YANBU CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) AND INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE SHAREHOLDERS OF
YANBU CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Yanbu Cement Company, a Saudi Joint Stock Company ("the Company" or "the Parent Company") and its Subsidiary (collectively referred to as "the Group") which comprises the interim condensed consolidated statement of financial position as at 31 March 2025 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. 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 BDO Dr. Mohamed Al-Amri & Co.

د. محمد العمري وشركاه - محاسبون قانونيون
شركة مهنية رقم ٣٢٣/١١/٦١
س.ت ٤٠٣٠٢٧٥٣٣٠
Jeddah
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

Maher Al-Khatieb
Certified Public Accountant
Registration No. 514

Jeddah on 22 May 2025(G)
Corresponding to: 24 Dhul Qaida 1446(H)

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three-month period ended 31 March 2025

	Note	For the three-month period ended 31 March 2025 ⃁ Unaudited	For the three-month period ended 31 March 2024 ⃁ Unaudited
Revenue	4	266,443,471	242,358,551
Cost of revenue		(191,358,001)	(150,373,458)
GROSS PROFIT		**75,085,470**	**91,985,093**
Selling and distribution expenses		(26,181,616)	(12,723,373)
General and administrative expenses		(13,024,032)	(13,998,179)
PROFIT FROM OPERATIONS		**35,879,822**	**65,263,541**
Other income		1,199,432	946,564
Loss on derivative instruments at fair value through profit or loss (FVTPL)		(314,651)	(62,469)
Gain from investment at fair value through profit or loss (FVTPL)	9	86,954	1,137,783
Finance income		648,776	813,030
Finance cost		(4,276,232)	(5,479,964)
PROFIT BEFORE ZAKAT		**33,224,101**	**62,618,485**
Zakat	5	**(3,316,526)**	(4,312,424)
NET PROFIT FOR THE PERIOD		**29,907,575**	**58,306,061**
EARNINGS PER SHARE			
Basic and diluted earnings per share	14	**0.19**	**0.37**

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

	For the three-month period ended 31 March 2025 ⃁ Unaudited	For the three-month period ended 31 March 2024 ⃁ Unaudited
NET PROFIT FOR THE PERIOD	**29,907,575**	**58,306,061**
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**29,907,575**	**58,306,061**

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

	Note	31 March 2025 Unaudited ⃁	31 December 2024 Audited ⃁
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,111,684,430	2,145,220,562
Intangible assets		231,966	406,491
Investment in an associate		575,159	575,159
Other non-current assets		6,297,170	9,166,298
TOTAL NON-CURRENT ASSETS		**2,118,788,725**	2,155,368,510
CURRENT ASSETS			
Inventories	7	783,181,004	807,032,088
Trade receivables	8	195,755,526	178,462,666
Prepayments, advances and other receivables		39,454,569	38,128,771
Financial derivatives	17	1,038,795	1,353,446
Investment at fair value through profit or loss (FVTPL)	9	15,467,711	15,380,757
Cash and cash equivalents	10	41,006,748	54,950,226
TOTAL CURRENT ASSETS		**1,075,904,353**	1,095,307,954
TOTAL ASSETS		**3,194,693,078**	3,250,676,464
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	1,575,000,000	1,575,000,000
Statutory reserve	12	787,500,000	787,500,000
Retained earnings		**273,493,800**	243,586,225
TOTAL EQUITY		**2,635,993,800**	2,606,086,225
LIABILITIES			
NON-CURRENT LIABILITIES			
Bank borrowings	11(A)	29,000,000	35,750,000
Provision for employees' defined benefits obligations		118,636,355	112,542,513
Provision for site restoration		11,092,456	5,530,853
TOTAL NON-CURRENT LIABILITIES		**158,728,811**	153,823,366
CURRENT LIABILITIES			
Trade payables		**36,221,930**	14,324,542
Current portion of bank borrowings	11(A)	**27,261,723**	27,301,713
Short term financing	11(B)	**157,562,830**	255,315,909
Dividend payable		**82,426,971**	82,859,626
Accrued expenses and other current liabilities		**77,025,630**	94,406,547
Zakat payable	5	**19,471,383**	16,558,536
TOTAL CURRENT LIABILITIES		**399,970,467**	490,766,873
TOTAL LIABILITIES		**558,699,278**	644,590,239
TOTAL EQUITY AND LIABILITIES		**3,194,693,078**	3,250,676,464

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

	Share capital ⃁	Statutory reserve ⃁	Retained earnings ⃁	Total equity ⃁
As at 1 January 2025 (Audited)	**1,575,000,000**	**787,500,000**	**243,586,225**	**2,606,086,225**
Net profit for the period	-	-	**29,907,575**	**29,907,575**
Other comprehensive income for the period	-	-	-	**-**
Total comprehensive income for the period	**-**	**-**	29,907,575	29,907,575
Balance at 31 March 2025 (Unaudited)	**1,575,000,000**	**787,500,000**	273,493,800	2,635,993,800

	Share capital ⃁	Statutory reserve ⃁	Retained earnings ⃁	Total equity ⃁
As at 1 January 2024 (Audited)	1,575,000,000	787,500,000	289,505,717	2,652,005,717
Net profit for the period	-	-	58,306,061	58,306,061
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**58,306,061**	**58,306,061**
Balance at 31 March 2024 (Unaudited)	**1,575,000,000**	**787,500,000**	**347,811,778**	**2,710,311,778**

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

	Note	For the three-month period ended 31 March 2025 ⃁ Unaudited	For the three-month period ended 31 March 2024 ⃁ Unaudited
OPERATING ACTIVITIES			
Profit before zakat		33,224,101	62,618,485
Adjustments to reconcile operating income to net cash flows:			
Depreciation of property, plant and equipment	6	42,790,756	41,802,569
Amortization of intangible assets		174,525	174,525
Finance cost		4,276,232	5,479,964
Loss on derivative instruments		314,651	62,469
Gain on investment at FVTPL	9	(86,954)	(1,137,783)
Provision against spare parts		1,000,000	1,577,562
(Reversal of allowance) /allowance for expected credit losses		(109,023)	1,370,065
Provision for employees' defined benefits obligations		6,935,492	8,047,922
		88,519,780	**119,995,778**
Working capital changes:			
Inventories		22,851,084	(37,006,280)
Trade receivables		(17,183,837)	(37,316,347)
Prepayments, advances and other receivables		1,543,330	8,133,035
Trade payables		21,897,388	4,032,458
Accrued expenses and other current liabilities		(17,380,917)	14,083,833
		100,246,828	**71,922,477**
Zakat paid	5	(403,679)	-
Employees benefits paid		(841,650)	(2,684,144)
Finance cost paid		(4,177,289)	(5,415,341)
Net cash generated from operating activities		**94,824,210**	**63,822,992**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(3,791,964)	(4,550,710)
Proceeds from investment at FVTPL	9	-	40,000,000
Short term Murabaha deposit		-	(20,000,000)
Net cash (used in) / generated from investing activities		**(3,791,964)**	**15,449,290**
FINANCING ACTIVITIES			
Repayment of lease liability		-	(40,000)
Repayment of bank borrowings		(6,789,990)	(6,901,670)
Repayment of short-term financing		(97,753,079)	(72,053,408)
Dividend paid		(432,655)	(117,980)
Net cash used in financing activities		**(104,975,724)**	**(79,113,058)**
NET CHANGES IN CASH AND CASH EQUIVALENTS		**(13,943,478)**	159,224
Cash and cash equivalents at the beginning of the period	10	**54,950,226**	73,586,556
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10	**41,006,748**	**73,745,780**

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

Yanbu Cement Company (“the Company” or “the Parent Company”) - a Saudi Joint Stock Company – has been established in the Kingdom of Saudi Arabia by the Royal Decree No. M/10 dated on 4 Rabi' I 1397H (corresponding to 22 February 1977), and it is registered in Yanbu city under Commercial Registration (CR) No. 4700000233 dated on 21 Dhul-Qi'dah 1398H (corresponding to 24 October 1978). The Company’s shares are listed in the Stock Exchange of the Kingdom of Saudi Arabia. These interim condensed consolidated financial statements comprise the interim condensed financial statements of the Company and its fully owned subsidiary, Yanbu Saudi Kuwaiti Paper Products Company Limited (the “Subsidiary”) (together referred to as the "Group").

The Parent Company’s authorized and paid-up share capital is divided into 157,500,000 shares as at 31 March 2025 (31 December 2024: 157,500,000 shares) stated at SR 10 per share.

The Company is mainly engaged in manufacturing, producing and trading in cement and its related products as per industrial license No. 451110128256 renewed on 5 Muharram 1445H (corresponding to 23 July 2023) which ends on 13 Rabi ul Awal 1450H (corresponding to 4 August 2028). The Subsidiary is mainly engaged in manufacturing and wholesale trading of cement paper as per industrial license No. 431110118935 issued on 23 Sha’ban 1425H (corresponding to 7 October 2004) and ending on 26 Dhu’l-Hijjah 1448H (corresponding to 01 June 2027) and registered in Yanbu city under Commercial Registration (CR) No. 4700009036 dated on 17 Dhul-Qi’dah 1425H (corresponding to 29 December 2004).

The registered address of the Company is Yanbu Cement building located at Al Baghdadiyah Al Gharbiyah District, P. O. Box 5530, Jeddah 21422, Kingdom of Saudi Arabia. The Company has branch in Jeddah with CR number 4030021367. The financial results of this Branch are included in these interim condensed consolidated financial statements.

On 23 June 2024, the Company signed a non-binding Memorandum of Understanding (MoU) with Southern Province Cement Company to assess the feasibility of a merger between the two companies. A committee from both companies has been formed to oversee the process and implement the necessary steps.

Investment in associate
During the year ended 31 December 2020, the Company had invested 49% interest in Knowledge Center for Cement Training Limited (the associate company), a mixed limited liability company registered in the Kingdom of Saudi Arabia and have a share capital of SR 500,000. The Company is established to conduct short term cement training programs. The remaining 51% shareholding is held by FL Smidth Company.

2 BASIS OF PREPARATION AND BASIS OF MEASUREMENT

2.1 Statement of compliance
These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” “IAS 34” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and therefore should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

2.2 Basis of measurement
These interim condensed consolidated financial statements have been prepared on a historical cost basis except for financial derivatives and investment that have been measured at fair value and for employees’ benefits obligations, Projected Unit Credit Method is used. These interim condensed consolidated financial statements are presented in Saudi Riyals (“⃁”), which is also the functional currency of the Group. Figures have been rounded off to the nearest Saudi Riyal (“⃁”) unless otherwise stated.

2.3 Significant accounting judgments, estimates and assumptions
The preparation of the Group’s interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

2 BASIS OF PREPARATION AND BASIS OF MEASUREMENT (Continued)

2.3 Significant accounting judgments, estimates and assumptions (Continued)

The significant judgments made by the management in applying the Group's key sources of estimation uncertainty were the same as those described in the annual consolidated financial statements of the Group for the year ended 31 December 2024. The Group will continue to monitor the situation, and any changes required will be reflected in future reporting periods.

2.4 New standards, interpretations and amendments adopted by the Group

There are new standards and number of amendments to standards which are effective from 1 January 2025 and have been explained in Group's annual Consolidated Financial Statements for the year ended 31 December 2024, but they do not have a material effect on the Group's Interim Condensed Consolidated Financial Statements.

3 SEGMENT INFORMATION

The Group is engaged in one operating segment, i.e., manufacturing cement and operates completely from the Kingdom of Saudi Arabia. Accordingly, the financial information was not divided into different geographic or business segments. The financial information of the Subsidiary is not significant to Group's interim condensed consolidated financial statements for segment information.

4 REVENUE

The Group's revenue is described below:

	For the three-month period ended 31 March	
	2025	2024
	⃁	⃁
Product type	**Unaudited**	**Unaudited (Note 19)**
Bulk cement	120,498,013	141,164,942
Packed cement	49,755,358	60,636,295
Cement bags	11,048,496	12,460,870
Raw cement (Clinker)	85,141,604	28,096,444
Total revenue (*)	**266,443,471**	**242,358,551**
Geographical markets		
Total revenue inside the Kingdom of Saudi Arabia	181,301,867	214,262,107
Total revenue outside the Kingdom of Saudi Arabia	85,141,604	28,096,444
Total revenue	**266,443,471**	**242,358,551**

(*) The timing of the revenue recognition from the above goods is at a point in time.

5 ZAKAT PAYABLE

The movement in zakat payable of the Group is as follows:

	31 March 2025	31 December 2024
	⃁	⃁
	Unaudited	**Audited**
Balance at beginning of the period / year	16,558,536	13,976,107
Charged during the period / year	3,316,526	15,831,463
Paid during the period / year	(403,679)	(13,249,034)
Balance at the end of the period / year	**19,471,383**	**16,558,536**

Status of zakat assessments

Parent Company:

The Company has submitted its zakat returns to Zakat, Tax and Customs Authority ("ZATCA") up to the year ended 31 December 2024. The Company has also finalized its status until the year ended 31 December 2022 with a zakat difference of ⃁ 0.40 million, which was settled during February 2025.

5 ZAKAT PAYABLE (Continued)

Status of zakat assessments (Continued)

Parent Company: (Continued)

Subsidiary:

The Subsidiary has submitted the zakat returns to ZATCA up to the year ended 31 December 2024. The Subsidiary has also finalized its status until the year ended 31 December 2020.

The Subsidiary received an additional assessment from ZATCA for the year 2017 claiming an additional zakat liability of SR 0.20 million and accordingly filed objections against this assessment order with the TVDRC which were rejected on 16 March 2022. Management has filed the appeal against the decision to TVDAC on 13 April 2022. On 2 May 2024, the TVDAC decided to support the Company without any additional claim and the zakat status has been finalized for the year 2017.

On 8 August 2023, the subsidiary received a request for additional information for the year 2020 and a final assessment has been issued on 30 May 2024 claiming an additional zakat of ⃁ 0.003 million which was duly paid and the zakat status has been finalized for the year 2020.

6 PROPERTY, PLANT AND EQUIPMENT

	For the three-month period ended 31 March	
	2025 ⃁ Unaudited	2024 ⃁ Unaudited
Depreciation	42,790,756	41,802,569
Additions to property, plant and equipment	3,791,964	4,550,710

6.1 The plants are situated on land leased from Ministry of Industries and Mineral Resources of Ras Baridi in Yanbu, for 30 Hijra years commencing 4 Rabi' I 1398H (corresponding to 12 February 1978). The lease has been renewed for a similar period for 30 years on 3 Rabi' I 1428H (corresponding to 22 March 2007). The lease is renewable for further similar periods subject to the agreement of both parties.

6.2 During the year ended 31 December 2024, the Group re-evaluated the recognition of surface rentals as lease under the scope of IFRS 16 "Leases" and reversed right of use asset, accumulated depreciation and lease liability. The surface rentals have been recorded as "rent expense" under the "Cost of Sales". The Group did not restate the comparative information in the interim condensed statement of profit or loss for the three-month period ended 31 March 2024 as the overall impact of adjustments was not material.

7 INVENTORIES

	31 March 2025 ⃁ Unaudited	31 December 2024 ⃁ Audited
Spare parts	266,133,568	277,925,728
Less: provision against spare parts	(110,105,657)	(109,105,657
	156,027,911	**168,820,071**
Finished goods	10,510,525	5,055,210
Work in process	563,880,443	574,994,547
Raw materials	31,114,819	33,075,772
Fuel	12,731,274	13,145,246
Packaging materials	4,288,306	6,237,657
Goods in transit (Fuel)	641,837	3,035,559
Goods in transit (Raw materials)	3,797,092	2,444,179
Other materials	188,797	223,847
	627,153,093	**638,212,017**
	783,181,004	**807,032,088**

As at 31 March 2025, provision against slow-moving spare parts amounted to ⃁ 110.11 million (31 December 2024: ⃁ 109.11 million).

8 TRADE RECEIVABLES

	31 March 2025 ⃁ Unaudited	31 December 2024 ⃁ Audited
Trade receivables	207,325,417	190,141,580
Allowance for expected credit losses	(11,569,891)	(11,678,914)
	195,755,526	**178,462,666**

Trade receivables are non-interest bearing and are generally on the term of 30 to 90 days.

9 INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	Note	31 March 2025 ⃁ Unaudited	31 December 2024 ⃁ Audited
Balance at the beginning of the period / year		15,380,757	85,161,356
Purchases during the period / year		-	43,000,000
Sales during the period / year		-	(115,070,984)
Fair value gain	9.1	86,954	2,290,385
Balance at the end of the period / year		**15,467,711**	**15,380,757**

9.1 Fair value gain on investment at FVTPL

	31 March 2025 ⃁ Unaudited	31 December 2024 ⃁ Audited
Unrealized gain	86,954	214,830
Realized gain	-	2,075,555
	86,954	**2,290,385**

10 CASH AND CASH EQUIVALENTS

	31 March 2025 ⃁ Unaudited	31 December 2024 ⃁ Audited
Bank balances	**41,006,748**	**54,950,226**

11 LOANS

A) BANK BORROWINGS

	31 March 2025 ⃁ Unaudited	31 December 2024 ⃁ Audited
SAB Loan (Note I and II)	56,261,723	63,051,713
Current portion	(27,261,723)	(27,301,713)
Non-current portion	**29,000,000**	**35,750,000**

I. During 2022, the Parent Company entered into a bank facility agreement with SAB amounted to ⃁ 35 million to cover the acquisition of 40% of the remaining shares of the Subsidiary Company. The loan is subject to repayment of quarterly installments of ⃁ 1.75 million each, starting from July 2023 until June 2028. The loan entails financing costs as per prevailing Saudi rates (SAIBOR) in addition to a fixed commission rate.

II. During 2023, the Parent Company entered into a Murabaha finance agreement with SAB amounted to ⃁ 70 million. The loan is repayable in quarterly installments of ⃁ 5 million each, starting from September 2023 until February 2027. The loan entails financing costs as per prevailing Saudi rates (SAIBOR) in addition to a fixed commission rate.

B) SHORT TERM FINANCING

The Parent Company has entered into non-conventional financing facilities agreements with various banks at SAIBOR plus agreed commission rate to meet its working capital requirements. The facilities availed during the period ended 31 March 2025 amounted to ⃁ 430 million (31 December 2024: ⃁ 430 million). As at 31 March 2025, the outstanding amounts of ⃁ 157.56 million (31 December 2024: ⃁ 255.32 million) were classified under current liabilities since these are due within 12 months period.

12 STATUTORY RESERVE

In accordance with the Company's previous By-laws, the Company was required to allocate atleast 10% of its annual net income to the statutory reserve until the reserve reached 30% of the share capital. As part of its financial policy, the Company had decided to continue maintaining the statutory reserve at 50% of the share capital. However, following recent amendments to the Companies Law, the Company has discontinued the creation of the statutory reserve and By-laws has been updated in this regard.

Accordingly, the Company will review and evaluate the best possible uses of the existing statutory reserve i.e, ⃁ 787.50 million in a manner that serves the interests of the Company and its shareholders as per its amended By laws and accordingly, recommendations will be presented to the General Assembly for the necessary approvals.

13 DIVIDENDS

No dividends were proposed by the Board of Directors of the Parent Company during the current and prior period ended 31 March 2025 and 31 March 2024 respectively.

14 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the period by the weighted average number of ordinary shares which are 157.5 million shares.

The table below reflects the details of the net profit for the period and the number of shares used in calculating basic and diluted earnings per share:

	For the three-month period ended 31 March	
	2025	2024
	⃁	⃁
	Unaudited	Unaudited
Net profit for the period	*29,907,575*	*58,306,061*
Weighted average number of outstanding ordinary shares	*157,500,000*	*157,500,000*
Basic and diluted earnings per share	***0.19***	***0.37***

There has been no item of dilution affecting the weighted average number of ordinary shares.

15 CONTINGENCIES AND COMMITMENTS

As at 31 March 2025, the contingencies against banks' letter of guarantees issued on behalf of the Group amounted to ⃁ 63.13 million (31 December 2024: ⃁ 46.26 million).

As at 31 March 2025, the Group has letter of credits amounted to ⃁ 1.01 million (31 December 2024: ⃁ 0.69 million) issued from banks in the Kingdom of Saudi Arabia.

16 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, Board of Directors, the Group's key management personnel and entities managed or significantly influenced by those parties. The following are the details of major-related parties' transactions during the three-month period ended 31 March 2025:

Allowances and compensation of the Board of Directors and senior executives

The Group's senior management includes key management personnel and executives, Board of Directors, having authorities and responsibilities for planning, directing and controlling the activities of the Group.

Board of Directors and committees' compensation charged and accrued during the three-month period ended 31 March 2025 amounted to ⃁ 0.9 million (31 March 2024: ⃁ 0.9 million).

Key management personnel compensation comprised the following:

	For the three-month period ended 31 March	
	2025	2024
	⃁	⃁
	Unaudited	Unaudited
Short term employee benefits	*2,428,111*	*2,301,314*
Post-employment benefits	*141,460*	*133,970*
	2,569,571	***2,435,284***

The Group entered into transaction with its associate under mutually agreed terms and conditions

	Amount of transaction For the three-month period ended 31 March	
Knowledge Centre for Cement Training - (the "associate")	**2025**	**2024**
(Nature of transaction)	⃁	⃁
	Unaudited	**Unaudited**
Paid on behalf of associate	**1,071**	**100,864**

Knowledge Centre for Cement Training - associate	**31 March 2025**	**31 December 2024**
Balances	⃁	⃁
	Unaudited	**Audited**
Due from related party balance *	**394,651**	**393,580**

* The due from related party balance is included in prepayments, advances and other receivables.

17 FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Suppose the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy. In that case, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

			Fair value measurement using		
Assets measured at fair value	**Date of valuation**	**Total ⃁**	**Quoted prices in active markets (Level 1) ⃁**	**Significant observable inputs (Level 2) ⃁**	**Significant unobservable inputs (Level 3) ⃁**
Financial derivatives	**31 March 2025 (Unaudited)**	**1,038,795**			**1,038,795**
Investment at FVTPL	**31 March 2025 (Unaudited)**	**15,467,711**		**7,467,711**	**8,000,000**
Financial derivatives	31 December 2024 (Audited)	1,353,446	-	-	1,353,446
Investment at FVTPL	31 December 2024 (Audited)	15,380,757	-	7,380,757	8,000,000

Financial derivatives

The Group enters into derivative financial instrument principally with financial institutions having investment-grade credit ratings. Derivatives valued using valuation techniques with observable market inputs is interest rate swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.

Investments at FVTPL

This represents investment in mutual funds. The fund manager limits market risk by monitoring the developments in the relevant markets for these instruments.

During the three-month period ended 31 March 2025 and year ended 31 December 2024, there were no movements between the levels.

18 EVENTS AFTER THE REPORTING PERIOD

Management believes that there are no significant subsequent events that either require disclosure or adjustments to the accompanying interim condensed consolidated financial statements.

19 COMPARATIVE FIGURES

During the period, the Group reclassified transportation expenses previously netted off from 'revenue' to "selling and distribution expenses". This was done to achieve proper classification of expenses and the comparative figures amounted to ⃁ 8.19 million have also been reclassified to conform to the current year presentation. This reclassification does not affect the net profit and retained earnings of the Group in prior period.

20 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements of the Group were approved by the Audit Committee on 16 Dhul Qaida 1446 H (Corresponding to the 14 May 2025 G).