

SAUDI CERAMIC COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2022

SAUDI CERAMIC COMPANY
(A Saudi Joint Stock Company)

**INDEX OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW
REPORT FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2022**

<u>INDEX</u>	<u>PAGES</u>
Independent auditor's review report of interim condensed consolidated financial statements	-
Interim consolidated statement of financial position	1
Interim consolidated statement of profit or loss and other comprehensive income	2
Interim consolidated statement of changes in equity	3
Interim consolidated statement of cash flows	4
Notes to the interim condensed consolidated financial statements	5-14

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**TO THE SHAREHOLDERS OF SAUDI CERAMIC COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH, KINGDOM OF SAUDI ARABIA****INTRODUCTION**


We have reviewed the accompanying interim consolidated statement of financial position of Saudi Ceramic Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 31 March 2022 and the related interim consolidated statement of comprehensive income for the three-month and nine-month periods ended 31 March 2022 and interim consolidated statements of changes in equity and cash flows for the nine-month period then ended and a summary of significant accounting policies and other explanatory notes (the "interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated 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 condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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

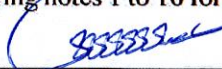
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.
Ibrahim A. Al-Bassam
Certified Public Accountant
Registration No. 337**Riyadh on: 26 Ramadan 1443
Corresponding to: 27 April 2022**

SAUDI CERAMIC COMPANY
(A Saudi Joint Stock Company)
Interim Consolidated Statement of Financial Position
As at 31 March 2022
(In Saudi Riyals Thousand)

		31 March 2022	31 December 2021
	Note	(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,629,384	1,640,698
Right-of-use assets		70,745	71,567
Investment in associate		9,011	9,011
Financial assets carried at fair value through OCI ("FVOCI")	11	7,987	7,987
Total non-current assets		1,717,127	1,729,263
Current assets			
Inventories		794,090	731,481
Trade receivables, prepayments and other receivables		368,075	293,479
Cash and cash equivalents		98,413	109,646
Total current assets		1,260,578	1,134,606
TOTAL ASSETS		2,977,705	2,863,869
EQUITY AND LIABILITIES			
Equity			
Share capital	8	800,000	800,000
Statutory reserve		241,715	241,715
Fair value reserve		3,762	3,762
Treasury shares		(2,663)	(3,870)
Retained earnings		621,619	630,112
Total equity attributable to the shareholders		1,664,433	1,671,719
Non-controlling interest (NCI)		39,353	40,383
TOTAL EQUITY		1,703,786	1,712,102
Liabilities			
Non-current liabilities			
Long term borrowings	9	358,555	422,678
Lease liabilities		56,817	52,216
Employees' post-employment benefits		89,150	87,859
Total non-current liabilities		504,522	562,753
Current liabilities			
Short term borrowings	9	55,000	-
Current portion of long-term borrowings	9	295,490	234,841
Current portion of lease liabilities		11,540	13,902
Trade and other payables		378,697	317,675
Zakat payable	10	28,670	22,596
Total current liabilities		769,397	589,014
TOTAL LIABILITIES		1,273,919	1,151,767
TOTAL EQUITY AND LIABILITIES		2,977,705	2,863,869
Contingencies and commitments	12		

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


Abdulaziz Abdulkareem Alkhuraiji
Vice Chairman of the Board


Majid Abdullah Alissa
Chief Executive Officer


Waleed Al-Bassam
Chief Financial Officer

SAUDI CERAMIC COMPANY

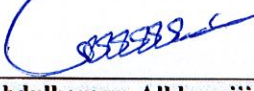
(A Saudi Joint Stock Company)

**Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the three-month period ended 31 March 2022**


(In Saudi Riyals Thousand)

For three-month period ended 31 March			
	Note	2022 (Unaudited)	2021 (Unaudited)
Revenue	5,6	396,153	440,339
Cost of sales		(274,165)	(292,960)
Gross profit		121,988	147,379
Selling and distribution expenses		(51,177)	(49,936)
General and administration expenses		(16,719)	(21,580)
Provision for expected credit loss		(778)	-
Operating profit		53,314	75,863
Other income		8,695	5,289
Finance cost, net		(5,702)	(5,190)
Share of profit of associate		-	160
Profit before zakat		56,307	76,122
Zakat expense	10	(6,074)	(5,622)
Net Profit for the period		50,233	70,500
OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the period		121	-
Total comprehensive income for the period		50,354	70,500
Basic and diluted earnings per share (SR)	14	0.64	0.89
Profit for the period attributable to:			
Shareholders of the Company		51,294	70,734
Non-controlling interests		(1,061)	(234)
Total profit for the period		50,233	70,500
Total comprehensive income attributable to:			
Shareholders of the Company		51,384	70,734
Non-controlling interests		(1,030)	(234)
Total comprehensive income for the period		50,354	70,500

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


Abdulaziz Abdulkareem Alkhuraiji
Vice Chairman of the Board


Majid Abdullah Alissa
Chief Executive Officer


Waleed Al-Bassam
Chief Financial Officer

SAUDI CERAMIC COMPANY
(A Saudi Joint Stock Company)
Interim Consolidated Statement of Changes in Equity
For the three-month period ended 31 March 2022
(In Saudi Riyals Thousand)

For the three-month period ended 31 March 2021

	Share capital	Statutory reserve	Fair value reserve	Treasury Shares	Retained earnings	Total equity before NCI	Non-Controlling interest	Total equity
Balance as at 1 January 2022 (Audited)	800,000	241,715	3,762	(3,870)	630,112	1,671,719	40,383	1,712,102
Profit / (loss) for the period	-	-	-	-	51,294	51,294	(1,061)	50,233
Other comprehensive income for the period	-	-	-	-	89	89	32	121
Total comprehensive income / (loss) for the period	-	-	-	-	51,383	51,383	(1,029)	50,354
Dividends paid	-	-	-	-	(59,877)	(59,877)	-	(59,877)
Issuance of treasury shares (Note 1)	-	-	-	1,207	-	1,207	-	1,207
Balance as at 31 March 2022 (Unaudited)	800,000	241,715	3,762	(2,663)	621,618	1,664,432	39,354	1,703,786

For the three-month period ended 31 March 2021

	Share capital	Statutory reserve	Fair value reserve	Treasury Shares	Retained earnings	Total equity before NCI	Non-Controlling interest	Total equity
Balance as at 1 January 2021 (Audited)	600,000	218,336	3,521	(11,008)	674,474	1,485,323	43,892	1,529,215
Profit / (loss) for the period	-	-	-	-	70,734	70,734	(234)	70,500
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	-	70,734	70,734	(234)	70,500
Acquisition of NCI (Note 1)	-	-	-	-	1,951	1,951	(2,951)	(1,000)
Disposal of treasury shares (Note 1)	-	-	-	5,504	-	5,504	-	5,504
Issuance of bonus shares (Note 1)	200,000	-	-	-	(200,000)	-	-	-
Balance as at 31 March 2021 (Unaudited)	800,000	218,336	3,521	(5,504)	547,159	1,563,512	40,707	1,604,219

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

Abdulaziz Abdulkareem Alkhuraji
Vice Chairman of the Board

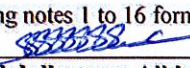
Majid Abdullah Alissa
Chief Executive Officer

Waleed Al-Bassam
Chief Financial Officer

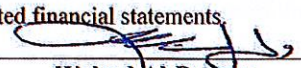
Saudi Ceramic Company
(A Saudi Joint Stock Company)
Interim Consolidated Statement of Cash Flows
For the three-month period ended 31 March 2022
(In Saudi Riyals Thousand)

	Note	For three-month period ended 31 March 2022 (Unaudited)	For three-month period ended 31 March 2021 (Unaudited)
<u>Cash flows from operating activities</u>			
Net profit before zakat		56,307	76,122
Adjustments for:			
Depreciation of property, plant and equipment		29,851	28,781
Depreciation of right-of-use assets		3,129	3,679
Amortization of intangible assets		-	77
Finance cost		4,528	6,465
Provision for expected credit loss		747	-
Provision for employees' post-employment benefits		2,808	2,831
Gain on disposal of property, plant and equipment	7	6	(17)
Provision for obsolete inventories		(195)	1,000
Share of profit of associate		-	(160)
<u>Changes in:</u>			
Inventories		(62,413)	35,162
Trade receivables, prepayments, and other receivables		(76,118)	(24,209)
Trade and other payables		59,605	24,208
Cash generated from operations		18,255	155,939
Employees' post-employment benefits paid		(1,346)	(2,432)
Zakat paid	10	-	(300)
Net cash generated from operating activities		16,909	151,207
<u>Cash flows from investing activities</u>			
Purchase of property, plant and equipment including capital work-in-progress	7	(18,545)	(9,115)
Proceeds from disposal of property, plant and equipment	7	-	17
Acquisition of NCI	1	-	(1,000)
Dividend received from associate		-	397
Net cash used in investing activities		(18,545)	(9,701)
<u>Cash flows from financing activities</u>			
Net proceeds from short term borrowings	9.2	55,000	-
Net repayment of long term borrowings	9.1	(3,474)	(32,029)
Dividends paid		(59,877)	-
Disposal of treasury shares	1	1,207	5,504
Lease payments		(821)	(4,651)
Finance cost paid		(1,632)	(5,531)
Net cash used in financing activities		(9,597)	(36,707)
Net increase/ (decrease) in cash and cash equivalents		(11,233)	104,799
Cash and cash equivalents at 1 January		109,646	68,689
Cash and cash equivalents at 31 March		98,413	173,488

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


Abdulaziz Abdulkareem Alkhouraji
Vice Chairman of the Board


Majid Abdullah Alissa
Chief Executive Officer


Waleed Al-Bassam
Chief Financial Officer

SAUDI CERAMIC COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the three-month period ended 31 March 2022****(All amounts in Saudi Riyals unless otherwise stated)****1. ORGANIZATION AND ITS ACTIVITIES**

Saudi Ceramic Company, ("the Company") is a Saudi Joint Stock Company established by Royal Decree No. (M/16) on Rabi Thani 25, 1397H (corresponding to April 14, 1977G), registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010014590 issued in Riyadh on Safar 15, 1398H (corresponding to January 24, 1978G).

The Company is engaged in the production and sale of ceramic products, water heaters and their components, The Company is also involved in the import of related machinery, equipment and other accessories.

These interim condensed consolidated financial information ("interim condensed consolidated financial statements") include the assets, liabilities, and results of the operations of the Company and its branches including its subsidiaries, namely, Ceramics Pipes Company (a Closed Joint Stock Company), Ceramics Investment Company (a Limited Liability Company) and Arzan Company for Operation and Maintenance (a Limited Liability Company) collectively referred to as ("the Group").

The performance of the Group for the three-month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The company's head office is located in Riyadh, King Fahad Road, Al-Olayya District, PO Box 3893, Riyadh 11481, Kingdom of Saudi Arabia.

The financial year of the Company commences on 1 January and ends on 31 December of each calendar year.

Name	Country of incorporation	Key operating activities	31 March 2022	31 December 2021
Ceramics pipes company (CPC)	Kingdom of Saudi Arabia	Import and export, wholesale and retail trading of clay pipes	73.89%	73.89%
Ceramics investment company *	Kingdom of Saudi Arabia	Import and export, marketing services, wholesale and retail trading	95%	95%
Arzan Company for Operation and Maintenance *	Kingdom of Saudi Arabia	Operation and maintenance	100%	100%

* These companies did not start commercial operations until 31 March, 2022.

Payment of Dividend

The Board of Directors of the Saudi Ceramic Company decided, in their meeting held on February 16, 2022, to approve the distribution of cash dividends amounting to SR 59.8 million (0.75 per share) to the Company's shareholders for the second half of the year 2021. The dividend was actually distributed on March 03, 2022.

Disposal of treasury shares

The Group had previously purchased 500,000 treasury shares during 2019 for distribution to employees as per the approved plan from the Board of Directors. During the three-month period ended 31 March 2022, the Group has transferred treasury shares of SR 1.2 million against cash consideration received and shares were transferred immediately. No profit or loss was recorded on this transaction and cash consideration received was the average cost of shares disposed.

SAUDI CERAMIC COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2022

(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF ACCOUNTING**2.1. Statement of compliance**

These interim condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Group’s last annual financial statements for the year ended 31 December 2021.

2.2. Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Arabian Riyal (SR), which is the Group’s functional and presentation currency.

3. NEW STANDARDS, INTERPRETATIONS AND AMMENDMENTS

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2022 and has been explained in Group’s Annual Consolidated Financial Statements, but they do not have a material effect on the Group’s Interim Condensed Consolidated Financial Statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these interim condensed consolidated financial statements requires the use of judgments, estimates and assumptions that affect the values of income, expenses, assets, liabilities and notes attached thereto and the disclosure of contingent liabilities. Uncertainties about these assumptions and estimates may result in a material adjustment to the carrying amounts of the assets and liabilities in future periods.

The significant judgements and estimates made by management in applying the Group’s accounting policies and the key sources of estimating uncertainty were the same as those described in the Group’s consolidated financial statements for the year ended 31 December 2021.

SAUDI CERAMIC COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the three-month period ended 31 March 2022****(All amounts in Saudi Riyals unless otherwise stated)****5. OPERATING SEGMENTS****5.1. Information about reportable segments**

	Ceramic tiles and sanitary ware	Water heaters	Ceramic Pipes	Total
For the three-month period ended 31 March 2022 (Unaudited)				
External revenues	287,534	104,259	4,360	396,153
Inter-segment revenue	9,882	-	-	9,882
Segment profit / (loss) before zakat (Note 5.2)	46,441	13,636	(3,770)	56,307
As at 31 March 2022 (Unaudited)				
Segment assets	2,438,213	294,605	244,887	2,977,705
Segment liabilities	1,042,376	129,753	101,790	1,273,919
For the three-month period ended 31 March 2021 (Unaudited)				
External revenues	308,920	121,250	10,169	440,339
Inter-segment revenue	5,872	-	-	5,872
Segment profit / (loss) before zakat (Note 5.2)	56,164	20,290	(492)	75,962
As at 31 December 2021 (Audited)				
Segment assets	2,340,062	276,367	247,440	2,863,869
Segment liabilities	856,136	195,231	100,400	1,151,767

5.2. Reconciliation of reportable segments profit or loss

	For the three-month period ended	
	31 March 2022	31 March 2021
	(Unaudited)	(Audited)
Total profit / (loss) before zakat from reportable segments	56,307	75,962
Share of profit of associate, net of zakat	-	160
Total profit / (loss) before zakat	56,307	76,122

5.3. Seasonality of operations

The Group's electric water heater segment is subject to seasonal fluctuations as a result of weather changes. In particular, the use of electric water heaters is adversely affected during summer season which occur primarily from April to September. The Group attempts to minimize the seasonal impact by managing inventories to meet demand during this period. However, this segment typically has lower revenues and results for the second and third quarter of the year.

SAUDI CERAMIC COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the three-month period ended 31 March 2022****(All amounts in Saudi Riyals unless otherwise stated)****5. OPERATING SEGMENTS (Continued)****5.3. Seasonality of operations (continued)**

For the twelve-month period ended 31 March 2022, the water heater segment reported revenue of SR 355 million (twelve-month period ended 31 March 2021: SR 408 million) and net profit before zakat of SR 59.1 million (twelve-month period ended 31 March 2021: SR 47.8 million).

6. REVENUE

The Group's operations and main revenue streams are same as those described in the Group's consolidated financial statements for the year ended 31 December 2021. The Group's revenues are derived from contracts with customers and control of the products is transferred at a point in time when the goods are delivered to customers.

Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of goods (at a point in time) in the following major product lines and geographical regions:

	For the three-month period ended 31 March 2022 (Unaudited)			
	Ceramics tiles and sanitary ware	Water heaters	Ceramic pipes	Total revenue
Segment revenue	297,416	104,259	4,360	406,035
Inter-segment revenue	(9,882)	-	-	(9,882)
Revenue from external customers	287,534	104,259	4,360	396,153
Primary geographical markets				
- Local	280,535	90,346	4,360	375,241
- Foreign	6,999	13,913	-	20,912
	287,534	104,259	4,360	396,153
Timing of revenue recognition				
- At point in time	287,534	104,259	4,360	396,153
	For the three-month period ended 31 March 2021 (Unaudited)			
	Ceramics tiles and sanitary ware	Water heaters	Ceramic pipes	Total revenue
Segment revenue	314,792	121,250	10,169	446,211
Inter-segment revenue	(5,872)	-	-	(5,872)
Revenue from external customers	308,920	121,250	10,169	440,339
Primary geographical markets				
- Local	300,592	101,685	10,169	412,446
- Foreign	8,328	19,565	-	27,893
	308,920	121,250	10,169	440,339
Timing of revenue recognition				
- At point in time	308,920	121,250	10,169	440,339

SAUDI CERAMIC COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2022

(All amounts in Saudi Riyals unless otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT**Acquisitions and disposals**

During the three-month period ended 31 March 2022, the Group acquired property, plant and equipment including capital work-in-progress with a cost of SR 18.5 million (three-month period ended 31 March 2021: SR 9.1 million).

During the three-month period ended 31 March 2022, the Group disposed the property, plant and equipment with a carrying amount of SR 6,000 (three-month period ended 31 March 2021: SR 30) which resulted in a loss of SR 6,000 (three-month period ended 31 March 2021: gain of SR 17,000) and these gains or losses are included in the "other income" in the Interim consolidated statement of profit or loss and other comprehensive income.

8. SHARE CAPITAL

	31 March 2022	31 December 2021
	(Unaudited)	(Audited)
Authorized ordinary shares of SR 10 each (Shares in "000")	80,000	80,000
Fully paid ordinary shares of SR 10 each (Shares in "000")	80,000	80,000
Value of issued ordinary shares (SR "000")	800,000	800,000

SAUDI CERAMIC COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the three-month period ended 31 March 2022****(All amounts in Saudi Riyals unless otherwise stated)****9. BORROWINGS****9.1 Long term borrowings**

	Currency	Year of maturity	31 March 2022	31 December 2021
			(Unaudited)	(Audited)
Opening balance	SR		657,519	664,960
Receipts during the period	SR		-	525,551
Repayments during the period	SR		(3,474)	(533,062)
Adjustment during the period			-	70
Closing balance	SR	2025	654,045	657,519
Current portion			295,490	234,841
Non – current portion			358,555	422,678
Total long-term borrowings			654,045	657,519

9.1.1. Lan covenants

The loan facility agreements include covenants which, among other things, requires the Group to maintain certain financial ratios. the CPC (Subsidiary) was not in compliance with a covenant under few financing agreements and accordingly non-current portion of such loans have been reclassified under current liabilities.

9.2. Short term borrowings

Short term borrowings represent Islamic Murabaha loans granted to the Company by local commercial banks, loans' charges are determined based on the basis of market prices. These loans are guaranteed by promissory notes in favor of the banks for the loan exposure. During the three-month period ended 31 March 2022, SR 55 million short term loans were received (three-month period ended 31 March 2020: SR nil) and no repayments were made (three-month period ended 31 March 2021: SR nil).

10. ZAKAT PROVISION

The Saudi Ceramic Company (SCC) and its subsidiaries, namely Ceramics Pipes Company (CPC), Ceramics Investment Company (CIC) and Arzan Operation and Maintenance Company have submitted their zakat returns for all the years up to 2020 and accordingly paid the zakat due. The Zakat assessments for SCC have been closed with the Zakat, Tax and Customs Authority “ZATCA” for all the years up to 2018 and for CPC for all years up to 2012 respectively.

The assessment orders for the years from 2008 to 2018 have been closed during June 2021 against final payment of SR 12 million. During November 2021, SCC received Zakat assessment for 2019 and 2020 from ZATCA amounting to SR 1.98 million. SCC paid the full assessment value of SR 1.98 million in January 2022. An appeal has been filed by the SCC against the assessed amount and the appeal has not been closed till the date of issuance of financial statements

SAUDI CERAMIC COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the three-month period ended 31 March 2022****(All amounts in Saudi Riyals unless otherwise stated)****11. FINANCIAL INSTRUMENTS****11.1. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of the Group's financial assets and financial liabilities, including their levels in the fair value hierarchy. For the financial assets and financial liabilities not measured at fair value and having a short-term maturity, it is assumed that the carrying amounts approximate their fair values. Therefore, it does not include fair value information for these financial instruments. This includes cash and cash equivalents, trade and other receivables, borrowings and trade and other payables.

	Carrying amount			Fair value			
	Financial assets at FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
As at 31 March 2022 (Unaudited)							
Financial assets							
Financial assets at FVOCI	7,987	-	7,987	-	-	7,987	7,987
Trade receivables, prepayments and other receivables	-	368,075	368,075	-	-	-	-
Cash and cash equivalents excluding cash in hand	-	96,323	96,323	-	-	-	-
	<u>7,987</u>	<u>464,398</u>	<u>472,385</u>	<u>-</u>	<u>-</u>	<u>7,987</u>	<u>7,987</u>
Financial liabilities							
Short term borrowings	-	55,000	55,000	-	-	-	-
Long term borrowings	-	654,045	654,045	-	-	-	-
Trade and other payables excluding accrued expenses	-	316,000	316,000	-	-	-	-
	<u>-</u>	<u>1,025,045</u>	<u>1,025,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SAUDI CERAMIC COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the three-month period ended 31 March 2022****(All amounts in Saudi Riyals unless otherwise stated)****11. FINANCIAL INSTRUMENTS (Continued)****11.1. Accounting classification and fair values (continued)**

	Carrying amount			Fair value			
	Financial assets at FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
As at 31 December 2021 (Audited)							
Financial assets							
Financial assets at FVOCI	7,987	-	7,987	-	-	7,987	7,987
Trade receivables, prepayments and other receivables	-	293,479	293,479	-	-	-	-
Cash and cash equivalents excluding cash in hand	-	109,646	109,646	-	-	-	-
	<u>7,987</u>	<u>403,125</u>	<u>403,125</u>	<u>-</u>	<u>-</u>	<u>7,987</u>	<u>7,987</u>
Financial liabilities							
Short term borrowings	-	-	-	-	-	-	-
Long term borrowings	-	657,519	657,519	-	-	-	-
Trade and other payables excluding accrued expenses	-	229,371	229,371	-	-	-	-
	<u>-</u>	<u>886,890</u>	<u>886,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SAUDI CERAMIC COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the three-month period ended 31 March 2022****(All amounts in Saudi Riyals unless otherwise stated)****11. FINANCIAL INSTRUMENTS (CONTINUED)****11.2. Transfers between levels of fair value hierarchy**

There were no transfers between levels of fair value hierarchy in either direction during the three-month period ended 31 March 2022. There were also no changes made to any of the valuation techniques applied as of 31 December 2021.

12. CONTINGENCIES AND COMMITMENT

The Group has obtained bank facilities in the form of letters of guarantee and letters of credit from local banks amounting to SR 87.74 million as of 31 March 2022 (31 December 2021: SR 63.4 million). The letters of credit include an amount of SR 34.6 million (31 December 2021: SR 40.2 million) relating to capital commitments for the supply of machinery and equipment for the plant's expansion projects.

13. RELATED PARTY TRANSACTIONS AND BALANCES

All due balances with related parties must be settled in cash within twelve months from the reporting date, and none of these balances have been secured.

Related Party	Nature of transaction	Transactions amount for three-month ended on		Balances as at	
		31-Mar-22 (Unaudited)	31-Mar-21 (Unaudited)	31-Mar-22 (Unaudited)	31 December 2021 (Audited)
Natural Gas Distribution Company (Associate)	Purchase of goods and services	11,084	11,623	3,713	3,815
	Dividend received	-	397	-	-
Others	Transportation services	634	2,487	280	749
		<u>11,718</u>	<u>14,507</u>	<u>3,993</u>	<u>4,564</u>

14. EARNINGS PER SHARE

	For the three-month period ended	
	31 March 2022	31 March 2021
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Profit for the period attributable to the shareholders of the Company (SR "000")	<u>51,294</u>	<u>70,734</u>
Weighted average number of shares (Shares in "000")	<u>79,760</u>	<u>79,520</u>
Basic and diluted earnings per share (SR)	<u>0.64</u>	<u>0.89</u>

SAUDI CERAMIC COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS
For the three-month period ended 31 March 2022
(All amounts in Saudi Riyals unless otherwise stated)

14. EARNINGS PER SHARE (Continued)

Weighted average number of shares are adjusted for Treasury Shares held under the Company's employee shares scheme and to reflect the effect of Bonus Shares.

The company has purchased 500,000 treasury shares from June 2019 to September 2019 pursuant to the decision of extra ordinary general meeting of shareholders held on 13 February 2019. The Company has disposed-off SR 1.2 million of treasury shares during the three-month period ended 31 March 2022. Refer Note 1.

Basic and diluted earnings per share for the three-month period ended 31 March 2022 and 31 March 2021 is calculated by dividing the profit for the period attributable to the shareholders of the Company by weighted average shares to give a retrospective effect of change in the number of shares increased as a result of the bonus share issue. The diluted earnings per share is the same as the basic earnings per share.

15. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period-end require disclosure or adjustment in these interim condensed consolidated financial statements.

16. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Executive Committee under the authority of the Board of Directors on 17 Ramadan 1443H corresponding to 18 April 2022.