

HAIL CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE AND NINE MONTHS PERIOD ENDED
SEPTEMBER 30, 2023

HAIL CEMENT COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE AND NINE MONTHS
PERIOD ENDED SEPTEMBER 30, 2023

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Professional LLC
Paid Capital One Million Saudi Riyals
C.R. No. 4030291245
58 Al Watan Al Arabi St. Al Hamra'a Dist.
P.O.Box 780, Jeddah 21421
Kingdom of Saudi Arabia
T: 012 669 3478 / 665 8711
F: 012 660 2432
Head Office
www.elayouty.com

TRANSLATED FROM ARABIC**INDEPENDENT AUDITOR'S REPORT ON REVIEW
OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

**TO THE SHAREHOLDERS:
HAIL CEMENT COMPANY
SAUDI JOINT STOCK COMPANY
Hail – SAUDI ARABIA**

Introduction:

We have reviewed the interim condensed statement of financial position of Hail Cement Company – Saudi Joint Stock Company- ("the Company") as at September 30, 2023, the condensed interim statements of profit or loss and other comprehensive income for the three and nine months period ended at September 30, 2023, the interim condensed changes in shareholders' equity and the interim condensed cash flows for the nine months then ended, and summary of significant accounting policies and other explanatory notes which form an integral part of these interim condensed financial statements.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IAS 34 "Interim Financial Reporting. 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 Statements Information performed by the Independent Auditor of the Entity" approved in the Kingdom of Saudi Arabia. A review of interim financial statement 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 that approved 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" approved in the Kingdom of Saudi Arabia.

Jeddah: November 04, 2023
Rabi' al Thani 20, 1445H

**FOR EL SAYED EL AYOUTY & CO.**


Abdullah Ahmad Balamash
Certified Public Accountant
License No. (345)

HAIL CEMENT COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

(All amounts in Saudi Riyals)

	Notes	September 30, 2023 Unaudited	December 31, 2022 Audited
Assets			
Non-current assets			
Property, plant and equipment - Net	6	611,523,753	641,917,276
Intangible assets - Net		1,394,240	1,824,020
Right to use assets - Net		7,718,741	8,040,988
Total non-current assets		620,636,734	651,782,284
Current assets			
Inventories – Net		306,733,700	273,283,337
Trade receivables - Net		9,491,892	13,146,301
Prepaid expenses and other receivable balances		17,699,016	20,754,546
Investments at FV through profit or loss	7	60,296,085	54,078,728
Cash and cash equivalents		83,188,824	130,972,569
Total current assets		477,409,517	492,235,481
Total assets		1,098,046,251	1,144,017,765
Shareholders' equity and Liabilities			
Shareholders' equity			
Share capital		979,000,000	979,000,000
Statutory reserve	8	-	58,348,557
Retained earnings		56,086,472	36,128,606
Treasury equities		(19,261,619)	(19,261,619)
Actuarial gains from other comprehensive income		6,787,420	6,787,420
Total shareholders' equity		1,022,612,273	1,061,002,964
Non-current liabilities			
Lease obligations		8,619,888	8,781,388
Employee defined benefits obligations		17,042,636	14,749,826
Other provisions		4,246,001	4,152,568
Total non-current liabilities		29,908,525	27,683,782
Current liabilities			
Trade payable		12,234,019	19,630,274
Accrued expenses and dividends payable		24,171,211	22,400,588
Zakat provision	9	9,120,223	13,300,157
Total current liabilities		45,525,453	55,331,019
Total liabilities		75,433,978	83,014,801
Total liabilities and shareholders' equity		1,098,046,251	1,144,017,765

The financial statements appearing on pages (1) to (11) have been approved by the Board of Directors and signed on their behalf by:

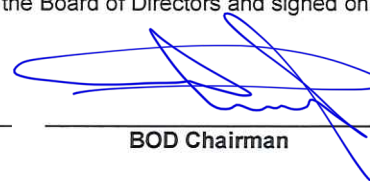
Chief Financial Officer



Chief Executive Officer - Board Member



BOD Chairman



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

HAIL CEMENT COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE THREE AND NINE MONTHS PERIOD ENDED AT 30 SEPTEMBER 2023

(All amounts in Saudi Riyals)

Notes	For the three months ended at September 30,		For the six months ended at September 30,	
	2023 Unaudited	2022 Unaudited	2023 Unaudited	2022 Unaudited
Revenue	51,526,301	103,280,477	173,160,698	268,215,003
Cost of revenue	(44,173,768)	(86,655,321)	(135,987,958)	(235,268,013)
Gross profit	7,352,533	16,625,156	37,172,740	32,946,990
Selling and distribution expenses	(790,995)	(848,509)	(2,602,421)	(2,632,666)
General and administrative expenses	(5,734,595)	(4,635,055)	(14,418,984)	(24,190,339)
Profit from operations	826,943	11,141,592	20,151,335	6,123,985
Finance costs	(411,899)	(389,404)	(1,206,662)	(1,178,044)
Income from deposits	1,394,672	140,394	4,037,075	150,978
Profit / (loss) from changes in fair value of investments at fair value through the profits and losses	7 (331,386)	(516,789)	6,217,357	(1,846,044)
Other income / (expenses)	(99,457)	868,610	825,751	1,125,177
Profit before zakat	1,378,873	11,244,403	30,024,856	4,376,052
Zakat	9 (4,484,006)	(3,426,741)	(8,643,503)	(10,280,223)
(Loss) / profit for the period	(3,105,133)	7,817,662	21,381,353	(5,904,171)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income	(3,105,133)	7,817,662	21,381,353	(5,904,171)
Basic and diluted earnings per share for the period:				
Basic earnings per share	10 (0.03)	0.08	0.22	(0.06)
Diluted earnings per share	10 (0.03)	0.08	0.22	(0.06)

The financial statements appearing on pages (1) to (11) have been approved by the Board of Directors and signed on their behalf by:


Chief Financial Officer



Chief Executive Officer - Board Member



BOD Chairman



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

HAIL CEMENT COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED AT SEPTEMBER 30, 2023

(All amounts in Saudi Riyals)

	Share capital SR	Statutory Reserve SR	Retained Earnings SR	Treasury equities SR	Actuarial gains/(losses) from other comprehensive income SR	Total equity SR
Balance as at 1 January 2022 (Audited)	979,000,000	56,707,109	69,883,755	-	(1,040,037)	1,104,550,827
Dividends during the period	-	-	(24,426,551)	-	-	(24,426,551)
Purchasing treasury shares during the period	-	-	-	(19,261,619)	-	(19,261,619)
Net (loss) for the period	-	-	(5,904,171)	-	-	(5,904,171)
Balance as at September 30, 2022	979,000,000	56,707,109	39,553,033	(19,261,619)	(1,040,037)	1,054,958,486
Balance as at 1 January 2023 (Audited)	979,000,000	58,348,557	36,128,606	(19,261,619)	6,787,420	1,061,002,964
Closing the statutory reserve in retained earnings	-	(58,348,557)	58,348,557	-	-	-
Dividends	-	-	(59,772,044)	-	-	(59,772,044)
Net profit for the period	-	-	21,381,353	-	-	21,381,353
Balance as at September 30, 2023	979,000,000	-	56,086,472	(19,261,619)	6,787,420	1,022,612,273

The financial statements appearing on pages (1) to (11) have been approved by the Board of Directors and signed on their behalf by:

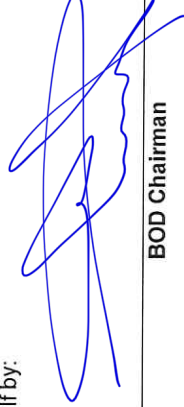
Chief Financial Officer



Chief Executive Officer / Board Member



BOD Chairman



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

HAIL CEMENT COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED AT SEPTEMBER 30, 2023

(All amounts in Saudi Riyals)

	Notes	for the three months ended at September 30,	
		2023 Unaudited	2022 Unaudited
Operating activities			
Net profit for the period before Zakat		30,024,856	4,376,052
Adjustment			
Depreciation of property, plant and equipment		38,402,687	47,886,211
Right to use amortization		322,247	322,247
Interests expense (re-measurement)		306,583	835,032
Employee benefit obligations expense		2,874,853	3,738,419
Provisions provided during the period		2,216,275	1,160,634
(Profit) / Losses from changes in fair value of investments at fair value through the profits and losses		(6,217,357)	1,846,044
Changes in operating assets and liabilities		67,930,144	60,164,639
Inventories		(35,320,452)	64,896,435
Trade receivables, prepaid expenses and other receivable balances		6,363,753	(18,262,998)
Trade payables, accrued expenses and dividends payables		(5,354,282)	(3,245,842)
Employee benefit obligations – paid during the period		(582,043)	(1,393,837)
Zakat – paid		(12,823,437)	(9,347,620)
Net cash provided by operating activities		20,213,683	92,810,777
Investing activities			
Purchase of property, plant and equipment		(7,579,384)	(3,600,788)
Net cash (used in) investing activities		(7,579,384)	(3,600,788)
Finance activities			
Purchase of treasury equities		-	(19,261,619)
Dividends – paid		(59,772,044)	(24,426,551)
Lease payments		(646,000)	(778,000)
Net cash (used in) financial activities		(60,418,044)	(44,466,170)
Net (decrease) / increase in cash and cash equivalents		(47,783,745)	44,743,819
Cash and cash equivalents, beginning of the period		130,972,569	47,914,295
Cash and cash equivalents, end of the period		83,188,824	92,658,114
Non-cash transactions:			
Closing the statutory reserve in retained earnings		(58,348,557)	-

The financial statements appearing on pages (1) to (11) have been approved by the Board of Directors and signed on their behalf by:

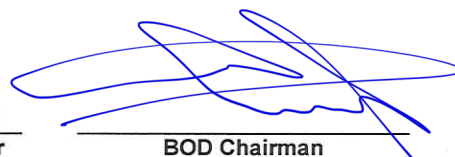
Chief Financial Officer



Chief Executive Officer - Board Member



BOD Chairman



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

HAIL CEMENT COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed financial statements for the three and nine months periods ended September 30, 2023

1. The Company and activity

The Company

HAIL CEMENT COMPANY (the "Company"), is a Saudi Joint Stock Company, registered in Hail, Saudi Arabia under Commercial Registration No. 3350026399 dated November 30, 2010 (corresponding to 24 Dhul Hijjah 1431 H). Furthermore, the Company has also obtained a ministerial resolution No. 384/G on November 30, 2010 (corresponding to 24 Dhul Hijjah 1431 H) from the Ministry of Commerce and Industry.

The company obtained an industrial investment license from the former Saudi Arabian General Investment Authority (SAGIA) (currently the Ministry of Investment) with No. 141931098717 on Ramadan 16, 1431 AH (corresponding to August 26, 2010).

The company's shares are listed on the Saudi stock market (Tadawul) under the supervision of the Capital Market Authority (CMA) in the Kingdom of Saudi Arabia.

The company's main address is: Hail. P.O. Box: 1008, Zip Code: 81431.

- The company's extraordinary general assembly, held on July 31, 2023, resolved to amend some provisions of the bylaws. The company's bylaws were amended on 08/19/2023. These amendments are as follows:

- 1- Approve to amend article number 4 of HCC Bylaw, related to participation and ownership in other companies.
- 2- Approve to amend article number 9 of HCC Bylaw, related to preferred shares.
- 3- Approve to amend article number 11 of HCC Bylaw, related to issuance of shares.
- 4- Approve to amend article number 12 of HCC Bylaw, related to stock trading.
- 5- Approve to amend article number 15 of HCC Bylaw, related to capital increase.
- 6- Approve to amend article number 16 of HCC Bylaw, related to capital decrease.
- 7- Approve to amend article number 17 of HCC Bylaw, related to company management.
- 8- Approve to amend article number 35 of HCC Bylaw, related to GAM decisions.
- 9- Approve to amend article number 37 of HCC Bylaw, related to presidency of the General assembly meeting and Minutes of meeting preparation.
- 10- Approve to amend article number 39 of HCC Bylaw, related to Audit Committee.
- 11- Approve to amend article number 41 of HCC Bylaw, related to Audit Committee competences.
- 12- Approve to amend article number 44 of HCC Bylaw, related to Nomination and remuneration committee.
- 13- Approve to amend article number 48 of HCC Bylaw, related to Financial documents.
- 14- Approve to amend article number 49 of HCC Bylaw, related to dividends distribution.
- 15- Approve to amend article number 50 of HCC Bylaw, related to dividends accrual.
- 16- Approve to delete article number 51 of HCC Bylaw, related to preferred stock dividends.
- 17- Approve to amend article number 53 of HCC Bylaw, related to liability suit.
- 18- Approve to transfer the balance of the statutory reserve (SR 58,348,557) as stated in the financial statements of the fiscal year ended 31 December 2022 to retained earnings account.
- 19- Approve to amend the company's bylaw to be in line with the new companies' law.

The Company's activities

The Company's activities include the production and distribution of cement and its derivatives of all kinds of building materials and related accessories inside and outside the Kingdom of Saudi Arabia. The company also trades in cement and its derivatives of all kinds of building materials and related accessories inside and outside the Kingdom of Saudi Arabia. The company operates through its factory located in the Hail region.

HAIL CEMENT COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed financial statements for the three and nine months periods ended September 30, 2023

1. The Company and activity (Continued)

The Financial period

The financial period presented of the company begins on January 1, 2023 and ends on September 30, 2023 and the company's financial year starts from the beginning of January of each Gregorian year and ends at the end of December of the same year.

Proposed acquisition transaction

On September 25, 2022, Hail Cement Company has signed a non-binding memorandum of understanding with Qassim Cement Company, pursuant to which the two companies agreed to commence discussions in relation to a securities exchange transaction pursuant to which Qassim Cement will acquire all issued shares in Hail Cement (the "Proposed Transaction"). On this basis, Qassim Cement and Hail Cement have agreed to proceed with relevant due diligence in relation to the Proposed Transaction. Subject to the satisfactory completion of financial evaluation of the Proposed Transaction and the results of the relevant due diligence exercise, Qassim Cement and Hail Cement will proceed with discussions in the context of a non-binding exchange ratio where the shareholders of Hail Cement will receive 0.1933 newly issued shares in Qassim Cement for every share they own in Hail Cement (the "Exchange Ratio"). The total consideration payable by Qassim Cement to Hail Cement's shareholders, should the Proposed Transaction complete based on the Exchange Ratio, will be approximately 18,924,070 newly issued shares in Qassim Cement. At a closing share price of SAR 75 per Qassim Cement share on 21-09-2022G, the Proposed Transaction, if completed based on the Exchange Ratio, would value each Hail Cement share at SAR 14.5, which represents a premium of 18.7% to the Hail Cement share price as of 21-09-2022.

The company has appointed a financial consultant for the company to conduct the necessary financial studies by one of the consulting offices (E&Y Office) to study the reality of the financial situation of the Qassim Cement Company. The financial studies have not been completed and his report has not been submitted to the company until the end of the current period.

2. Basics of preparing interim condensed financial statements

Basis of preparation

These interim condensed financial statements have been prepared for the six months ended September 30, 2023 in accordance with IAS 34 Interim Financial Reporting adopted in Saudi Arabia and other standards and pronouncements endorsed by SOCPA. These interim condensed 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.

Basis of measurement

These interim condensed financial statements have been prepared according to the accrual basis of accounting using the concept of going concern and on the basis of historical cost, except for:

- Investments that are measured at fair value through profit or loss.
- Employee defined benefit obligations that are measured at the present value of future liabilities according to the projected credit unit method.

Functional and presentation currency

These financial statements' items are presented in Saudi Arabian Riyals "SR" which is the functional and presentation currency of the Company. All figures are rounded to the nearest Saudi Riyals unless otherwise stated.

HAIL CEMENT COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed financial statements for the three and nine months periods ended September 30, 2023

2. Basics of preparing interim condensed financial statements..(Continued)

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, disclosure of contingent liabilities on the financial statements and the amounts of revenues and expenses of the declared values during the reporting period. Although these estimates and judgments are based on the best information available to management on operations and current events, actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation in these financial statements were the same as those that applied to the financial statements as at and for the year ended December 31, 2022.

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 December 31, 2022.

4. New Standards, Amendments to Standards and Interpretations

No new IFRS standards have been applied; however, a number of IFRS amendments are effective as of January 1, 2023 but have no significant impact on the Company's interim condensed consolidated financial statements.

Standard - Interpretation	Description	Effective date
IAS 1	Disclosure initiative: Accounting policies (IFRS Practice Statement 2 "Making Materiality Judgments")	01 January 2023
IAS 8	Amendments to "Accounting Policies" and changes in accounting estimates and errors related to definition of accounting estimates	01 January 2023
IAS 12	Amendments to "Income Taxes" of deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
IFRS 17	Amendments to initial application of insurance contracts	01 January 2023

1.1 New and revised IFRS not yet effective and not applicable:

The following are standards and interpretations issued and not yet effective and not applicable as of the date of the interim condensed consolidated financial statements:

Standard - Interpretation	Description	Effective date
IAS 1	Amendments to "Presentation of Financial Statements" to clarify classification of liabilities as current or non- current	01 January 2024
IFRS 16	Amendments to the Leases Standard relating to sale and leaseback transactions and the assessment of whether a transfer of assets is a sale.	01 January 2024

HAIL CEMENT COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed financial statements for the three and nine months periods ended September 30, 2023

5. Segment information

The Company's core business is in one product within the Kingdom of Saudi Arabia, therefore it does not report on operating segments in multiple products or in different geographical areas.

6. Property, plant and equipment – net

6.1. Movement in property, plant and equipment

For the purpose of preparing the interim condensed cash flow statement, the movement in property, plant and equipment during the nine-month period ended September 30 is as follows:

	for the nine months ended at September 30,	
	<u>2023</u>	<u>2022</u>
	<u>Unaudited</u>	<u>Unaudited</u>
Depreciation of property, plant and equipment	37,972,907	47,628,338
Purchase of property, plant and equipment	7,579,384	3,600,788

- The land on which the factory was built is leased from the Ministry of Petroleum and Mineral Resources (Ministry of Energy) for a period of 30 years starting from 2012. The mining license issued by the Ministry of Petroleum and Mineral Resources gives the company the exclusive right to produce and exploit specific minerals in the licensed area, which has an area of 46.4 square kilometers.

HAIL CEMENT COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed financial statements for the three and nine months periods ended September 30, 2023

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

6.2. Re-study the company's useful lives of property, plant and equipment

The company re-study the useful lives of its property, plant and equipment. For this purpose, a specialized internal technical committee was formed to review and re-study the useful lives of the company's property, plant, and equipment, based on the current technical condition and industry conditions, and based on periodic maintenance and preventive maintenance records, to reach a true vision of the expected productive lives of the company's property, plant, and equipment. According to the report issued by the committee, the company modified the useful lives of some items of property, plant and equipment. The change in lives and depreciation rates was accounted for as a change in accounting estimates that affects the current period and future periods. The following is a summary of the most important changes resulting from the re-study of the company's useful lives of property, plant and equipment and the resulting impact in the financial period ending on 09/30/2023 and expected by the end of 2023:

Item	Historical cost	Useful life		Annual depreciation		Period depreciation		Net expected	
		before re-study	after re-study	before re-study	after re-study	before re-study	after re-study	impact on profit for the year	impact on profit for the period
Plant and equipment	11,542,079	11	15	1,049,280	769,472	786,960	577,104	279,808	209,856
Plant and equipment	98,577,458	20	25	4,928,873	3,943,098	3,696,655	2,957,324	985,775	739,331
Plant and equipment	305,900,519	20	30	15,295,026	10,196,684	11,471,269	7,647,513	5,098,342	3,823,756
Plant and equipment	12,185,924	21	30	580,282	406,197	435,212	304,648	174,085	130,563
Total	428,205,980	-	-	21,853,461	15,315,451	16,390,096	11,486,589	6,538,010	4,903,506

HAIL CEMENT COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed financial statements for the three and nine months periods ended September 30, 2023

7. Investments at Fair value through profit or loss

The Company has invested SR 50 million, for the purpose of purchasing various shares, within the Discretionary Portfolio Management with Al Rajhi Capital. The fair value of the portfolio on September 30, 2023 amounted to SR 60,296,085 as follows:

	As at September 30,	
	2023	2022
	Unaudited	Unaudited
Balance at January 01, 2023 (Audited)	54,078,728	57,762,605
Gain / (loss) from change in the fair value for investments at FVTPL	6,217,357	(1,846,044)
Balance at September 30, 2023 (Unaudited)	60,296,085	55,916,561

8. Statutory reserve

The company's balance of the statutory reserve, amounting to SR. 58,348,557 million, as in the financial statements for the year ending on December 31, 2022, was closed in the retained earnings account in accordance with the resolution of the extraordinary assembly held on Monday, Muharram 13, 1445H (corresponding to July 31, 2023), then a portion of that balance was used in the dividend distributions during the current period in accordance with the Board of Directors' resolution (note 13).

9. Zakat status

- The company obtained a certificate for the year 2022 with No. 1110009160 dated 23/09/1444H, valid until 21/10/1445H (corresponding to April 30, 2024).

The years 2019 and 2020

- A decision was issued by the Department of Zakat, Tax and Customs that the Company's objection for the years 2019 - 2020 was partially accept , and all dues received accordingly were paid.

The years 2015 and 2018

- The Company received Zakat assessments for the years from 2015 until 2018, which resulted in differences amounting to (SR 7,057,344). The Company objected to those differences, and escalated to the General Secretariat of the Zakat and Tax Committees.

The status of appeal and objection submitted by the company

The years 2015 and 2018

- On 14/06/2022, the General Secretariat of the Tax and Zakat Committees of the Dispute Settlement Committee issued a decision regarding the years 2015 and 2018, rejecting the objection submitted by the Company, and the Company submitted an appeal against the committee's decision.

The years 2016 and 2017

- On 26/07/2022, the General Secretariat of the Tax and Zakat Committees at the Dispute Settlement Committee issued a decision regarding the years 2016 and 2017 rejecting the objection submitted by the Company to some of the objected items. The Company submitted an appeal against the committee's decision.
- The progress of the above-mentioned appeal and objection was temporarily suspended in order to create a new settlement request No. 21879 for the same years above. A hearing session was also held to consult on the terms of the dispute between the company and the committee. On 03/08/2023, the company was notified of the final settlement committee decision obliging the company to pay an amount of SR. 2.2 million in exchange for a final settlement for the years from 2015 until 2018. The company accepted the committee's decision and paid the required amount on 09/08/2023.

10. Earnings per share

The basic and diluted earnings per share for the financial period ended September 30, 2023, were calculated as follows:

HAIL CEMENT COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed financial statements for the three and nine months periods ended September 30, 2023

10. Earnings per share ...(Continued)

	<u>For the three months ended at September 30,</u>		<u>For the nine months ended at September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Net profit / (loss) for the period	(3,105,133)	7,817,662	21,381,353	(5,904,171)
Weighted average number of outstanding shares	96,406,522	97,900,000	96,406,522	97,900,000
Basic and diluted earnings per share for the period				
Basic earnings / (loss) per share	(0.03)	0.08	0.22	(0.06)
Diluted earnings / (loss) per share	(0.03)	0.08	0.22	(0.06)

The weighted average number of shares has been adjusted to reflect the effect of the treasury equities held by the company.

11. Contingent liabilities

As at 30 September 2023, the Company has letters of guarantee in favor of the Customs Department for custom duties amounting to SR 530 thousand (December 31, 2022: SR 530 thousand).

12. Interim results

The results of operations in the interim condensed financial statements may not be an accurate indication of the results of the operations included in the company's annual financial statements.

13. Dividends

- In accordance with the authority granted and contained in the company's bylaws, the Board of Directors unanimously decided on 26-10-1444 H corresponding to 16-05-2023 to distribute cash dividends to the company's shareholders in the amount of SR. 24,101,630, at a rate of 0.25 riyals per share, provided that the eligibility is for the shareholders who own the shares on the Maturity Date and those registered in the company's shareholder register at the Depository Center at the end of the second trading day following the Maturity date, corresponding to Tuesday 17-11-1444 H corresponding to 06-06-2023.
- In accordance with the authority granted and contained in the company's bylaws, the Board of Directors decided on 06-02-1445 H, corresponding to 22-08-2023, to distribute cash dividends to the company's shareholders for the second quarter of the year 2023, in the amount of SR. 35,670,414, at 0.37 riyals per share, provided that the entitlement is for shareholders who own shares on the due date and who are registered in the company's shareholder register at the Depository Center at the end of the second trading day following the due date, corresponding to Tuesday 25-02-1445 H corresponding to 10-09-2023.
- The total distributions for the period ending on September 30, 2023 amounted to SR. 59,772,044.

14. Comparative figures

Certain comparative figures have been reclassified to conform to the classification of the current period.

15. Subsequent events

The management believes that there are no significant subsequent events since the date of the company's interim condensed financial statements for the period ending on September 30, 2023 until the date preparing these financial statements that may have a material impact on the company's financial position.

16. Approval of the interim condensed financial statements financial Statements

The board of directors has approved these interim condensed financial statements on Rabi' al Thani 20, 1445H (corresponding to November 04, 2023).