

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED FINANCIAL
STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT ON REVIEW OF
INTERIM CONDENSED FINANCIAL
STATEMENTS FOR THE THREE MONTHS
PERIOD ENDED MARCH 31, 2021**

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

Interim Condensed Financial statements for the three months period ended March 31, 2021 (un-audited)

I N D E X

	<u>Pages</u>
Independent auditor's report on review of condensed interim financial statements	2
Interim Statement of Financial Position	3
Interim Statement of Profit or loss and other comprehensive income	4
Interim Statement of Changes in Shareholders' Equity	5
Interim Statement of Cash flows	6
Selected Notes to the interim condensed financial statements	7-13

INDEPENDENT AUDITOR'S REVIEW REPORT

To the shareholders of
Eastern Province Cement Company
(A Saudi Joint Stock Company)
Dammam – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed financial statements of Eastern Province Cement Company (A Saudi Joint Stock Company) ("the Company") as of March 31, 2021 that include interim condensed statement of financial position as of March 31, 2021 and the related interim condensed statement of profit or loss and comprehensive income, changes in equity and cash flows for the three months period then ended, and a summary of significant accounting policies and other explanatory notes from (1) to (18).

Management is responsible for the preparation and fair presentation of these interim condensed 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 interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily for 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 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared in all material respects, in accordance with IAS 34 "Interim financial reporting" endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.



Dr. Mohamed A. Al-Amri
Certified Public Accountant
Registration No. 60



May 2, 2021 G
Ramadan 20, 1442 H

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

(ALL AMOUNTS IN THOUSANDS SAUDI RIYALS UNLESS OTHERWISE STATED)

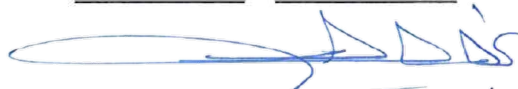
	Notes	31 March 2021 (Unaudited)	31 December 2020 (Audited)
ASSETS			
Non- current assets			
Property, plant and equipment		809,689	821,127
Investment properties		92,673	93,080
Right-of-use assets		280	365
Investments in equity instrument at FVTOCI	5	590,200	576,696
Investments in an associate company through equity method	6	205,721	199,018
Total non-current assets		1,698,563	1,690,286
Current Assets			
Inventories		419,836	427,218
Trade receivables		214,630	180,936
Prepayments and other current assets		45,358	42,947
Cash and cash equivalents		566,682	528,641
Total current assets		1,246,506	1,179,742
TOTAL ASSETS		2,945,069	2,870,028
LIABILITIES AND SHAREHOLDER'S EQUITY			
Shareholders' Equity			
Share Capital	7	860,000	860,000
Statutory reserve		430,000	430,000
Voluntary reserve		404,639	404,639
Retained earnings		683,316	623,436
Reserve of evaluation of equity instruments at fair value through other comprehensive income		243,412	229,908
Reserve of actuarial(losses) through other comprehensive income		(12,384)	(14,495)
Total shareholders' equity		2,608,983	2,533,488
Non- current liabilities			
Employee benefits obligations		79,813	80,978
Other provisions		33,801	33,608
Lease liabilities		239	222
Total Non-current Liabilities		113,853	114,808
Current liabilities			
Accounts payable and other current liabilities		128,072	133,036
Due to a related party	8	7,110	7,201
Dividends payables		57,241	57,531
Lease liabilities		53	155
Provision for zakat	9	29,757	23,809
Total current liabilities		222,233	221,732
Total liabilities		336,086	336,540
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,945,069	2,870,028



Finance Manager



Chief Executive Officer



Authorised Board Member

The accompanying notes from 1 to 18 considered as an integral part of these interim condensed financial statements

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

**INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPERHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021**

(ALL AMOUNTS IN THOUSANDS SAUDI RIYALS UNLESS OTHERWISE STATED)

	<u>Three Months period ended</u>	
	<u>31 March 2021 (Unaudited)</u>	<u>31 March 2020 (Unaudited)</u>
Revenue	216,694	234,031
Cost of revenue	(143,191)	(141,582)
Gross profit	73,503	92,449
General and administrative expenses	(12,187)	(11,949)
Selling and marketing expenses	(2,669)	(2,456)
Operating profit	58,647	78,044
Investments income	1,856	2,627
Gain from investment in associate company through equity method	6,703	10,696
Finance charges	(686)	(728)
Other income	2,028	1,241
Other expenses	(1,540)	(1,537)
(Losses) on exchange of Foreign currency	(608)	(53)
(Losses) on disposal of property, plant & equipment	(220)	(555)
Net income before zakat	66,180	89,735
Provision for zakat	9 (6,300)	(4,500)
Net income for the period	59,880	85,235
<u>Other comprehensive income items:</u>		
<i>Items that will not be reclassified to profit or loss:</i>		
Actuarial Gains from re-measurement of the end of service benefits	2,111	5,356
Unrealized Gain / (losses) from investment in equity instruments through other comprehensive income	13,504	(27,954)
Total other comprehensive income	15,615	(22,598)
Total comprehensive income for the period	75,495	62,637
Basic and diluted earnings per share	10 0.70	0.99


Finance Manager


Chief Executive Officer


Authorised Board Member


The accompanying notes from 1 to 18 considered as an integral part of these interim condensed financial statement

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021
(ALL AMOUNTS IN THOUSANDS SAUDI RIYALS UNLESS OTHERWISE STATED)

	Capital	Statutory reserve	Voluntary reserve	Retained earnings	Reserve of evaluation of equity instruments at FVTOCI	Reserve of actuarial (losses) through other comprehensive income	Total shareholders' equity
For the three months period ended 31 March 2020							
Balance at January 1, 2020 (audited)	860,000	430,000	404,639	535,218	189,635	(7,756)	2,411,736
Net profit for the period	-	-	-	85,235	-	-	85,235
(Losses) of evaluation of equity instruments at FVTOCI	-	-	-	-	(27,954)	-	(27,954)
Actuarial gain through OCI	-	-	-	-	-	5,356	5,356
Balance at March 31, 2020 (un-audited)	860,000	430,000	404,639	620,453	161,681	(2,400)	2,474,373
For the three months period ended 31 March 2021							
Balance at January 1, 2021 (audited)	860,000	430,000	404,639	623,436	229,908	(14,495)	2,533,488
Net income for the period	-	-	-	59,880	-	-	59,880
Gain of evaluation of equity instruments through OCI	-	-	-	-	13,504	-	13,504
Actuarial profits through OCI	-	-	-	-	-	2,111	2,111
Balance at March 31, 2021 (un-audited)	860,000	430,000	404,639	683,316	243,412	(12,384)	2,608,983


Finance Manager


Chief Executive Officer



Authorised Board Member

The accompanying notes from 1 to 18 considered as an integral part of these interim condensed financial statement

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED March 31, 2021 (UN-AUDITED)
(ALL AMOUNTS IN THOUSANDS SAUDI RIYALS UNLESS OTHERWISE STATED)

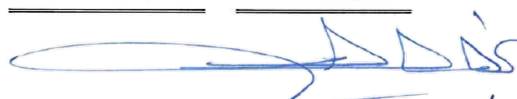
	For the period ended	
	31 March 2021	31 March 2020
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net income for the period before zakat	66,180	89,735
Adjustments for:		
Depreciation of Property, Plant and Equipment	23,542	23,134
Loss from disposal of Property, Plant and Equipment	220	555
Depreciation of investment properties	407	408
Amortization of Right-of-use assets	85	439
Finance cost	686	22
Addition to provision for restoration and decommissioning	193	189
Gains from Investment in an associate company	(6,703)	(10,696)
Provision for employee benefits obligations	1,856	1,744
	<u>86,466</u>	<u>105,530</u>
Changes in operating assets and liabilities:		
Trade receivables, Prepayments and other current assets	(36,105)	(42,524)
Inventories	7,382	31,360
Accounts payable and other current liabilities	(4,964)	(8,691)
Due to a related party	(91)	15,897
Employee benefits obligations paid	(910)	(918)
Zakat paid	(352)	-
Finance charges paid	(686)	(22)
Net cash generated from operating activities:	<u>50,740</u>	<u>100,632</u>
Cash flows from investing activities		
Additions to Property, Plant and Equipment	(12,324)	(5,227)
Dividends received	-	42
Net cash used in investing activities	<u>(12,324)</u>	<u>(5,185)</u>
Cash flows from financing activities		
Dividends paid	(290)	(876)
Lease liabilities paid	(85)	(443)
Net cash used in financing activities	<u>(375)</u>	<u>(1,319)</u>
Net change in cash and cash equivalents	<u>38,041</u>	<u>94,128</u>
Cash and cash equivalent at the beginning of the period	<u>528,641</u>	<u>339,838</u>
Cash and cash equivalent at the end of the period	<u>566,682</u>	<u>433,966</u>



Finance Manager



Chief Executive Officer



Authorised Board Member

The accompanying notes from 1 to 18 considered as an integral part of these interim condensed financial statement

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UN-AUDITED)
(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS UNLESS OTHERWISE STATED)

1- ORGANISATION AND ACTIVITIES

Eastern Province Cement Company ("the company") is a Saudi Joint Stock Company established in accordance with the Royal Decree No. M/11 dated on 14 Rabi alawwal, 1402 H (corresponding to January 9, 1982 G), and the resolution of His Royal Highness the Minister of Commerce No. 939 on 3 Rabi Al Thani 1403 H (corresponding to January 17, 1983 G), and registered in Dammam under the Commercial Registration No. 2050013400 dated on 22 Jumada alawwal 1403 H (Corresponding to September 7, 1983 G), and the company's head office is located in Dammam. The main activity of the Company is the wholesale and retail of cement, plaster and the like. And the sub-commercial registration for the Eastern Province Cement Company's factory in the city of Jubail No. 2055022383 on 16 Jumada II 1435 H and its main activity is the production of Portland cement and Sulphate resisting cement and ordinary cement and other cement under the National Industrial License No. 1300.

The Company obtained by Royal Decree No. M/6 dated 17 Rabi Al Thani 1405 H (Corresponding to 9 January 1985 G) the mining concession right for exploitation of limestone and clay in Al Khorasaniah area for a renewable period of thirty years. The Company has completed the legal procedures to renew the Franchise license. Ministerial Decree No. Q/5334 dated 12-7-1438 H has been issued to renew the company's rights to exploit the limestone ore and clay for its factory located in Al-Tawy site near to Al-khurasaniah in Al-Jubail province for thirty Hijri years starting from 18-3-1436 H.

The Company also obtained by the Ministerial Decree No. 14/Q dated 24 Safar, 1433-H (corresponding to 18 January, 2012-G) the mining Franchise for the exploitation of limestone ore and clay in Al Najeebia valley at Ahsa Province in the Eastern region for ten Hijri years.

The financial statements reflect the financial position, the results of its operations, its cash flows and the changes in the shareholders equity for the Company and its following branch:

<u>Branch Commercial Registration No.</u>	<u>Date</u>	<u>Place of issue</u>	<u>Commercial Name of Branch</u>
2051035184	21/07/1428 H	Al-Dammam	Prainsa Saudi Arabia – Branch of Eastern Province Cement company.

The branch's activity is in producing items of pre-cast and cement as per the industrial license No 3031328 dated on 3/3/1437 H, no separate financial statements has been issued for this branch, because its assets, liabilities, the result of operations, and cash flows are recorded in the financial statements issued by the company.

On December 11, 2018, the board of directors decided in its meeting to start the procedures of converting Prainsa Saudi Arabia into separate limited liability company, and the formal procedures for that have not completed.

2- BASIS OF PREPARATION

• **Statement of compliance**

These interim condensed financial statements have been prepared in accordance with International Accounting Standard No. "IAS 34" "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants. The interim condensed financial statements do not include all the notes that are normally attached to the annual financial statements, and therefore should be read with the Company's annual financial statements as of December 31, 2020.

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UN-AUDITED)
(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS UNLESS OTHERWISE STATED)

2- BASIS OF PREPARATION (CONTINUED)

• **Basis of measurement**

The interim condensed financial statements are prepared on accrual basis under the historical cost convention, except for some items:

- Investments in an associate company, which is recorded according to equity method.
- Investments in equity instruments at fair value through other comprehensive income.
- Recognition of accruals of end of service benefits obligations by using the expected credit unit method.

• **Functional and presentation currency**

The financial statements are presented in Saudi Riyals (SR), which is also the functional and presentation currency of the Company. All values presented in the interim condensed financial statements are rounded to the nearest thousand Saudi Riyals (SR '000'), unless otherwise stated.

3- SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTION:

The preparation of the Company's interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require substantial adjustments to the carrying amount of the assets or liabilities affected in the future. These estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the variable estimates affect both current and future periods.

In preparing the interim condensed financial statements, similar accounting estimates and assumptions have been used in the preparation of the Company's annual financial statements as at 31 December 2020.

4- SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed financial statements for the three months ended 31 March 2021 are the same as those applied in the financial statements for the year ended 31 December 2020.

New standards and amendments to standards and interpretations

The company has not applied any of the new and revised IFRSs that are not yet effective. Note that there are a number of amendments to the standards and the Interpretations Committee in effect during the period of the interim condensed financial statements and did not have a material impact on the interim condensed financial statement.

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UN-AUDITED)

(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS UNLESS OTHERWISE STATED)

5- INVESTMENTS IN EQUITY INSTRUMENTS AT FVTOCI

	31 March 2021		31 December 2020	
	(Unaudited)		(Audited)	
	Number of shares	Value	Number of shares	Value
Saudi Industrial Investment Group *	2,300	74,750	2,300	63,020
Industrialization & Energy Services Company **	27,187	451,584	27,187	451,584
Saudi Arabian Oil Co – Aramco ***	1,774	63,866	1,774	62,092
Total		590,200		576,696

* Saudi Industrial Investment Group is a Saudi Joint Stock Company listed in the Saudi Capital Market (Tadawul) in which the company owns 0.51%. The company revaluated the investment balance at fair value according to the market price as of March 31, 2021, where the share price on that date was SR 32.50 per share (corresponding to December 31, 2020, the fair value of the share was SR 27.40 per share).

** Industrialization & Energy Services Company is Saudi closed joint stock company in which the company owns 5.44%. The company's management determined the value of investments in the Industrialization & Energy Services Company based on a report from an independent evaluator.

*** During the year 2019, the company purchased 1.8 million shares in Saudi Aramco at a price of SR 32 per share when Saudi Aramco was offering shares for subscription, the share price on March 31, 2021 was SR 36 per share (December 31, 2020, the share price was SR 35 per share).

6- INVESTMENTS IN AN ASSOCIATE THROUGH EQUITY METHOD

The company has an investment of 31.58% in the Arab Yemeni Cement Company (the associate company) which is a limited liability company registered in the Republic of Yemen. The associate company was established to engage in cement production in 2009.

The movement of investments in the associate during the period/year is as follows:

	31 March 2021	31 December 2020
	(Unaudited)	(Audited)
Balance at the beginning of period / year	266,014	236,987
Share of results in associate company	6,703	38,317
Dividends	-	(9,290)
	272,717	266,014
Less: Impairment of investment	(66,996)	(66,996)
Balance at the end of period / year	205,721	199,018

7- CAPITAL

The issued and authorized paid up share capital is SAR 860 million, which is divided into 86 million shares (31 December 2020: 86 million shares) at SAR 10 per share.

EASTERN PROVINCE CEMENT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UN-AUDITED)

(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS UNLESS OTHERWISE STATED)

8- DUE TO A RELATED PARTY

Related parties represent the associate companies, controlled companies, or subject to joint control or significant influence by these related parties. Price and terms and conditions of related parties transactions are approved the Board of Directors.

Transactions and balances with a related party during the period / year were represented in:

▪ Transactions with Al-Dawaa Medical Services Company Ltd.

- The company has leased administrative offices to Al-Dawaa Medical Services Ltd. for a period of five Hijri years, at an amount of SR 1.6 million annually. This has been considered within the transactions with related parties where the chairman of the board of directors occupies one of the executive positions of Al-Dawaa Medical Services Ltd. as well as the presence of the member of the company's board of directors as a member of the board of directors of Al-Dawaa Co.
- The balances, as at March 31, 2021, represent rental revenues of SR 425 thousands, SR2 millions included in the balances of the lessees of the tower, SR 1.2 million unearned revenue, and credit retention with amount SR 165 thousands (December 31, 2020; SR 2 million included within the tower lessees receivable balances, SR 1.7 million unearned for the tower and credit retention with amount SR 165 thousands).

▪ Transactions with Arabian Yemen Cement Company Ltd (an associate company)

Amounts received and payments by the Company on behalf of "Arabian Yemeni Cement Company Limited" (an associate company) where the SR 1.2 million paid on behalf of the company amounted to SR 91 thousands, where the associate company faces difficulties in the bank transfers to and from the Republic of Yemen.

	30 March 2021 (Unaudited)	31 December 2020 (Audited)
Arabian Yemeni Cement Company (Associate company)	7,110	7,201

9- ZAKAT PROVISION

A- Movement of zakat provision

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
The balance at the beginning of the period / year	23,809	24,023
Paid during the period / year	-	(21,150)
Provided to the current period / year *	6,300	29,000
Payment for Zakat assessment	(352)	(8,064)
The balance at the end of the period / year	29,757	23,809

* Zakat is calculated for the three months period ended March 31, 2021 according to the management estimates of the Zakat base on that date.

B- Status of Zakat assessment

The company submitted the zakat returns for the years up to 2019 to the GAZIT.

In 2020, the company received the zakat assessment for the years 2017 and 2018 from the General Authority for Zakat and Income at an amount of SR 8 million, and the company settled those differences with the Zakat Authority during the first quarter of 2021 against payment of SR 7,325 paid during 2020 and the first quarter of 2021.

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UN-AUDITED)

(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS UNLESS OTHERWISE STATED)

10- EARNING PER SHARE

The basic earnings per share is calculated by dividing the net income for the year attributable to the ordinary shareholders of the company by the outstanding weighted average number of ordinary shares during the period. The following is the income statement and shares data used in calculating the basic and diluted earnings per share:

	31 March 2021 (Un-Audited)	31 March 2020 (Un-Audited)
Net income for the period (in thousands of SR)	59,880	85,235
Number of outstanding share (in thousands of shares)	86,000	86,000
Earnings per share (SR)	0,70	0,99

11- CAPITAL COMMITMENTS

The Company's board of directors has approved future capital projects as of March 31, 2021 of SR 10 million (31 December 2020: SR 7 million).

12- CONTINGENT LIABILITIES

As on March 31, 2021, the Company's contingent liabilities against letters of credit and letters of guarantees amounting to SR 86 million (December 31, 2020: SR 100 million).

13- DIVIDENDS PAYABLE

The General assembly approved in their meeting held on April 12, 2021, the distribution of cash dividends to the shareholders of the company for the financial year 2020, with total amount of SR 215 million, at SR 2.5 per share and the number of shares eligible for the dividends is 86 million shares, for the shareholders who own the shares at the date the assembly was held and who are registered in the company's shareholders register with the depository center at the end of the second trading day following the due date.

14- SEGMENT INFORMATIONS

The financial information are summarized, according to the main activities as follows:

	Cement	Pre-cast Concrete	Total
31 March 2021 (Un-audited)			
Trade receivables	151,746	62,883	214,629
Sales	186,747	29,947	216,694
Costs and expenses	(129,186)	(28,861)	(158,047)
Operating Profit	57,561	1,086	58,647
31 March 2020 (Un-audited)			
Trade receivables	184,787	57,436	242,223
Sales	208,184	25,847	234,031
Costs and expenses	(130,593)	(25,394)	(155,987)
Operating Profit	77,591	453	78,044

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UN-AUDITED)
(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS UNLESS OTHERWISE STATED)

14- SEGMENT INFORMATIONS (CONTINUED)

The financial information's are summarized according to the main segments as follows:

31 March 2021 (Un-audited)	Local Segment	Export Segment	Total
Trade receivables	208,963	5,666	214,629
Sales	212,978	3,716	216,694
Costs and expenses	(155,284)	(2,763)	(158,047)
Operating Profit	57,694	953	58,647
31 March 2020 (Un-audited)			
Trade receivables	238,158	4,065	242,223
Sales	228,880	5,151	234,031
Costs and expenses	(152,466)	(3,521)	(155,987)
Operating Profit	76,414	1,630	78,044

15- FAIR VALUE

The fair value is the value by which an asset is sold or a liability is paid between parties willing to do so on terms of fair dealing at the measurement date. Within the definition of fair value there is an assumption that the company is a continuous operating company whereby there is no intention or condition to materially limit the volume of its operations or conducting a transaction with adverse terms.

The fair value is classifying into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level one: Market prices disclosed in active markets for similar assets or liabilities that can be acquired at the valuation date.

Level two: Inputs other than the market prices shown in the first level, which can be observed directly (the similar prices) or indirectly.

Level three: inputs for the assets or liabilities that do not depend on observable market information and cannot be observed directly or indirectly from the market.

The table below shows the book values and fair values of financial assets and financial liabilities, including their levels in the hierarchy of the fair value. It doesn't Include fair value information for financial assets and financial liabilities that are measured at fair value if the carrying amount reasonably approximates the fair value:

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
As of 31 March 2021(Unaudited)					
Investments in equity instruments through OCI	563,192	111,608	-	451,584	563,192
As of 31 December 2020(Audited)					
Investments in equity instruments through OCI	576,696	125,112	-	451,584	576,696

The fair value of financial instruments carried at amortized cost

The management believes that the carrying values of financial assets and financial liabilities stated at amortized cost in the financial statements approximate their fair values.

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UN-AUDITED)
(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS UNLESS OTHERWISE STATED)

16- SIGNIFICANT EVENTS

The impacts of Covid-19 has been disclosed in detail in the annual financial statements of the Company for the year ended 31 December 2020. In the three months period ended 31 March 2021, the Company's management did not observe any significant impact on the operations of the Company as the operations were coming back to normal from the second quarter of 2020. However, the Company 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 Company's operations during 2021 or beyond.

17- COMRATIVE FIGURES

Some selling and marketing expenses have been reclassified to the cost of sales by an amount of SR 1.2 million, in order to commensurate with the presentation and disclosure of the current year, and the reclassification did not result in any modification to the net income before zakat or the total comprehensive income for the comparative year.

18- APPROVING THE FINANCIAL STATEMENTS

The Company's Board of Directors approved these interim condensed financial statements on April 28, 2021.