10 years started from 11/12/1441 (corresponding to 01 August 2020).

The Company has one subsidiary, United Cement Company W.L.L (UCC), collectively referred to as "the Group". Details of UCC are given here-under:

| Name | Country of incorporation | Relationship | Percentage of holding | |
|-----------------------------|--------------------------|--------------|-------------------------------|-------------------------------|
| | | | 31 March 2022 (Un-Audited) | 31 December 2021 (Audited) |
| United Cement Company W.L.L | Kingdom of Bahrain | Subsidiary | 100% | 100% |

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard, "Interim Financial Reporting" ("IAS 34") as endorsed in Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The disclosures in these condensed consolidated interim financial statements do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2021.

The methods of computation, accounting policies, significant judgments and the key sources of estimation uncertainty used / adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

2 BASIS OF PREPARATION (Continued)

2.2 Basis of measurement

These condensed consolidated interim financial statements are prepared under the historical cost convention, using the accruals basis of accounting, except for certain employees' benefits which are measured at present value and equity investment designated at FVOCI which is measured at fair value.

All values are rounded to the nearest thousand (SR '000), unless otherwise stated.

2.3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Riyals (SR) which is the Company's functional and Group's presentation currency.

2.4 New standards, interpretations and amendments

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2022 and onwards and has been explained in Group's annual consolidated financial statements for the year ended 31 December 2021, but these do not have a material effect on the Group's condensed consolidated interim financial statements for the period ended 31 March 2022. The Group did not early adopt any such amendments.

3 PROPERTY, PLANT AND EQUIPMENT

During the three months period ended 31 March 2022, the Group acquired items of property, plant and equipment amounted to SR 8.28 million (31 December 2021: SR 45.40 million) whereas additions to capital work in progress amounted to SR 7.05 million (31 December 2021: SR 19.74 million). Further, during the same period, transfer from capital work in progress to property, plant and equipment were amounted to SR 54.87 million (31 December 2021: SR 5.67).

Construction work in progress includes the ongoing construction work of a bulk railway loading facility and its railway link (collectively referred to as "the railway project") and other construction projects. In order to facilitate and complete the railway connection work urgently, in March 2022, the Company received offer letter from Saudi Railway Company to complete the said project in four months with a cost of SR 7.50 million without involving the previous contractors. The Company is currently evaluating the offer.

4 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The recognized right-of-use assets relate to the following types of assets:

| | 31 March 2022 (Un-Audited) SR '000 | 31 December 2021 (Audited) SR '000 |
|----------------------------------|---|---|
| Land | 11,862 | 12,499 |
| Building | 2,341 | 2,488 |
| Vehicles | 3,909 | 4,886 |
| Equipment | 436 | 582 |
| Total right-of-use assets | 18,548 | 20,455 |

SAUDI CEMENT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three months period ended 31 March 2022

4 RIGHT OF USE ASSETS AND LEASE LIABILITIES (Continued)

Lease liabilities as at period / year end are as follows:

| | 31 March 2022 (Un-Audited) SR '000 | 31 December 2021 (Audited) SR '000 |
|--|---|---|
| Non-current portion of lease liabilities | 14,763 | 14,755 |
| Current portion of lease liabilities | 5,763 | 8,853 |
| Total lease liabilities | 20,526 | 23,608 |

There were no additions to right-of-use assets during the three months period ended 31 March 2022. The depreciation on right of use assets during the three months period ended 31 March 2022 was SR 1.91 million (31 December 2021: SR 7.48 million)

5 INVESTMENT IN AN ASSOCIATE

Investment in an associate represents 33.33% share in Cement Product Industry Company Limited which is a limited liability company registered and operating in the Kingdom of Saudi Arabia. The company is engaged in the manufacturing of cement derivative products and other products necessary for manufacturing and packing cement.

6 CASH AND CASH EQUIVALENTS

| | 31 March 2022 (Un-Audited) SR '000 | 31 December 2021 (Audited) SR '000 |
|----------------------|---|---|
| Cash at banks | 188,956 | 63,763 |
| Cash in hand | 158 | 194 |
| Murabaha investments | 15,000 | 17,539 |
| | 204,114 | 81,496 |

Murabaha investments represent placements with banks having original maturity of less than three months and carry profits at commercial rates.

7 SHORT TERM LOANS

Short term loans represent Tawarruq facilities obtained from various local banks to meet the working capital requirements with a total facility limit amount of SR 2,150 million (31 December 2021: SR 2,250 million). The utilized balance as of 31 March 2022 amounted to SR 350 million (31 December 2021: SR 350 million). These facilities carry financial costs in excess of SIBOR and are consistent with the terms of each facility agreement that are secured by promissory notes issued by the Group and carry charges agreed with the facilities' providers.

The outstanding financing is classified under current liabilities in the condensed consolidated interim statement of financial position as these are repayable within 12 months from the reporting date.

The facility agreements contained certain covenants, which requires among other things, certain financial ratios to be maintained.

SAUDI CEMENT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three months period ended 31 March 2022

8 RELATED PARTY TRANSACTIONS AND BALANCES

The following table provides the total amount of transactions that have been entered into with related parties during the three months period ended 31 March 2022 and 31 March 2021 and related parties balances as at 31 March 2022 and 31 December 2021.

| Related party | Relationship | Nature of transaction | Three-months period | | Ending balance | |
|---|---------------------|--|-----------------------|--------------|----------------|-------------|
| | | | Amount of transaction | | | |
| | | | 31 March | 31 March | 31 March | 31 December |
| | | | 2022 | 2021 | 2022 | 2021 |
| | | | (Un-Audited) | (Un-Audited) | (Un-Audited) | (Audited) |
| | | | SR '000 | SR '000 | SR '000 | SR '000 |
| Cement Product Industry Company Limited | Associate | Purchases of raw materials | 8,604 | 8,297 | - | - |
| Wataniya Insurance Company | Common directorship | Insurance of property, plant and equipment | 7,445 | 8,140 | 30 | - |

Terms and conditions of transactions with related parties

The purchases from related parties are made in the ordinary course of business. Outstanding balances at the period ended 31 March 2022 are unsecured and settled in cash. There have been no guarantees provided to amounts due to related parties.

The compensations to key executives for the period ended 31 March 2022 is SR 3.78 million (31 March 2021: SR 4.00 million).

Prices and terms of payments for the above transactions are approved by the Group's management.

SAUDI CEMENT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three months period ended 31 March 2022

9 CAPITAL COMMITMENTS

- a) As of 31 March 2022, the capital expenditure contracted by the Company but not incurred till 31 March 2022 was approximately SR 18.58 million (31 December 2021: SR 17.79 million).
- b) The Company's bankers have given guarantees, on behalf of the Company amounted to SR 3.11 million (31 December 2021: SR 3.11 million) in respect of performance guarantees.
- c) UCC's bankers have issued guarantees, on behalf of UCC, in favour of various suppliers against purchase and services obtained in the normal course of business amounted to SR 18.00 million (2021: SR 28.81 million).

10 SEGMENT INFORMATION

A segment is a distinguishable component of the Group that is engaged in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

The Group's operations are related to two operating geographical segments which are Saudi Cement Company operating in the Kingdom of Saudi Arabia and United Cement Company operating in Kingdom of Bahrain. Both segments are engaged in cement manufacturing and are sold to local and foreign customers. Accordingly, segment analysis by geography are presented as follows:

| As at and for the three months period ended 31 March 2022 (Un-Audited) | Kingdom of Saudi Arabia SR'000 | Kingdom of Bahrain SR'000 | Elimination SR'000 | Total SR'000 |
|---|---|--------------------------------------|-------------------------------|-------------------------|
| Revenue | 308,538 | 18,370 | (11,849) | 315,059 |
| Cost of revenue | 208,167 | 18,005 | (11,849) | 214,323 |
| Net income/(loss) for the period | 61,494 | (958) | 592 | 61,128 |
| Total assets | 3,487,763 | 79,410 | (68,897) | 3,498,276 |
| Total liabilities | 990,703 | 28,098 | (14,886) | 1,003,915 |

| As at and for the year ended 31 December 2021 (Audited) | Kingdom of Saudi Arabia SR'000 | Kingdom of Bahrain SR'000 | Elimination SR'000 | Total SR'000 |
|--|---|--------------------------------------|-------------------------------|-------------------------|
| Revenue | 1,392,475 | 58,842 | (41,748) | 1,409,569 |
| Cost of revenue | 851,675 | 69,250 | (41,748) | 879,177 |
| Net income/(loss) for the year | 331,920 | (15,460) | 13,895 | 330,355 |
| Total assets | 3,382,308 | 77,314 | (67,359) | 3,392,263 |
| Total liabilities | 946,684 | 25,044 | (12,757) | 958,971 |

11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the condensed consolidated interim financial statements are categorized within the fair value hierarchy.

11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

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

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

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2. If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. As of 31 March 2022 and 31 December 2021, the Group's equity investment designated at FVOCI was determined at level 3 of the fair value hierarchy. The carrying values of other financial assets and liabilities in the condensed consolidated interim statement of financial position approximate to their fair values.

12 DIVIDEND

On 09 Ramadan 1443H (corresponding to 10 April 2022), the General Assembly approved the Board of Directors' proposal to distribute cash dividend amounting to SR 1.50 per share (SR 229.50 million in total) for the first half of 2021 as well as cash dividend amounted to SR 2.00 per share (SR 306.00 million in total) for the second half of 2021.

Dividend payable as at 31 March 2022 amounted to SR 235.31 million (31 December 2021: SR 226.55 million) represents unclaimed dividend for prior years.

13 EARNINGS PER SHARE

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

The following reflects the income and share capital data used in the basic and diluted earnings per share computations:

| | Three months period ended | |
|--|----------------------------------|---------------------|
| | 31 March | |
| | 2022 | 2021 |
| | (Un-Audited) | (Un-Audited) |
| Net income attributable to equity holders SR'000 | 61,128 | 119,423 |
| Number of shares outstanding in '000 | 153,000 | 153,000 |
| Earnings per share in SR | 0.40 | 0.78 |

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

14 COVID-19 UPDATES

The impacts of COVID-19 have been disclosed in detail in the annual consolidated financial statements of the Group for the year ended 31 December 2021. In the three months period ended 31 March 2022, the Group's management did not observe any significant impact on the operations of the Group as the operations were coming back to normal from the third quarter of 2020. However, the Group continues to monitor the COVID-19 situation closely although at this time, management is not aware of any factors that are expected to change the impact of the pandemic on the Group's operations during 2022 or beyond.

15 EVENTS AFTER THE REPORTING DATE

Except as disclosed elsewhere in these condensed consolidated interim financial statements, there have been no other significant subsequent events since the period ended 31 March 2022 till the date of authorization for issuance and approval of these condensed consolidated interim financial statements by the Board of Directors that require either an adjustment or disclosure in these condensed consolidated interim financial statements.

16 APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were authorized for issue and approved by the Board of Directors on April 25, 2022 G.