

Qassim Cement Company
(A Saudi Joint Stock Company)
Condensed Interim Financial Statements (Unaudited)
For the three-month and nine-month periods ended 30 September 2023
Together with the
Independent Auditor's Report on Review of Condensed Interim Financial Statements



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كي بي إم جي للاستشارات المهنية

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

المركز الرئيسي في الرياض

Independent Auditor's Report on Review of Condensed Interim Financial Statements

To the Shareholders of Qassim Cement Company

Introduction

We have reviewed the accompanying 30 September 2023 condensed interim financial statements of Qassim Cement Company ("the Company"), which comprise:

- The condensed interim statement of financial position as at 30 September 2023;
- The condensed interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2023;
- The condensed interim statement of changes in equity for the nine-month period ended 30 September 2023;
- The condensed interim statement of cash flows for the nine-month period ended 30 September 2023; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2023 condensed interim financial statements of **Qassim Cement Company** ("the Company") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services



Fahad Mubark Aldossari
License No. 469



Riyadh, 28 Rabi-Al-Thani 1445H
Corresponding to: 12 November 2023

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كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مملها (٤٠,٠٠٠,٠٠٠) ريال سعودي مغروح بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاء محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Qassim Cement Company

(A Saudi Joint Stock Company)

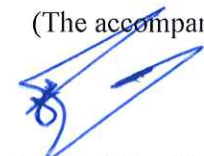
Condensed Interim Statement of Financial Position (unaudited)

As at 30 September 2023

(Saudi Riyal)

	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	(6)	509,882,187	547,841,833
Projects in progress	(6)	184,713,698	94,232,742
Investment properties		9,516,450	9,516,450
Financial investments at FVTPL	(7.a)	32,896,208	39,962,379
Financial investments at amortized cost - non-current portion	(9)	100,000,000	100,000,000
Right-of-use assets		795,494	1,346,221
Total non-current assets		837,804,037	792,899,625
Current assets			
Inventory	(8)	384,805,570	345,766,076
Financial investments at amortized cost - current portion	(9)	185,830,667	224,000,000
Financial investments at FVTPL	(7.b)	297,507,850	437,163,400
Trade receivables		65,308,558	51,599,897
Prepaid expenses and other receivables		15,804,258	23,115,134
Cash and cash equivalents		49,498,503	51,883,753
Total current assets		998,755,406	1,133,528,260
Total assets		1,836,559,443	1,926,427,885
Equity and liabilities			
Equity attributable to the Company's Shareholders			
Share capital	(1)	900,000,000	900,000,000
Statutory reserve		270,000,000	270,000,000
Cumulative changes in other comprehensive income		(3,778,033)	(3,778,033)
Retained earnings		428,635,887	498,554,857
Total equity		1,594,857,854	1,664,776,824
Liabilities			
Non-current liabilities			
Provision for rehabilitation of areas subject to franchise license		14,574,387	13,900,094
Employees' benefits obligations		44,627,501	42,172,381
Long-term lease liabilities		40,317	606,653
Total non-current liabilities		59,242,205	56,679,128
Current liabilities			
Trade and other payables		105,077,068	118,769,814
Dividends payable	(10)	56,170,849	57,510,427
Zakat provision		20,247,452	26,887,677
Other provisions	(16)	143,755	983,755
Short-term lease liabilities		820,260	820,260
Total current liabilities		182,459,384	204,971,933
Total liabilities		241,701,589	261,651,061
Total equity and liabilities		1,836,559,443	1,926,427,885

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



Masoud Hamid Amin
Chief Financial Officer
(authorized)



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

Qassim Cement Company
(A Saudi Joint Stock Company)

Condensed Interim statement of profit or loss and other comprehensive income (unaudited)

For the three-month and nine-month periods ended 30 September 2023

(Saudi Riyal)

	Note	For the three-month period ended 30 September 2023	30 September 2022	For the nine-month period ended 30 September 2023	30 September 2022
Sales		120,838,854	166,779,051	432,097,312	461,402,049
Cost of sales		(107,772,323)	(128,688,866)	(324,830,727)	(350,265,875)
Gross profit		13,066,531	38,090,185	107,266,585	111,136,174
Selling and marketing expenses		(2,122,235)	(2,862,436)	(7,934,600)	(8,625,303)
General and administrative expenses		(4,865,117)	(7,214,912)	(18,069,457)	(19,840,798)
Reversal/ (provision for) expected credit losses of trade receivables		--	352,857	(79,226)	1,560,989
Other income, net	(12)	4,004,424	5,673,964	6,238,215	16,076,880
Operating profit		10,083,603	34,039,658	87,421,517	100,307,942
Unrealized gains/(losses) from investments at FVTPL, net		(4,141,917)	(5,153,498)	11,350,790	(12,739,025)
Income/ (losses) of investments at fair value through profit or loss		1,914,856	(860,678)	4,538,508	2,678,151
Income from financial investments at amortized cost		4,536,407	2,427,778	14,904,049	7,686,969
Finance costs		(238,439)	(256,230)	(723,152)	(776,105)
Profit before zakat		12,154,510	30,197,030	117,491,712	97,157,932
Zakat		(4,108,660)	(6,769,103)	(16,410,682)	(19,687,103)
Net Income for the period		8,045,850	23,427,927	101,081,030	77,470,829
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Re-measurement of employees' end-of-service benefits		--	--	--	--
Total comprehensive income		8,045,850	23,427,927	101,081,030	77,470,829
Basic and diluted earnings per share for the period:	(13)	0.09	0.26	1.12	0.86

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

Masoud Hamid Amin

Chief Financial Officer
(authorized)

Eng. Omar Bin Abdullah Al Omar

Chief Executive Officer - Board
Member

Qassim Cement Company

(A Saudi Joint Stock Company)

Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine-month period ended 30 September 2023

(Saudi Riyal)

	Share capital	Statutory reserve	Retained earnings	Cumulative changes in the items of other comprehensive income	Total
For the nine-month period ended 30 September 2022					
Balance as at 1 January 2022	900,000,000	270,000,000	566,042,300	(3,863,383)	1,732,178,917
Profit for the period	--	--	77,470,829	--	77,470,829
Other comprehensive income	--	--	--	--	--
Total comprehensive income	--	--	77,470,829	--	77,470,829
Interim dividends (Note 10)	--	--	(144,000,000)	--	(144,000,000)
Balance as at 30 September 2022	<u>900,000,000</u>	<u>270,000,000</u>	<u>499,513,129</u>	<u>(3,863,383)</u>	<u>1,665,649,746</u>
For the nine-month period ended 30 September 2023					
Balance as at 1 January 2023	900,000,000	270,000,000	498,554,857	(3,778,033)	1,664,776,824
Profit for the period	--	--	101,081,030	--	101,081,030
Other comprehensive income	--	--	--	--	--
Total comprehensive income	--	--	101,081,030	--	101,081,030
Interim dividends (Note 10)	--	--	(171,000,000)	--	(171,000,000)
Balance as at 30 September 2023	<u>900,000,000</u>	<u>270,000,000</u>	<u>428,635,887</u>	<u>(3,778,033)</u>	<u>1,594,857,854</u>

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

Masoud Hamid AminChief Financial Officer
(authorized)

Eng. Omar Bin Abdullah Al Omar

Chief Executive Officer - Board
Member

Qassim Cement Company
(A Saudi Joint Stock Company)
Condensed Interim Statement of Cash Flows (Unaudited)
For the nine-month period ended 30 September 2023
(Saudi Riyal)

	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Profit for the period	101,081,030	77,470,829
Adjustments:		
Zakat expense	16,410,682	19,687,103
Depreciation of property, plant and equipment	53,532,234	53,692,690
Depreciation of right-of-use assets	550,727	550,726
Creation/ (reversal) of provision for expected credit losses on trade receivables	79,226	(1,560,989)
Reversal of other provisions	(840,000)	(8,000,000)
Creation of provision for obsolete and slow-moving inventory	1,395,866	1,149,698
Unrealized losses/ (gains) on financial investments at FVTPL	(11,350,790)	12,739,025
Revenue from investments at amortized cost	(14,904,049)	(7,686,968)
Employees' benefits obligations	4,288,164	3,941,271
Finance costs	723,152	776,106
	150,966,242	152,759,491
Changes in working capital:		
Inventory	(40,435,360)	(69,169,853)
Trade receivables	(13,787,887)	(27,355,961)
Prepaid expenses and other receivables	9,507,811	(6,607,431)
Trade and other payables	(13,692,746)	10,742,888
Used from other provisions	--	(10,000,000)
End-of-service benefits paid	(1,833,044)	(2,811,809)
Amounts paid for Zakat	(23,050,907)	(26,797,889)
Net cash generated from operating activities	67,674,109	20,759,436
Investing activities		
Payment to purchase property, plant and equipment	(106,053,544)	(63,814,442)
Paid to purchase investments at fair value through profit or loss	(26,418)	(74,913,185)
Proceeds from sale of investments at fair value through profit or loss	158,098,929	143,093,627
Payment to purchase financial investments at amortized cost	(402,188,167)	(66,382,875)
Proceeds from financial investments at amortized cost	440,357,500	152,682,875
Proceeds from revenues of investments at amortized cost	12,707,114	6,247,136
Net cash generated from investing activities	102,895,414	96,913,136
Financing activities		
Lease payments	(615,195)	(615,196)
Dividends paid	(172,339,578)	(106,283,855)
Net cash used in financing activities	(172,954,773)	(106,899,051)
Change in cash and cash equivalents during the period	(2,385,250)	10,773,521
Cash and cash equivalents as at the beginning of the period	51,883,753	107,402,465
Cash and cash equivalents as at the end of the period	49,498,503	118,175,986
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Significant non-cash transactions		
Projects in progress transferred to property, plant and equipment	2,089,343	1,895,316

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

Masoud Hamid Amin

Chief Financial Officer
(authorized)

Eng. Omar Bin Abdulnash Al Omar

Chief Executive Officer - Board
Member

Qassim Cement Company

(A Saudi Joint Stock Company)

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine-month period ended 30 September 2023

(Saudi Riyal)

1- COMPANY INFORMATION

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

As at 30 September 2023 and 31 December 2022, the share capital of the Company is SR 900 million divided into 90 million shares at SR 10 each.

The Company is engaged in manufacturing and producing cement, its derivatives and supplements, the trade of these products, and carrying out all works directly and indirectly related to this purpose. The Company carries out its activities through its factory located in Buraydah - Qassim.
The Company’s fiscal year shall begin on 1 January and end on the 31 December of each Gregorian year.

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

The new Regulations for companies issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as “The Law”) entered into force on 26/6/1444H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected no later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is in process of assessing the impact of the new Regulations for companies and will amend its Company’s by-laws for any changes to align the by-laws with the provisions of Law (if any). Consequently, the Company shall present the amended By-laws to the shareholders in their Extraordinary/Annual General Assembly meeting for their ratification.

2- Basis of financial statements preparation

2-1 Statement of compliance

These Condensed Interim financial statements for the period ended 30 September 2023 have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). These Condensed Interim financial statements should be read in conjunction with the Company’s last year financial statements as at 31 December 2022 (“Last year financial statements”). These financial statements do not include all the required information to prepare a full set of financial statements in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia; however, certain accounting policies and selected explanatory notes are included to explain significant events and transactions to understand the changes in the Company’s financial position and performance from last year financial statements. In addition, the results for the nine-month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the year ended 31 December 2023.

These Condensed Interim financial statements have been approved for issuance by the Audit Committee on 23 Rabi’ II 1445H (corresponding to 7 November 2023) based on an authorization from the Board of Directors.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

These Condensed Interim financial statements are prepared in Saudi Arabian Riyals (“SAR”) which is the Company’s functional and presentation currency.

Qassim Cement Company

(A Saudi Joint Stock Company)

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine-month period ended 30 September 2023

(Saudi Riyal)

3- USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

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

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

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

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

4- SIGNIFICANT ACCOUNTING POLICES

The accounting policies used when preparing these Condensed Interim financial statements are in line with what is stated in the notes to the financial statements of the Company for the year ended 31 December 2022.

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

a) New standards, amendment to standards and interpretations

New standards and a set of amendments to standards have been issued, effective from 1 January 2023, and have been explained in the annual financial statements, but they do not have a material effect on the Condensed Interim financial statements.

5- SEGMENT INFORMATION

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

a) The financial information for revenue and profits related to the sectors for the nine-month period ended 30 September 2023 and 2022 is as follows:

	Operating Segment		Investing Segment	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Revenue from contracts with customers	432,097,312	461,402,049	--	--
Profits/ (losses) for the period before Zakat	86,698,365	99,531,837	30,793,347	(2,373,905)

b) Financial information of sectors' assets and liabilities as at 30 September 2023 and 31 December 2022 is as follows:

	Operating Segment		Investing Segment	
	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Total assets	1,220,324,718	1,125,302,106	616,234,725	801,125,779
Total liabilities	241,701,589	261,651,061	--	--

6- PROPERTY, PLANT, EQUIPMENT AND PROJECTS IN PROGRESS

Qassim Cement Company

(A Saudi Joint Stock Company)

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine-month period ended 30 September 2023

(Saudi Riyal)

As at 30 September 2023, the total cost of property, plant and equipment was SR 2.408 million (31 December 2022: SR 2.393 million), and the accumulated depreciation was SR 1.898 million (31 December 2022: SR 1.845 million). As at 30 September 2023, the value of projects in progress amounted to SR 184.7 million (31 December 2022: SR 94 million). During the nine-month period ended 30 September 2023, the Company has added property, plant, equipment and projects in progress of SR 106.05 million (for the year ended 31 December 2022: SR 82.1 million).

7- FINANCIAL INVESTMENTS AT FVTPL

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Financial investments at FVTPL - non-current (7.a)	32,896,208	39,962,379
Financial investments at FVTPL - current (7.b)	297,507,850	437,163,400

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

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period/year	39,962,379	69,031,049
Disposals during the period / year	--	(34,913,186)
Unrealized (losses) / profits	(7,066,171)	5,844,516
	32,896,208	39,962,379

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

7.b Financial investments at FVTPL - current

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period/ year	437,163,400	596,413,419
Additions during the period / year	26,418	74,913,186
Disposals during the period/ year	(158,098,929)	(207,079,732)
Unrealized profits/ (losses)	18,416,961	(27,083,473)
	297,507,850	437,163,400

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

Qassim Cement Company

(A Saudi Joint Stock Company)

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine-month period ended 30 September 2023

(Saudi Riyal)

8- INVENTORY

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Spare parts	125,306,292	115,026,192
Raw materials	94,383,578	96,550,088
Production in progress	169,801,998	146,914,938
Finished goods	10,976,809	4,916,866
Packing and packaging materials	5,992,946	3,159,189
Consumables and supplies	3,832,747	3,457,736
Goods in transit	2,123,805	1,957,806
	412,418,175	371,982,815
Less: provision for obsolete and slow moving inventory	(27,612,605)	(26,216,739)
	384,805,570	345,766,076

Movement in provision for obsolete and slow-moving inventory during the period is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / year	26,216,739	26,983,814
Provided during the period / year	1,395,866	1,684,890
Utilized during the period/ year	--	(2,451,965)
	27,612,605	26,216,739

9- FINANCIAL INVESTMENTS AT AMORTIZED COST

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / year	324,000,000	286,300,000
Additions during the period/ year	402,188,167	290,382,875
Disposals during the period / year	(440,357,500)	(252,682,875)
	285,830,667	324,000,000

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

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Non-current portion of financial investments at amortized cost (*)	100,000,000	100,000,000
Current portion of financial investments at amortized cost	185,830,667	224,000,000

Financial investments are represented in Murabaha and Sukuk with profit margin. The average annual rate of return is 2.97% per annum (2022: 5.38% per annum). During the nine-month period ended 30 September 2023, total Murabaha and Sukuk income of SR 14.90 million has been charged to the statement of profit or loss (30 September 2022: SR 7.69 million).

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

Qassim Cement Company

(A Saudi Joint Stock Company)

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine-month period ended 30 September 2023

(Saudi Riyal)

10- DIVIDENDS**During the nine-month period ended 30 September 2023**

- On 19 February 2023, based on the prior authorization of the General Assembly to shareholders, the Board of Directors decided to distribute dividends of SR 54 million at SR 0.60 per share for the fourth quarter dividends of 2022.
- On 24 May 2023, based on the prior authorization of the General Assembly of shareholders, the Board of Directors decided to distribute dividends of SR 58.5 million at SR 0.65 per share for the first quarter dividends of 2023.
- On 22 August 2023, based on the prior authorization of the General Assembly of shareholders, the Board of Directors decided to distribute dividends of SR 58.5 million at SR 0.65 per share for the second quarter dividends of 2023.

During the nine-month period ended 30 September 2022

- On 8 February 2022, based on the authorization of the General Assembly of the shareholders, the Board of Directors decided to distribute dividends of SR 54 million at SR 0.60 per share for the fourth quarter dividends of 2021.
- On 23 March 2022, the Company's Ordinary General Assembly convened and approved the Board of Directors' distribution of dividends to the shareholders in the amount of SR 315 million at (SR 3.5) per share for the first, second, third and fourth quarters of 2021.
- On 17 May 2022, based on the authorization of the General Assembly of shareholders, the Board of Directors decided to distribute dividends of SR 45 million at SR 0,50 per share for the first quarter dividends of the year 2022.
- On 13 September 2022, based on the authorization of the General Assembly of shareholders, the Board of Directors decided (by passing) to distribute dividends of SR 45 million at SR 0,50 per share for the second quarter dividends of the year 2022.

11- ZAKAT

The Company submitted all Zakat returns due up to the year ended 31 December 2022. On 21 Ramadan 1444H (corresponding to 12 April 2023), the Company obtained a certificate from ZATCA for the year ended 31 December 2022 to enable it to complete all its transactions, including the payment of its final accruals for contracts. The certificate is valid up to 30 April 2024. The Company is currently undergoing Zakat and VAT review for the years 2021 and 2022, and the review has not yet been finalized up to the date of the interim financial statements.

12- OTHER INCOME, NET

	For the three-month period ended		For the nine-month period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Contractors compensation	42,196	34,458	606,247	320,741
Rental income	266,974	278,533	796,322	918,605
Deposits received from Human Resources Development Fund	313,594	179,038	791,975	836,531
Revenue from sale of cement dust	78,998	13,234	241,976	63,829
Revenue from sale of industrial waste and scrap	315,537	433,030	520,696	873,839
Revenues from insurance claims	--	3,179,269	-	3,179,269
Reversal of provisions and expenses reimbursements	2,449,632	--	2,724,211	8,000,000
Other miscellaneous income, net	537,493	1,556,402	556,788	1,884,066
	4,004,424	5,673,964	6,238,215	16,076,880

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13- BASIC AND DILUTED EARNINGS PER SHARE

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

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

	For the three-month period ended		For the nine-month period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Net income for the period	8,045,850	23,427,927	101,081,030	77,470,829
Number of shares	90,000,000	90,000,000	90,000,000	90,000,000
Weighted average number of shares	90,000,000	90,000,000	90,000,000	90,000,000
Basic and diluted earnings per share	0.09	0.26	1.12	0.86

14- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 30 September 2023, the Company has bank facilities in the form of letters of guarantee and letters of credit from commercial banks of SR 37.31 million (31 December 2022: SR 91.8 million).

As at 30 September 2023, the capital commitments on the Company are SR 27.73 million (31 December 2022: SR 121.8 million). The total value of project contracts amounted to SR 184.7 million as at 30 September 2023 (31 December 2022: SR 201.8 million).

15- DISCLOSURES RELATED TO PARTY PARTIES

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

Key management personnel remuneration

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

	30 September 2023 (Unaudited)	30 September 2022 (unaudited)
Salaries and short-term benefits - executive management personnel	7,879,430	10,583,051
Board of Directors' and committees' remuneration	2,400,000	2,416,000
Post-employment benefits - executive management personnel	1,052,822	514,312
	11,332,252	13,513,363

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16- OTHER PROVISIONS

	<u>30 September</u> <u>2023</u> (Unaudited)	<u>31 December</u> <u>2022</u> (Audited)
Provision for legal claims and objections	<u>143,755</u>	<u>983,755</u>
	<u>143,755</u>	<u>983,755</u>

Movement in other provisions during the period was as follows:

	<u>30 September</u> <u>2023</u> (Unaudited)	<u>31 December</u> <u>2022</u> (Audited)
Balance at the beginning of the period / year	983,755	18,983,755
Utilized during the period/ year	--	(10,000,000)
Reversal during the period/ year	<u>(840,000)</u>	<u>(8,000,000)</u>
	<u>143,755</u>	<u>983,755</u>

17- FINANCIAL INSTRUMENTS

a) Fair value measurement

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

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

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

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

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

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

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17- FINANCIAL INSTRUMENTS (CONTINUED)

b) Fair value measurement of financial instruments

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

				<u>30 September 2023</u>		Fair value		
	Fair value	Carrying amount Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value:								
Investments at fair value through profit or loss	330,404,058	--	--	330,404,058	87,466,539	193,777,458	49,160,061	330,404,058
	<u>330,404,058</u>	<u>--</u>	<u>--</u>	<u>330,404,058</u>	<u>87,466,539</u>	<u>193,777,458</u>	<u>49,160,061</u>	<u>330,404,058</u>
Financial assets at amortized cost:								
Financial investments at amortized cost	--	285,830,667	--	285,830,667	--	--	--	--
Trade receivables	--	65,308,558	--	65,308,558	--	--	--	--
Cash and cash equivalents	--	49,498,503	--	49,498,503	--	--	--	--
	<u>--</u>	<u>400,637,728</u>	<u>--</u>	<u>400,637,728</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Financial liabilities not measured at fair value:								
Trade payables	--	78,998,256	--	78,998,256	--	--	--	--
Accrued expenses and other payables	--	26,078,812	--	26,078,812	--	--	--	--
	<u>--</u>	<u>105,077,068</u>	<u>--</u>	<u>105,077,068</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

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17- FINANCIAL INSTRUMENTS (CONTINUED)

b) Fair value measurement of financial instruments (continued)

				<u>31 December 2022</u>		Fair value		
	Fair value	Carrying amount Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value:								
Investments at fair value through profit or loss	477,125,779	-	-	477,125,779	73,299,404	344,994,755	58,831,620	477,125,779
	477,125,779	-	-	477,125,779	73,299,404	344,994,755	58,831,620	477,125,779
Financial assets at amortized cost:								
Financial investments at amortized cost	-	324,000,000	-	324,000,000	-	-	-	-
Trade receivables	-	51,599,897	-	51,599,897	-	-	-	-
Cash and cash equivalents	-	51,883,753	-	51,883,753	-	-	-	-
	-	427,483,650	-	427,483,650	-	-	-	-
Financial liabilities not measured at fair value:								
Trade payables	-	-	29,129,692	29,129,692	-	-	-	-
Accrued expenses and other payables	-	-	89,640,122	89,640,122	-	-	-	-
	-	-	118,769,814	118,769,814	-	-	-	-

18- SUBSEQUENT EVENTS

No significant events occurred after 30 September 2023 and prior to the date on which the review report was signed that could have a material impact on the Condensed Interim financial statements.