

**AL JOUF CEMENT COMPANY
SAUDI JOINT STOCK COMPANY
RIYADH - SAUDI ARABIA
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED
MARCH 31, 2021**

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FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

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Report on the Review of the Condensed consolidated interim Financial Statements

To the **Shareholders of Al Jouf Cement Company**
(A Saudi Joint Stock Company)

Introduction:

We have reviewed the condensed consolidated interim financial statements of **Al Jouf Cement Company** ("the Company") and its subsidiaries ("the Group"), which comprise the condensed consolidated interim statement of financial position as at March 31, 2021, and the condensed consolidated interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and notes to the condensed consolidated interim financial statements, including a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and presentation for these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

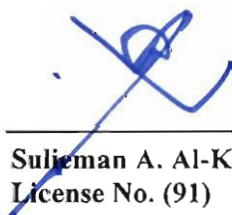
Scope of review:

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", as endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated 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 International Standards in Auditing, as 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

For Al-Kharashi Co.



Suljeman A. Al-Kharashi
License No. (91)



Riyadh:
Ramadan 21, 1442H
May 3, 2021G

Al Jouf Cement Company
Saudi Joint Stock Company
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021
(EXPRESSED IN SAUDI RIYALS)

	Note	March 31, 2021 <i>(unaudited)</i>	December 31, 2020 <i>(audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	(4)	1,918,073,792	1,927,570,873
Right to use assets		791,249	791,249
Financial assets at fair value through other comprehensive income	(5)	8,298,698	7,823,239
Total non-current assets		1,927,163,739	1,936,185,361
Current assets			
Inventory		181,406,217	170,109,008
Trade receivables		86,226,337	77,116,778
Due from related parties	(6)	18,537	18,537
Prepayments and other debit balances		30,192,447	20,628,882
Cash and cash equivalents		24,226,437	5,854,230
Total current assets		322,069,975	273,727,435
TOTAL ASSETS		2,249,233,714	2,209,912,796
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	(1)	1,430,000,000	1,430,000,000
Statutory reserve		51,386,441	51,386,441
Retained earnings		23,506,722	4,094,496
Reserve for fair value of investments		(22,400,126)	(22,875,585)
Reserve for foreign currency translation		(61,176)	(61,176)
Total Shareholders' Equity		1,482,431,861	1,462,544,176
Non-current liabilities			
Long term loans	(7)	587,347,035	594,590,683
Lease liabilities – Noncurrent		584,322	584,322
Provision for Employees' End of Service Indemnity		8,905,960	8,624,640
Total non-current liabilities		596,837,317	603,799,645
CURRENT LIABILITIES:			
Long Term Loans – short portion	(7)	70,574,592	67,330,944
Lease liabilities – current		206,927	206,927
Trade payables		59,659,100	42,005,577
Accrued expenses and other credit balances		20,613,637	16,615,247
Retention payable		11,029,078	11,029,078
Provision for Zakat		7,881,202	6,381,202
Total current liabilities		169,964,536	143,568,975
TOTAL LIABILITIES		766,801,853	747,368,620
Total Shareholder's Equity & Liabilities		2,249,233,714	2,209,912,796

Financial manager

General manager

Chairman

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Al Jouf Cement Company
Saudi Joint Stock Company
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTH-PERIOD ENDED MARCH 31, 2021
(EXPRESSED IN SAUDI RIYALS)

	Note	For the three-month period ended	
		March 31, 2021	March 31, 2020
		(Unaudited)	(Unaudited)
Revenue		67,888,652	58,812,134
Cost of revenue		(35,748,514)	(35,182,397)
Gross profit		32,140,138	23,629,737
Expenses and charges:			
Selling and distribution expenses		(1,149,927)	(1,079,401)
General and administrative expenses		(4,736,193)	(5,056,983)
Profit from main activities		26,254,018	17,493,353
Other income / expenses:			
Other income / (expenses), net		217,994	(648,225)
Finance costs		(5,559,786)	(1,132,581)
Profit before zakat		20,912,226	15,712,547
Zakat		(1,500,000)	(500,000)
Profit for the period		19,412,226	15,212,547
OTHER COMPREHENSIVE INCOME:			
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Unearned gains on financial assets at fair value through other comprehensive income		475,459	-
Re-measurement actuarial difference in provision for end of service benefits		-	27,000
Gross other comprehensive income		475,459	27,000
Gross comprehensive income for period		19,887,685	15,239,547
Earnings per share:			
Earnings per basic and diluted share, in riyals	(10)	0.14	0.11

Financial manager

General manager

Chairman

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
(EXPRESSED IN SAUDI RIYALS)**

	Equity attributable to shareholders of the parent					Total
	Share capital	Legal reserve	Retained Earnings	Reserve for fair value of investments	Reserve for foreign currency translation	
Balance at January 1, 2020 (audited)	1,430,000,000	51,386,441	77,421,430	(21,001,580)	(61,176)	1,537,745,115
Profit for the period	-	-	15,212,547	-	-	15,212,547
Other comprehensive income	-	-	-	-	27,000	27,000
Balance at March 31, 2020 (unaudited)	1,430,000,000	51,386,441	92,633,977	(21,001,580)	(34,176)	1,552,984,662
Balance at January 1, 2021 (audited)	1,430,000,000	51,386,441	4,094,496	(22,875,585)	(61,176)	1,462,544,176
Profit for the period	-	-	19,412,226	-	-	19,412,226
Other comprehensive income	-	-	-	475,459	-	475,459
Balance at March 31, 2021 (unaudited)	1,430,000,000	51,386,441	23,506,722	(22,400,126)	(61,176)	1,482,431,861

Financial manager

General manager

Chairman

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Al Jouf Cement Company
Saudi Joint Stock Company
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH
FLows
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
(EXPRESSED IN SAUDI RIYALS)

Note	For the three-month period ended	
	March 31, 2021	March 31, 2020
	<i>(unaudited)</i>	<i>(unaudited)</i>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before zakat	20,912,226	15,712,547
Adjustments to reconcile net profit to net cash provided from operating activities:		
Depreciation of property, plant and equipment	8,331,891	8,523,626
Provision for Employees' End of Service Indemnity, Net	281,320	416,801
Adjusted net income	29,525,437	24,652,974
Trade receivables	(9,109,559)	3,098,409
Deferred finance costs	-	1,132,581
Inventory	(11,297,209)	(12,111,976)
Due from related parties	-	(142,490)
Prepayments and other debit balances	(9,563,565)	(2,135,151)
Trade payables	17,653,523	2,451,719
Accrued expenses and other credit balances	3,998,390	(8,544,342)
Change in reserve for foreign currency translation	-	27,000
CASH FLOWS FROM OPERATING ACTIVITIES:	21,207,017	8,428,724
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(258,067)	-
Spare parts of machineries and furnaces	1,423,257	1,423,257
Projects under construction	-	(4,006,484)
Finance costs paid	-	(1,132,581)
Net cash from used in investing activities	1,165,190	(3,715,808)
FINANCING ACTIVITIES		
(Settlements) / Proceeds of long term loans	(4,000,000)	7,000,000
Net cash from financing activities	(4,000,000)	7,000,000
Increase in cash and cash equivalents	18,372,207	11,712,916
Cash and cash equivalents at beginning of period	5,854,230	14,043,171
Cash and cash equivalents at end of period	24,226,437	25,756,087

Financial manager

General manager

Chairman

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AL JOUF CEMENT COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

1. THE COMPANY AND NATURE OF ITS BUSINESS:

1.1 Establishment of Company

Al-Jouf Cement Company (the "Company") is a Saudi joint stock company registered in the city of Riyadh with Commercial Registry No. 1010225259 on Dhul-Qi'dah 1 1427 AH (corresponding to November 22, 2006 AD), and the company was established pursuant to Ministerial Resolution issued by the Ministry of Commerce and Industry No. 1870 on Rajab 11 1428 AH (Corresponding to August 5, 2006 AD).

The consolidated financial statements consist of the financial statements of Jouf Cement Company ("the company") and its 100% wholly owned subsidiary companies:

- 1- Al-Jouf Cement Company - Jordan, a limited liability company, headquartered in Amman, the Hashemite Kingdom of Jordan,
- 2- Al-Jouf Investments Company, a limited liability company, based in Riyadh, Kingdom of Saudi Arabia.

All of them are referred to as the ("Group").

1.2 Nature of Company's Activity

The main activity of the company is the production of all types of cement and the wholesale and retail trade of those products and the establishment or participation in establishing industrial services companies for the purpose of providing maintenance and services to factories inside and outside the Kingdom, as well as managing and operating ordinary and resistant Portland cement factories and others, and owning lands, real estate and patents to achieve industrial purposes inside and outside the Kingdom. As well as establishing or participating in establishing companies that complete the company's activity and establishing factories for cement derivatives such as ready-mixed concrete, block and tile factories, and others, as well as commercial agencies.

1.3 Company's Capital

The company's subscribed and fully paid-up capital is 1.430 million Saudi riyals (one billion four hundred and thirty million Saudi riyals) divided into 143 million shares of equal value and fully paid, and the par value of the share is (10) ten Saudi riyals.

2. BASIS OF CONSOLIDATION

Subsidiaries are entities controlled by the group, and control exists when the group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, consideration is given to potential voting rights that are currently exercisable. Subsidiaries are consolidated from the date of acquisition (the date on which the company obtains control) and the consolidation is continued until the date that control ceases.

All balances and transactions within the Group, transactions, expenses, profits and losses resulting from transactions within the Group and included in the assets are completely excluded. Likewise, any unrealized gains or losses resulting from intra-Group transactions are eliminated upon consolidation.

The following are the details of the subsidiaries:

Company Name	Country	Legal Entity	Ownership %
Al-Jouf Cement Company (Jordan)	The Hashemite Kingdom of Jordan	A limited liability company	100%
Al-Jouf Investments Company	Kingdom of Saudi Arabia	A limited liability company	100%

AL JOUF CEMENT COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

2. BASIS OF CONSOLIDATION (CONTINUED)

Al-Jouf Cement Company (Jordan), is a limited liability company registered under the Commercial Registration No. 1688 issued from the city of Amman on 5 Dhu al-Hijjah 1432 AH (corresponding to November 1, 2010 AD). The authorized activity of the subsidiary company is the import, export, wholesale and retail trade of Cement Company products Al-Jouf and building materials.

Al-Jouf Investments Company is a limited liability company registered under Commercial Registration No. 1010298795 issued from Riyadh on Muharram 8, 1432 AH (corresponding to December 15, 2010). The authorized activity of the subsidiary company is in the wholesale and retail trade of cement and its derivatives, commercial undertakings, import and export services, marketing for others Ready-mixed concrete factories, cement factories and its derivatives, block and tile factories, buying and owning real estate for the company, selling, buying and exploiting real estate for the company.

3. BASIS OF PREPARATION:

3.1 Statement of compliance

The company's condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in Kingdom of Saudi Arabia (KSA). The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at 31 December 2020. In addition, the results of operations for the period ended March 31, 2021 do not necessarily represent an indicator for the results of operations for year ending December 31, 2021.

3.2 Basis of measurement

The condensed consolidated interim financial statements have been prepared using accrual basis of accounting, going concern concept and under the historical cost basis, except for financial assets at fair value through other comprehensive income which are recognized at fair value through other comprehensive income.

3.4 Functional and presentation currency

The condensed consolidated interim financial statements have been prepared in Saudi Riyals, which is the functional and presentation currency for the company, all the numbers are rounded to the nearest Riyal, unless otherwise indicated.

3.4 Significant accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2020. A number of amendments to standards are effective from January 1, 2021, but these do not have a material effect on these condensed consolidated interim financial statements.

AL JOUF CEMENT COMPANY
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
 (ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

3. BASIS OF PREPARATION (CONTINUED):

3.5 Significant accounting estimates, judgements, and assumptions

The preparation of Company's condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The significant judgements made by management in applying the Company's accounting policies and key sources of estimates uncertainty were the same as those described in the financial statements for year ended 31 December 2020.

4. PROPERTY, PLANT, AND EQUIPMENT:

	March 31, 2021 <i>(Unaudited)</i>	December 31, 2020 <i>(Audited)</i>
Property, Plant, and Equipment	816,301,424	824,375,248
ADD:		
* Spare parts of machineries and furnaces	19,566,437	20,989,694
Projects under construction:		
** Second production line project	816,043,883	816,043,883
Power plant project	204,891,642	204,891,642
Alternative fuels project	23,891,885	23,891,885
International road bridge	33,321,345	33,321,345
Other projects	4,057,176	4,057,176
	1,918,073,792	1,927,570,873

* Company's management has conducted a comprehensive study with regard to the stock of spare parts for machineries and furnaces to determine what will be consumed during the upcoming period after the date of use, as well as laying the foundations for determining fair values for the remaining parts that are consumed, and the study of fair values referred to above is currently being completed based on the principles and assumptions prepared by Group's technical department.

Movement of spare parts of machineries and furnaces is as follows:

	March 31, 2021 <i>(Unaudited)</i>	December 31, 2020 <i>(Audited)</i>
Balance at beginning of the period/year	20,989,694	19,880,698
Additions during the period/year	-	8,602,024
Amortized during the period/year	(1,423,257)	(7,493,028)
Balance at end of the period/year	19,566,437	20,989,694

AL JOUF CEMENT COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

4. PROPERTY, PLANT, AND EQUIPMENT (CONTINUED):

** On December 15, 2013, the operating trials of the second production line began with a production capacity of 5,000 tons per day, provided that the operational trials phase continues for a period of three months from the date of December 15, 2013, and on September 25, 2014, it was announced that the expected period for the second production line tests will be extended to the end of the fiscal year 2014. This is due to the presence of some technical issues on the second production line because the production capacity was not achieved according to the terms of the contract. As at 31 December 2020, the commercial production of second production line did not start, and the cement mills and packing were received.

AL JOUF CEMENT COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

4/1. PROPERTY, PLANT, AND EQUIPMENT (CONTINUED):

	Machinery and equipment	Buildings	Roads	Motor Vehicles	Tools	Furniture and office equipment	Total
Cost							
Balance at January 1,2021 (audited)	852,711,762	366,006,107	89,756,596	10,053,289	-	11,818,800	1,330,346,554
Transfers during the period	(20,963,011)	(202,388)	-	17,796,110	3,367,170	2,119	-
Additions during the period	-	42,000	-	-	214,240	1,827	258,067
Balance at March 31,2021 (unaudited)	831,748,751	365,845,719	89,756,596	27,849,399	3,581,410	11,822,746	1,330,604,621
Accumulated depreciation							
Balance at January 1,2021 (audited)	335,695,145	122,298,440	28,719,206	9,110,411	-	10,148,104	505,971,306
Transfers during the period	(11,362,271)	3,801,342	-	5,127,286	2,501,168	(67,525)	-
Charged during the period	5,572,826	1,852,154	546,057	131,919	111,126	117,809	8,331,891
Balance at March 31,2021 (unaudited)	329,905,700	127,951,936	29,265,263	14,369,616	2,612,294	10,198,388	514,303,197
Net Book Value							
Balance at March 31,2021 (unaudited)	501,843,051	237,893,783	60,491,333	13,479,783	969,116	1,624,358	816,301,424
Balance at December 31,2020 (audited)	517,016,617	243,707,667	61,037,390	942,878	-	1,670,696	824,375,248

All buildings and facilities are built on the land granted to the company and the licensee to exploit it by the Ministry of Petroleum and Mineral Resources for a period of thirty years from the beginning of July 18, 2007, located in the southeast of Turaif governorate, on which the company's factory, whose area is 22.6 square kilometers, is built.

All lines, equipment, machinery and equipment of the factory, and all factory accessories, including transportation, cars and office furniture, have been mortgaged against a loan from the Industrial Development Fund.

AL JOUF CEMENT COMPANY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:

	Percentage equity %	March 31, 2021 <i>(Unaudited)</i>	December 31, 2020 <i>(Audited)</i>
Investments in Securities:			
* Eastern Industrial Company (Closed Saudi Joint Stock Co.)	10%	46,000,000	46,000,000
Less:			
Fair value reserve for investment in Eastern Industrial Company		<u>(46,000,000)</u>	<u>(46,000,000)</u>
		-	-
Investment In Investment funds			
Kasb City Real estate fund		8,298,698	7,823,239
		<u>8,298,698</u>	<u>7,823,239</u>

* Eastern Industrial Company is a company that is not listed in the market and does not have a fair market value. The investment is evaluated by the management of Al-Jouf Cement Company.

During the fiscal year ended December 31, 2017, an impairment provision for investment in Eastern Industrial Company amounted to SAR 5,000,000 was created and charged to the consolidated statement of profit or loss.

During the fiscal year ended December 31, 2018, a decrease in the value of the investment of SAR 25 million, represented 54% of the investment value, was charged to the investment fair value reserve through other comprehensive income, and the company reversed the amount of SAR 5 million, impaired in year 2017, on the retained earnings in accordance with the first time adoption of IFRS 9 in relation to the change in fair value and retrospectively charged to the opening balance of the fair value reserve as a component of shareholders' equity on the date of application of the standard.

During the fiscal year ended December 31, 2020, an impairment provision for investment in Eastern Industrial Company was created in the amount of SAR 21 million and charged to the consolidated statement of profit or loss.

AL JOUF CEMENT COMPANY
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
 (ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

6. RELATED PARTIES:

Dealing with related parties are in ordinary scope of work for the Group. Determining the value of those transactions by fair value.

	<u>Nature of relationship</u>	<u>March 31, 2021</u> <i>(Unaudited)</i>	<u>December 31, 2020</u> <i>(Audited)</i>
Due from Related Parties:			
Jahez Al-Jouf Company - a limited liability company	Member of Board of Directors	18,537	18,537

7. LONG TERM LOANS:

	<u>March 31, 2021</u> <i>(Unaudited)</i>	<u>December 31, 2020</u> <i>(Audited)</i>
Current portion of long term loans		
Industrial Development Fund loan	12,000,000	12,000,000
SABB Bank loan	18,000,000	18,000,000
Alinma Bank loan	15,600,000	18,600,000
Al-Jazira Bank loan	24,974,592	18,730,944
Total current portion of long term loans	70,574,592	67,330,944
Non-current portion of long term loans		
Industrial Development Fund loan	62,999,985	63,999,985
SABB Bank loan	180,459,754	180,459,754
Alinma Bank loan	331,400,000	331,400,000
Al-Jazira Bank loan	12,487,296	18,730,944
Total non-current portion of long term loans	587,347,035	594,590,683

On February 27, 2010, the Group obtained a loan from the Saudi Industrial Development Fund, amounted to SAR 483.5 million, according to the agreement signed with the fund, and credit limit for the loan agreement amounted to SAR 483.5 million.

This loan is secured by the mortgage of all existing buildings or that are being constructed in the concession area granted to the Company, located in the southeast of the Turaif governorate, on which the Company's factory is located, with an area of 22.6 square kilometers, with the entire factory, its equipment, machinery and all its attachments. According to the agreement, the last installment of this loan is due on November 4, 2017.

On June 16, 2015, an Islamic Murabaha facility agreement was signed with Saudi British Bank, amounted to SAR 365 million, according to the internal borrowing rate of Saudi banks plus 2% annually. The loans are guaranteed by the signing a cheque to the beneficiary of bank for the purpose of extending the facility period, provided that the facility is repaid in 11 semi-annual installments in addition to the profit margin, and the first installment payment begins in September 2016.

AL JOUF CEMENT COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

7. LONG TERM LOANS (CONTINUED):

On December 9, 2015, Al-Jouf Cement Company signed a bank facility agreement to obtain a long-term loan from Alinma Bank for an amount of SAR 350 million, and the credit limit for facility agreement amounted to SAR 450 million. This loan was obtained in the form of financing deferred sale with a profit margin in according to the internal borrowing rate between Saudi banks plus 2%. The term of the agreement is 7 years, provided that the first installment to be paid in 2017.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS:

Fair value is the amount received when an asset is sold or paid to transfer a liability in an organized transaction between market participants on the date of measurement. The Group's condensed consolidated interim financial instruments consist of financial assets and financial liabilities.

The Group's condensed consolidated interim financial assets consist of cash and cash equivalents, trade receivables and other debit balances, and due from related parties.

Financial liabilities consist of trade payables and other credit balances, and due to related parties.

The fair value of financial instruments is not fundamentally different from their listed value, unless otherwise indicated.

9. RISK MANAGMENT:

Credit risk

Credit risk represents one party's inability to meet its obligations, resulting in the other party incurring financial loss. The Group is committed to managing customer-related credit risk by setting credit limits for each customer and monitoring existing debits.

Special commission price risk

Special commission price risk relates to the risks resulting from the fluctuation of the value of a financial instrument as a result of the change in the prevailing commission rates in the market, and the Group is subject to the risk of special commission rates on its assets associated with special commissions such as murabaha deposits and credit facilities.

Liquidity risk

Liquidity risks represent the Group's difficulties in providing funds to meet financial instrument obligations. Liquidity risk results from the inability to sell a financial asset quickly at an amount equivalent to its fair value. The Group manages liquidity risks by maintaining cash balances with banks and ensuring that adequate facilities can be obtained, if necessary, to continuously cover its short-term obligations.

The terms of collection include the collection of the value of the sales within a period of 30 to 60 days from the date of sale and that the purchases are paid within a period of 30 to 60 days from the date of purchase.

Currency risk

Currency risk resulting from fluctuating value of financial instruments is the result of changes in foreign exchange rates. The Group is subject to fluctuations in foreign exchange rates during its normal business cycle. The Group did not conduct any significant transactions in currencies other than the Saudi riyal, US dollar and euro during the year.

AL JOUF CEMENT COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

10. EARNINGS PER SHARE:

Earnings per share for the period is calculated by dividing net profit for the period by the weighted average of the number of shares during the period which is as follows:

	March 31, 2021	March 31, 2020
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period attributable to Shareholders of the Company	19,412,226	15,212,547
Weighted average number of shares	143,000,000	143,000,000
Earnings per share for the period	0.14	0.11

- During the period, there were no dilutive shares, so the diluted earnings per share does not differ from the basic earnings per share.

11. GEOGRAPHICAL DISTRIBUTION:

All of the Group's assets and liabilities are located in Saudi Arabia except for investment in subsidiary; Al-Jouf Cement Company - Jordan, which is headquartered in Amman, the Hashemite Kingdom of Jordan.

12. SEGMENT INFORMATION:

The Group's main business is one product locally and therefore does not report on the operating sectors in multiple products or geographical areas.

13. MAIN EVENTS:

The outbreak of the new Corona virus (Covid-19) in early 2020 and spread worldwide, including the Kingdom of Saudi Arabia, caused the disruption of many companies and economic activities. The company's management believes that this pandemic has no material impact on the condensed consolidated interim statement of financial position as of March 31, 2021. Given the current uncertainty about the future, management will continue to assess the impact based on future developments.

14. APPROVAL THE CONDENSED CONSOLIDATED INTERIM FINACIAL STATEMENTS:

These condensed consolidated interim financial statements were approved by the Company's Board of Directors on May 2, 2021G, Ramadan 20, 1442H.