

QASSIM CEMENT COMPANY
(A Saudi Joint Stock Company)
Condensed Interim Financial Statements (Unaudited)
For the three-month and six-month
periods ended 30 June 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 الرياض، 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 June 2023 Condensed Interim financial statements of Qassim Cement Company ("the Company"), which comprise:

- The Condensed Interim statement of financial position as at 30 June 2023;
- The Condensed Interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2023;
- The Condensed Interim statement of changes in equity for the six-month period ended 30 June 2023;
- The Condensed Interim statement of cash flows for the six-month period ended 30 June 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 June 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, 26 Muharram 1445H
Corresponding to: 13 August 2023

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كي بي إم جي للاستشارات المهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي للوزان وشركاه محاسبون ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لشركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

QASSIM CEMENT COMPANY
(A Saudi Joint Stock Company)
condensed Interim statement of financial position (unaudited)
As at 30 June 2023
(Saudi Riyal)

	Note	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	(6)	523,388,760	547,841,833
Projects in progress	(6)	170,805,509	94,232,742
Investment properties		9,516,450	9,516,450
Financial investments at FVTPL	(7.a)	34,687,564	39,962,379
Financial investments at amortized cost - non-current portion	(9)	100,000,000	100,000,000
Right-of-use assets		979,070	1,346,221
Total non-current assets		839,377,353	792,899,625
Current assets			
Inventory	(8)	367,934,841	345,766,076
Financial investments at amortized cost - current portion	(9)	235,000,000	224,000,000
Financial investments at FVTPL	(7.b)	315,628,565	437,163,400
Trade receivables		55,707,734	51,599,897
Prepaid expenses and other receivables		27,711,568	23,115,134
Cash and cash equivalents		55,506,322	51,883,753
Total current assets		1,057,489,030	1,133,528,260
Total assets		1,896,866,383	1,926,427,885
<u>EQUITY AND LIABILITIES</u>			
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		479,090,037	498,554,857
Total equity		1,645,312,004	1,664,776,824
Liabilities			
Non-current liabilities			
Provision for rehabilitation of areas subject to franchise license		14,349,623	13,900,094
Employees' benefits obligations		44,720,975	42,172,381
Long-term lease liabilities		231,707	606,653
Total Non-current liabilities		59,302,305	56,679,128
Current liabilities			
Trade and other payables		118,260,397	118,769,814
Dividends payable	(10)	56,048,870	57,510,427
Zakat provision		16,138,792	26,887,677
Other provisions	(16)	983,755	983,755
Short-term lease liabilities		820,260	820,260
Total current liabilities		192,252,074	204,971,933
Total liabilities		251,554,379	261,651,061
Total equity and liabilities		1,896,866,383	1,926,427,885

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

Mr. Khaled Mohammed Saud

Chief Financial Officer

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 six-month periods ended 30 June 2023
(Saudi Riyal)

	Note	For the three-month period ended		For the six-month period ended	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
Sales		137,187,782	152,132,990	311,258,458	294,622,998
Cost of sales		(99,632,223)	(106,460,678)	(217,058,404)	(221,577,009)
Gross profit		37,555,559	45,672,312	94,200,054	73,045,989
Selling and marketing expenses		(2,853,422)	(2,851,295)	(5,812,365)	(5,762,867)
General and administrative expenses		(7,153,999)	(5,954,248)	(13,204,340)	(12,625,886)
Other income, net	(12)	737,794	1,605,049	2,233,791	10,402,916
(Provision)/ reversal of expected credit losses on trade receivables		(24,586)	143,747	(79,226)	1,208,132
Operating profit		28,261,346	38,615,565	77,337,914	66,268,284
Unrealized gains/(losses) from investments at FVTPL, net		9,118,333	(7,026,606)	15,492,707	(7,585,527)
Revenues from investments at fair value through profit or loss		1,236,478	1,695,039	2,623,652	3,538,829
Income from financial investments at amortized cost		4,920,469	2,568,056	10,367,642	5,259,191
Finance costs		(241,062)	(258,713)	(484,713)	(519,875)
Profit before Zakat		43,295,564	35,593,341	105,337,202	66,960,902
Zakat		(5,200,000)	(6,635,255)	(12,302,022)	(12,918,000)
Net income for the period		38,095,564	28,958,086	93,035,180	54,042,902
<u>Other comprehensive income:</u>					
<u>Items that will not be reclassified to profit or loss:</u>					
Re-measurement of employees' end-of-service benefits		--	--	--	--
Total comprehensive income		38,095,564	28,958,086	93,035,180	54,042,902
Basic and diluted earnings per share for the period:	(13)	0.42	0.32	1.03	0.60

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

Mr. Khaled Mohammed Saud

Chief Financial Officer

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 six-month period ended 30 June 2023
(Saudi Riyal)

	Share capital	Statutory reserve	Retained earnings	Cumulative changes in the items of other comprehensive income	Total
For the six-month period ended 30 June 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	--	--	54,042,902	--	54,042,902
Other comprehensive income	--	--	--	--	--
Total comprehensive income	--	--	54,042,902	--	54,042,902
Interim dividends (Note 10)	--	--	(99,000,000)	--	(99,000,000)
Balance as at 30 June 2022	<u>900,000,000</u>	<u>270,000,000</u>	<u>521,085,202</u>	<u>(3,863,383)</u>	<u>1,687,221,819</u>
For the six-month period ended 30 June 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	--	--	93,035,180	--	93,035,180
Other comprehensive income	--	--	--	--	--
Total comprehensive income	--	--	93,035,180	--	93,035,180
Interim dividends (Note 10)	--	--	(112,500,000)	--	(112,500,000)
Balance as at 30 June 2023	<u>900,000,000</u>	<u>270,000,000</u>	<u>479,090,037</u>	<u>(3,778,033)</u>	<u>1,645,312,004</u>

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

Mr. Khaled Mohammed Saud

Chief Financial Officer

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 six-month period ended 30 June 2023
(Saudi Riyal)

	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Profit for the period	93,035,180	54,042,902
Adjustments:		
Zakat expense	12,302,022	12,918,000
Depreciation of property, plant and equipment	35,709,500	35,793,440
Depreciation of right-of-use assets	367,151	367,151
Creation/ (reversal) of provision for expected credit losses on trade receivables	79,225	(1,208,132)
Reversal of other provisions	-	(8,000,000)
Creation of provision for obsolete and slow-moving inventory	961,794	403,175
Unrealized (gains)/ losses from financial investments at FVTPL	(15,492,707)	7,585,527
Revenue from investments at amortized cost	(10,367,642)	(5,259,191)
Employees' benefits obligations	3,402,528	2,871,601
Finance costs	484,713	519,875
	<u>120,481,764</u>	<u>100,034,348</u>
Changes in working capital:		
Inventory	(23,130,559)	(29,028,492)
Trade receivables	(4,187,062)	(23,399,960)
Prepaid expenses and other receivables	(5,318,181)	(12,094,336)
Trade and other payables	(509,417)	(3,657,052)
Used from other provisions	-	(10,000,000)
End-of-service benefits paid	(853,934)	(2,218,421)
Amounts paid for Zakat	(23,050,907)	(26,797,889)
Net cash generated from/ (used in) operating activities	<u>63,431,704</u>	<u>(7,161,802)</u>
Investing activities		
Payment to purchase property, plant and equipment	(87,829,194)	(52,481,278)
Paid to purchase investments at fair value through profit or loss	(26,418)	(30,000,000)
Proceeds from sale of investments at fair value through profit or loss	144,262,046	81,242,471
Payment to purchase financial investments at amortized cost	(225,000,000)	(66,382,875)
Proceeds from financial investments at amortized cost	214,000,000	152,682,875
Proceeds from revenues of investments at amortized cost	9,156,118	5,247,136
Net cash generated from investing activities	<u>54,562,552</u>	<u>90,308,329</u>
Financing activities		
Lease payments	(410,130)	(410,130)
Dividends paid	(113,961,557)	(106,109,351)
Net cash used in financing activities	<u>(114,371,687)</u>	<u>(106,519,481)</u>
Change in cash and cash equivalents during the period	3,622,569	(23,372,954)
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	<u>55,506,322</u>	<u>84,029,511</u>
Significant non-cash transactions	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Projects in progress transferred to property, plant and equipment	1,504,676	1,895,316

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

Mr. Khaled Mohammed Saud

Chief Financial Officer

Eng. Omar Bin Abdullah 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 six-month period ended 30 June 2023

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 June 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 1st of January and end on the 31st of 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 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 June 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. Further, the results for the six-month period ended 30 June 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 Muharram 1445H (corresponding to 10 August 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 at fair value through statement of profit and loss are measured at fair value.
- 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 six-month period ended 30 June 2023

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

There are no new standards issued. However, there are a number of amendments to standards that are effective from 1 January 2023 which are described in the Company's annual financial statements but have no material impact on the Condensed Interim financial statements of the Company.

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 is 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 six-period ended 30 June 2023 and 2022 is as follows:

	Operating Segment		Investing Segment	
	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Revenue from contracts with customers	311,258,458	294,622,998	--	--
Profit for the period before Zakat	76,853,201	65,748,409	28,484,001	1,212,493

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

	Operating Segment		Investing Segment	
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Total assets	1,211,550,254	1,125,302,106	685,316,129	801,125,779
Total liabilities	251,554,379	261,651,061	--	--

QASSIM CEMENT COMPANY
(A Saudi Joint Stock Company)
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six-month period ended 30 June 2023

6- PROPERTY, PLANT, EQUIPMENT AND PROJECTS IN PROGRESS

As at 30 June 2023, the total cost of property, plant and equipment was SR 2,404 million (31 December 2022: SR 2,393 million), and the accumulated depreciation was SR 1,881 million (31 December 2022: SR 1,845 million). As at 30 June 2023, the value of projects in progress amounted to SR 170 million (31 December 2022: SR 94 million). During the six-month period ended 30 June 2023, the Company has added property, plant, equipment and projects in progress of SR 87,8 million (for the year ended 31 December 2022: SR 82,1 million).

7- FINANCIAL INVESTMENTS AT FVTPL

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Financial investments at FVTPL - non-current (7.a)	34,687,564	39,962,379
Financial investments at FVTPL - current (7.b)	315,628,565	437,163,400

7.a Financial investments at FVTPL - non-current

	30 June 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	(5,274,815)	5,844,516
	34,687,564	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 June 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	(142,328,775)	(207,079,732)
Unrealized gains/ (losses)	20,767,522	(27,083,473)
	315,628,565	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 six-month period ended 30 June 2023

8- INVENTORY

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Spare parts	117,884,329	115,026,192
Raw materials	94,892,657	96,550,088
Production in progress	162,692,970	146,914,938
Finished goods	10,319,693	4,916,866
Packing and packaging materials	3,053,967	3,159,189
Consumables and supplies	3,564,408	3,457,736
Goods in transit	2,705,350	1,957,806
	395,113,374	371,982,815
Less: Provision for obsolete and slow-moving inventory	(27,178,533)	(26,216,739)
	367,934,841	345,766,076

Movement in provisions for obsolete and slow-moving inventory is as follows:

	30 June 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	961,794	1,684,890
Utilized during the period/ year	--	(2,451,965)
	27,178,533	26,216,739

9- FINANCIAL INVESTMENTS AT AMORTIZED COST

	30 June 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	225,000,000	290,382,875
Disposals during the period / year	(214,000,000)	(252,682,875)
	335,000,000	324,000,000

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

	30 June 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	235,000,000	224,000,000

Financial investments are represented in Murabaha and Sukuk with profit margin. The average commission rate is 5.45% per annum (2022: 5.38%). During the six-month period ended 30 June 2023, total Murabaha and Sukuk income of SR 10,36 million has been charged to the statement of profit or loss (30 June 2022: SR 5,25 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 six-month period ended 30 June 2023

10- DIVIDENDS

During the six-month period ended 30 June 2023

- On 19 February 2023, based on the authorization of the General Assembly to shareholders, the Board of Directors recommended 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 authorization of the General Assembly of shareholders, the Board of Directors recommended to distribute dividends of SR 58,5 million at SR 0.65 per share for the first quarter dividends of 2023.

During the six-month period ended 30 June 2022

- On 8 February 2022, based on the authorization of the General Assembly of the shareholders, the Board of Directors recommended 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 recommended to distribute dividends of SR 45 million at SR 0,50 per share for the first 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.

12- OTHER INCOME, NET

	<u>For the three-month period ended</u>		<u>For the six-month period ended</u>	
	<u>30 June 2023</u>	<u>30 June 2022</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Contractors compensation	66,459	258,348	364,051	286,283
Rental income	265,489	270,833	529,348	640,073
Deposits received from Human Resources				657,493
Development Fund	269,075	355,451	478,381	
Revenue from sale of cement dust	76,306	22,685	162,978	50,595
Revenue from the sale of scrap industrial waste	6,463	428,870	205,159	440,809
Reversal of other provisions	-	-	-	8,000,000
Other miscellaneous income, net	54,002	268,862	493,874	327,663
	<u>737,794</u>	<u>1,605,049</u>	<u>2,233,791</u>	<u>10,402,916</u>

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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 six-month period ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net income for the period	38,095,564	28,958,086	93,035,180	54,042,902
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	0.42	0.32	1.03	0.60

14- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 30 June 2023, the Company has bank facilities in the form of letters of guarantee and documentary letters of credit from commercial banks of SR 37,31 million (31 December 2022: SR 91,8 million).

As at 30 June 2023, the capital commitments on the Company are SR 34,68 million (31 December 2022: SR 121,8 million). The total value of project contracts amounted to SR 206,7 million as at 30 June 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 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
Salaries and short-term benefits - key management personnel	5,508,659	8,680,177
BOD members remunerations and sub-committees	1,600,000	1,616,000
Post-employment benefits - key management personnel	870,535	378,920
	7,979,194	10,675,097

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16- OTHER PROVISIONS

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

Movement in other provisions during the year was as follows:

	<u>30 June 2023</u> (Unaudited)	<u>31 December 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	-	(8,000,000)
	<u>983,755</u>	<u>983,755</u>

17- FINANCIAL INSTRUMENTS

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)

a) 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.

		30 June 2023						
		Carrying amount			Fair value			
	<u>Fair value</u>	<u>Amortized cost</u>	<u>Other financial liabilities</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value:								
Investments at fair value through profit or loss	350,316,129	-	-	350,316,129	91,344,743	206,802,888	52,168,498	350,316,129
	<u>350,316,129</u>	<u>-</u>	<u>-</u>	<u>350,316,129</u>	<u>91,344,743</u>	<u>206,802,888</u>	<u>52,168,498</u>	<u>350,316,129</u>
Financial assets at amortized cost:								
Financial investments at amortized cost	-	335,000,000	-	335,000,000	-	-	-	-
Trade receivables	-	55,707,734	-	55,707,734	-	-	-	-
Cash and cash equivalents	-	55,506,322	-	55,506,322	-	-	-	-
	<u>-</u>	<u>446,214,056</u>	<u>-</u>	<u>446,214,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value:								
Trade payables	-	-	35,237,205	35,237,205	-	-	-	-
Accrued expenses and other payables	-	-	83,023,192	83,023,192	-	-	-	-
	<u>-</u>	<u>-</u>	<u>118,260,397</u>	<u>118,260,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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17. FINANCIAL INSTRUMENTS (CONTINUED)

a) Fair value measurement of financial instruments (continued)

		31 December 2022						
		Carrying amount			Fair value			
	<u>Fair value</u>	<u>Amortized cost</u>	<u>Other financial liabilities</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value:								
Investments at fair value through profit or loss	477,125,779	-	-	477,125,779	73,299,404	344,994,754	58,831,620	477,125,779
	<u>477,125,779</u>	<u>-</u>	<u>-</u>	<u>477,125,779</u>	<u>73,299,404</u>	<u>344,994,754</u>	<u>58,831,620</u>	<u>477,125,779</u>
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	-	-	-	-
	<u>-</u>	<u>427,483,650</u>	<u>-</u>	<u>427,483,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	-	-	-	-
	<u>-</u>	<u>-</u>	<u>118,769,814</u>	<u>118,769,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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18- SUBSEQUENT EVENTS

No significant events occurred after 30 June 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.