

**SOUTHERN PROVINCE CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)**

For the three-month and nine-month periods ended September 30, 2024  
with

**INDEPENDENT AUDITORS' REPORT ON REVIEW**



## KPMG Professional Services

Zahran Business Center  
Prince Sultan Street  
P. O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 4030290792

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص. ب. 55078  
جده 21534  
المملكة العربية السعودية  
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed interim financial statements

To the Shareholders of Southern Province Cement Company  
(A Saudi Joint Stock Company)  
Abha, Kingdom of Saudi Arabia

## Introduction

We have reviewed the accompanying September 30, 2024 condensed interim financial statements of **Southern Province Cement Company** ("Company"), which comprises:

- the condensed statement of financial position as at September 30, 2024;
- the condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2024;
- the condensed statement of changes in equity for the nine-month period ended September 30, 2024;
- the condensed statement of cash flows for the nine-month period ended September 30, 2024; 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 the 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 condensed 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 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.

# Independent auditor's report on review of condensed interim financial statements (continued)

To the Shareholders of Southern Province Cement Company  
(A Saudi Joint Stock Company)  
Abha, Kingdom of Saudi Arabia

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying September 30, 2024 condensed interim financial statements of **Southern Province Cement 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.

### For KPMG Professional Services

Abdullah Oudah Althagafi  
License No: 455



Jeddah, November 10, 2024  
Corresponding to Jumada Al Awal 8, 1446H

**SOUTHERN PROVINCE CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF FINANCIAL POSITION**

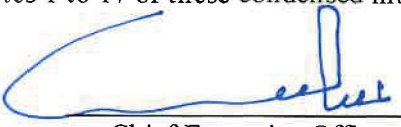
As at September 30, 2024

(Saudi Riyal)

	Note	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b><u>ASSETS</u></b>			
Property plant and equipment	7	2,898,529,681	2,826,226,343
Intangible assets		341,036	--
Investment properties		5,476,376	5,437,625
<b>Non-current asset</b>		<b>2,904,347,093</b>	<b>2,831,663,968</b>
Inventory	8	913,033,173	744,786,614
Trade receivables		144,350,855	97,475,209
Prepayments and other receivables	9	62,032,490	46,353,008
Cash and cash equivalents	10	141,700,499	363,096,531
<b>Current assets</b>		<b>1,261,117,017</b>	<b>1,251,711,362</b>
<b>Total assets</b>		<b>4,165,464,110</b>	<b>4,083,375,330</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Equity:</u></b>			
Share capital		1,400,000,000	1,400,000,000
Statutory reserve		700,000,000	700,000,000
Retained earnings		1,170,380,283	1,186,204,368
<b>Total equity</b>		<b>3,270,380,283</b>	<b>3,286,204,368</b>
<b><u>Liabilities</u></b>			
Loans and facilities	11	481,346,200	361,164,949
Employees' defined benefit obligation		114,141,271	116,804,570
Quarry rehabilitation provision		7,816,600	1,140,000
<b>Non-current liabilities</b>		<b>603,304,071</b>	<b>479,109,519</b>
Loans and facilities	11	1,269,393	1,211,640
Accrued expenses and other payables		55,821,738	60,996,752
Trade payables		80,798,009	76,482,127
Dividend payables	12	134,920,181	159,375,577
Zakat provision	13	18,970,435	19,995,347
<b>Current liabilities</b>		<b>291,779,756</b>	<b>318,061,443</b>
<b>Total liabilities</b>		<b>895,083,827</b>	<b>797,170,962</b>
<b>Total equity and liabilities</b>		<b>4,165,464,110</b>	<b>4,083,375,330</b>

The attached notes 1 to 17 of these condensed interim financial statements.

  
Executive Vice President  
of Finance

  
Chief Executive Officer

  
Chairman

**SOUTHERN PROVINCE CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**

For the three-month and nine-month periods ended September 30, 2024  
(Saudi Riyal)

	Note	For the three-month period ended September 30,		For the nine-months period ended September 30,	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenue		232,518,100	286,464,852	697,506,043	812,315,306
Cost of revenue		(161,003,537)	(205,737,239)	(478,898,246)	(624,200,004)
<b>Gross profit</b>		<b>71,514,563</b>	<b>80,727,613</b>	<b>218,607,797</b>	<b>188,115,302</b>
Provision for expected credit loss		--	--	(2,172,189)	--
Selling and distribution expenses		(3,989,585)	(3,552,483)	(7,652,273)	(12,588,551)
General and administration expense		(18,912,157)	(18,712,501)	(58,034,812)	(40,310,902)
<b>Operating income</b>		<b>48,612,821</b>	<b>58,462,629</b>	<b>150,748,523</b>	<b>135,215,849</b>
Finance income		1,235,559	2,606,881	6,812,618	8,018,288
Finance costs		--	(3,671,602)	(3,845,766)	(9,597,322)
Other income	15	8,838,400	225,447	9,648,030	820,833
<b>Profit before zakat</b>		<b>58,686,780</b>	<b>57,623,355</b>	<b>163,363,405</b>	<b>134,457,648</b>
Zakat		(5,634,008)	(4,359,268)	(18,187,490)	(13,269,208)
<b>Period profit</b>		<b>53,052,772</b>	<b>53,264,087</b>	<b>145,175,915</b>	<b>121,188,440</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified under profit or loss:</i>					
Remeasurement of employees' defined benefits obligation		--	--	--	--
<b>Total comprehensive income</b>		<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total comprehensive income</b>		<b>53,052,772</b>	<b>53,264,087</b>	<b>145,175,915</b>	<b>121,188,440</b>
<u>Earnings per share to net income for the period</u> (Saudi Riyals):					
Basic	14	0.38	0.38	1.04	0.87
Diluted		0.38	0.38	1.04	0.87

The attached notes 1 to 17 of these condensed interim financial statements.

  
Executive Vice President of  
Finance

  
Chief Executive Officer

  
Chairman

**SOUTHERN PROVINCE CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**

For the nine-month period ended September 30, 2024  
(Saudi Riyal)

	Note	Share capital	Statutory reserve	Retained earnings	Total
<b>For the nine-month period ended September 30, 2023:</b>					
Balance at January 1, 2023 (audited)		1,400,000,000	700,000,000	1,105,593,835	3,205,593,835
Profit for the period		--	--	121,188,440	121,188,440
Other comprehensive income		--	--	--	--
Total comprehensive income for the period		--	--	121,188,440	121,188,440
Transactions with shareholders of the Company					
Dividends distribution	12	--	--	(119,000,000)	(119,000,000)
Balance at September 30, 2023 (unaudited)		1,400,000,000	700,000,000	1,107,782,275	3,207,782,275
<b>Nine-month period ended September 30, 2024:</b>					
Balance as at January 1, 2024 (audited)		1,400,000,000	700,000,000	1,186,204,368	3,286,204,368
Profit for the period		--	--	145,175,915	145,175,915
Other comprehensive income		--	--	--	--
<b>Total comprehensive income for the period</b>		--	--	<b>145,175,915</b>	<b>145,175,915</b>
<b>Transactions with shareholders of the Company</b>					
Dividends distribution	12	--	--	(161,000,000)	(161,000,000)
<b>Balance at September 30, 2024 (unaudited)</b>		<b>1,400,000,000</b>	<b>700,000,000</b>	<b>1,170,380,283</b>	<b>3,270,380,283</b>

The attached notes 1 to 17 of these condensed interim financial statements.

  
Executive Vice-President  
of Finance

  
Chairman

**SOUTHERN PROVINCE CEMENT COMPANY**

(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the nine-month period ended September 30, 2024

(Saudi Riyals)

	Note	<u>2024</u> (Unaudited)	<u>2023</u> (Unaudited)
<b><u>Operating activities:</u></b>			
Profit for the period before zakat		163,363,405	134,457,648
<b><u>Adjustments:</u></b>			
Depreciation on property, plant and equipment	7	149,580,591	146,769,517
Amortization of intangible assets		5,564	--
Amortization of loan rescheduling losses	11	(901,641)	--
(Gain) / loss from disposal of property, plant and equipment		(617,178)	24
Provision for write down of inventory		4,889,790	559,439
Provision for expected credit losses		2,172,189	--
Provision for quarry rehibition		6,676,600	--
Financial Costs		3,845,766	9,597,322
Employee defined benefit obligation charge for the period		6,013,371	7,077,342
		<u>335,028,457</u>	<u>298,461,292</u>
<b><u>Change in working capital:</u></b>			
Trade Receivable		(49,047,835)	(34,454,588)
Inventory		(173,136,349)	(47,730,030)
Prepayments and other receivables		(15,679,482)	(1,611,188)
Trade payables		4,315,882	32,176,325
Accrued expenses and other payables		(198,221)	(2,492,219)
<b>Cash generated from operating activities</b>		<u>101,282,452</u>	<u>244,349,592</u>
Employees defined benefits paid		(8,676,670)	(9,840,836)
Finance costs paid		(8,822,559)	(5,925,720)
Zakat paid		(19,212,402)	(853,935)
<b>Net cash generated from operating activities</b>		<u>64,570,821</u>	<u>227,729,101</u>
<b><u>Investing activities:</u></b>			
Additions of property, plant and equipment	7	(221,883,929)	(201,041,358)
Addition of intangible assets		(346,600)	--
Addition of investment properties		(38,751)	--
Proceeds of property, plant and equipment		617,178	--
<b>Net cash used in investing activities</b>		<u>(221,652,102)</u>	<u>(201,041,358)</u>
<b><u>Financing activities:</u></b>			
Repayment from facilities	11	--	(20,000,000)
Received from facilities	11	121,140,645	78,600,000
Dividends paid	12	(185,455,396)	(119,541,533)
<b>Net cash used in financing activities</b>		<u>(64,314,751)</u>	<u>(60,941,533)</u>
Change in cash and cash equivalents during the period		(221,396,032)	(34,253,790)
Cash and cash equivalents at beginning of the period		363,096,531	320,213,283
<b>Cash and cash equivalents at the end of the period</b>	10	<u>141,700,499</u>	<u>285,959,493</u>
<b><u>Significant non-cash transactions</u></b>			
Transfer from projects in progress to property, plant and equipment	7	93,733,398	29,596,315

The attached notes 1 to 17 of these condensed interim financial statements.

Executive Vice President  
Finance

Chief Executive Officer of

Chairman

# SOUTHERN PROVINCE CEMENT COMPANY

(A Saudi Joint Stock Company)

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

As at September 30, 2024

(Saudi Riyal)

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### 1. GENERAL

Southern Province Cement Company was established as a Saudi Joint Stock Company (“the Company”) under the Royal Decree No. M/3 on 12/2/1398H based on the companies law and executive regulations from the Ministry of Commerce.

The Company's main activity is to manufacture and produce cement, its derivatives and accessories, and to trade in those products and to carry out all works related directly or indirectly to the realization of these purposes.

As at March 31, 2024, the company’s authorized, subscribed and fully paid capital amounted to SR 1.4 billion (2023: SR 1.4 billion) distributed into 140 million ordinary shares (2023: 140 million ordinary shares) each valued at SR 10 (2023: SR 10).

In accordance with the company’s bylaws, the ordinary general assembly, based on the proposal of the Board of Directors, may decide to form reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed dividend as much as possible to shareholders.

The registered address of the Company is as follows:

Southern Province Cement Company  
Abha City  
PO Box 548  
Jeddah, Kingdom of Saudi Arabia

The Company operates through three factories, which are as follows:

- a) Jazan, Ahad Al Masariyah city.
- b) Aseer region, Bisha Governorate.
- c) Mecca Region, Al Qunfudhah - Thaloth Emarah.

The following factories operate under separate industrial licenses that are numbered and dated as follows:

<u>Factory</u>	<u>Industrial license No.</u>	<u>Industrial license date</u>
Ahad Al Masariyah - Jazan area	1397100191146	20/09/1445H, corresponding to 30 March 2024
Bisha - Aseer area	441110123631	24/07/1449H, corresponding to 23 December 2027
Tehama - Makkah area	1424100183192	6/03/1451H, corresponding to 18 July 2029

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

As at September 30, 2024

(Saudi Riyal)

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**2. BASIS OF PREPARATION**

**a) Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard No. 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants. These condensed interim financial statements should be read in conjunction with the financial statements of the last annual financial statements of the Company as in as at December 31, 2023 (“Previous Year Financial Statements”). These financial statements do not include all the information required to prepare a complete set of financial statements in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia, however some accounting policies and explanatory notes have been included to explain the events and transactions that are important to understand the changes in the financial position and financial performance of the Company from the financial statements of the previous year. In addition, the results for the nine-month period ended September 30, 2024 are not necessarily indicative of the results that may be expected for the year ended December 31, 2024.

**b) Basis of measurement**

The condensed interim financial statements have been prepared on historical cost basis, except for the following major items presented in condensed interim statement of financial position:

- Accruals for employee defined benefit obligations that are measured at the present value of future liabilities are recognized using the projected unit credit method. Using the accrual basis of accounting and the going concern concept.
- The provision for quarry rehabilitation is measured at the present value of the expected cost of resurfacing the site using the discount rate as at the contract inception date.
- Allocations should be reviewed at the end of each reporting period and adjusted to reflect the best current estimate. If it is no longer likely that an outflow of economically beneficial resources will be required to settle the obligation, the provision should be reversed or increased if required.

**c) Functional and presentation currency**

These condensed interim financial statements have been presented in Saudi Arabian Riyals (SR) which is the Company’s functional and presentation currency.

**3. USE OF JUDGEMENTS AND ESTIMATES**

The preparation of the condensed interim financial statements requires management to make judgments and estimates that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

As at September 30, 2024

(Saudi Riyal)

**3. USE OF JUDGEMENTS AND ESTIMATES (continued)**

Estimates and assumptions are based on previous experience and factors that may include expecting suitable future events which are used to extend book period of dependent assets and liabilities from other resources and estimates and assumptions are continuously being evaluated. Revised accounting estimates are also reviewed in the period in which the estimates are revised in the audit period and future periods, if the changed estimates affect current and future periods.

Significant judgments and estimates made by the management upon the adopting the Company's accounting policies correspond to the disclosed policies in last year's financial statements.

**4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted by the Company in preparing the financial statements are consistent with those followed in preparing the annual financial statements of the Company for the year ended 31 December 2023.

**5. NEW STANDARDS AND AMENDMENTS TO STANDARDS**

**5.1 New standards and amendments to standards**

The following amendments to existing standards and framework have been applied by the Company in preparation of these condensed interim financial statements. The adoption of the following did not result in changes to the previously reported profit or equity of the Company.

<i><u>Standard / Interpretation</u></i>	<i><u>Description</u></i>	<i><u>Effective date</u></i>
IAS 1	Classification of liabilities as current or non-current	January 01, 2024
IAS 1	Non-current Liabilities with Covenants	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback	January 01, 2024
IAS 7 and IFRS 7	Supplier finance arrangements	January 01, 2024

Following are the new IFRS sustainability disclosure standards that are not yet endorsed by SOCPA.

<i><u>Standard / Interpretation</u></i>	<i><u>Description</u></i>	<i><u>Effective from periods beginning on or after the following date</u></i>
IFRS S1	General requirements for disclosure of sustainability-related financial information	January 01, 2024
IFRS S2	Climate-related disclosures	January 01, 2024

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

As at September 30, 2024

(Saudi Riyal)

**5. NEW STANDARDS AND AMENDMENTS TO STANDARDS (continued)**

**5.2 Standards issued but not yet effective**

The standards, interpretations, and amendments issued, but not yet effective up to the date of issuance of the condensed interim financial statements are disclosed below. The Company is currently assessing the implications on the Company's condensed interim financial statements on adoption. The Company intends to adopt these standards, where applicable, when they become effective.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IAS 21	Lack of exchangeability (amendments to IAS 21)	January 01, 2025
IFRS 18	Presentation and disclosure in financial statements	January 01, 2027
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

**6. SEGMENT INFORMATION**

The Company has one main product, which is packed and unpackaged cement. The main sectors of the Company are presented according to geographical sectors. These segments are organized and managed separately according to the geographical location, each forming a separate unit. The geographical segments set out below are determined by distinguishing business activities from which the Company generates revenues and incurs costs. The economic characteristics are reviewed and the method of determining the geographical sectors is reconsidered in light of the evaluation made by the Chief Operating Decision Maker at least every quarter, provided that they are approved by the Company's Board of Directors. The Company is operating its activities in the Kingdom of Saudi Arabia through the following geographic areas:

	<u>Jazan</u>	<u>Bisha</u>	<u>Tehama</u>	<u>Unallocated</u>	<u>Total</u>
<b><u>For the period ended</u></b>					
<b><u>30 September 2024:</u></b>					
Revenue from selling cement	195,348,622	204,482,479	264,194,032	--	664,025,133
Revenue from selling Clinker	33,480,910	--	--	--	33,480,910
Total revenue	228,829,532	204,482,479	264,194,032	--	697,506,043
Depreciation	25,722,991	42,945,220	80,363,451	548,929	149,580,591
Finance income	--	--	--	6,812,618	6,812,618
Finance cost	--	--	--	3,845,766	3,845,766
Profit / (loss) before zakat	58,254,554	71,913,621	88,439,622	(55,244,392)	163,363,405
Zakat expense	--	--	--	(18,187,490)	(18,187,490)
Profit for the period	58,254,554	71,913,621	88,439,622	(73,431,882)	145,175,915

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

As at September 30, 2024

(Saudi Riyal)

**6. SEGMENT INFORMATION (continued)**

	<u>Jazan</u>	<u>Bisha</u>	<u>Tehama</u>	<u>Unallocated</u>	<u>Total</u>
<u>For the period ended 30 September 2023:</u>					
Revenue from selling cement	207,349,434	223,561,688	268,402,430	--	699,313,552
Revenue from selling Clinker	74,781,045	--	38,220,709	--	113,001,754
Total revenue	282,130,479	223,561,688	306,623,139	--	812,315,306
Depreciation	23,393,675	41,902,110	80,954,896	518,836	146,769,517
Finance revenue	--	--	--	8,018,288	8,018,288
Finance cost	--	--	--	9,597,322	9,597,322
Profit / loss before zakat	51,771,030	64,691,633	71,652,639	(53,657,654)	134,457,648
Zakat expense	--	--	--	(13,269,208)	(13,269,208)
Profit for the period	51,771,030	64,691,633	71,652,639	(66,926,862)	121,188,440

**As at 30**

<u>September 2024:</u>	<u>Jazan</u>	<u>Bisha</u>	<u>Tehama</u>	<u>Unallocated</u>	<u>Total</u>
Total assets	<u>868,486,516</u>	<u>1,385,800,871</u>	<u>1,763,999,848</u>	<u>147,176,875</u>	<u>4,165,464,110</u>
Total liabilities	<u>84,111,790</u>	<u>84,914,975</u>	<u>97,110,861</u>	<u>628,946,201</u>	<u>895,083,827</u>

**As at 31 December**

<u>2023:</u>					
Total assets	625,377,204	1,300,130,589	1,782,827,730	375,039,807	4,083,375,330
Total liabilities	91,773,472	72,721,786	99,740,624	532,935,080	797,170,962

**7. PROPERTY, PLANT AND EQUIPMENT**

1) For the purposes of preparing the condensed statement of cash flows, the movement in property, plant and equipment during the nine-month period is as follows:

	<b>September 30, 2023 (Unaudited)</b>	September 30, 2022 (Unaudited)
Depreciation on property, plant and equipment	149,580,591	146,769,517
Additions of property, plant and equipment	221,883,929	201,041,358
Transfer from projects in progress to property, plant and equipment	93,733,398	29,596,315
Disposal of property, plant and equipment	10,099,274	24

2) Company's property, plant and equipment are not pledged against standing loans as at September 30, 2024 and December 31, 2023.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

As at September 30, 2024

(Saudi Riyal)

**8. INVENTORIES**

Inventories comprise of following:

	<b>September 30, <u>2024</u> (Unaudited)</b>	December 31, <u>2023</u> (Audited)
Spare parts	272,266,210	271,987,127
Production under processing	615,694,100	428,159,407
Raw, filling and packaging materials	85,018,059	99,695,486
	<u>972,978,369</u>	<u>799,842,020</u>
Less: Allowance for slow moving inventory items	(59,945,196)	(55,055,406)
	<u><u>913,033,173</u></u>	<u><u>744,786,614</u></u>

Movement in provision for slow-moving inventory items is as follows:

	<b>September 30, <u>2024</u> (Unaudited)</b>	December 31, <u>2023</u> (Audited)
Balance at the beginning of the period / year	55,055,406	54,056,963
Addition	4,889,790	559,439
	<u><u>59,945,196</u></u>	<u><u>54,616,402</u></u>

**9. PREPAYMENTS AND OTHER RECEIVABLES**

Prepayments and other receivables comprise of the following:

	<u>Note</u>	<b>September 30, <u>2024</u> (Unaudited)</b>	December 31, <u>2023</u> (Audited)
Suppliers' advances		47,605,824	32,676,180
Prepaid expenses		2,503,431	4,977,215
Accrued revenue		4,860,100	--
Other debit balances	9-1	7,063,135	8,699,613
		<u><u>62,032,490</u></u>	<u><u>46,353,008</u></u>

- 9.1 Other debit balances include an amount of SR 7 million Saudi riyals deposited with the court on behalf of a citizen in exchange for a plot of land, and the company has appealed. These amounts are classified under other debit balances until a final decision is issued by the court. Management believes it has sufficient legal justifications to confirm the company's position.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

As at September 30, 2024

(Saudi Riyal)

**10. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise of the following:

	<u>Note</u>	<b>September 30, 2024 (Unaudited)</b>	31 December 2023 (Audited)
Cash at banks		<b>101,638,605</b>	143,031,856
Cash in hand		<b>61,894</b>	64,675
		<b>101,700,499</b>	143,096,531
Islamic deposits	10.1	<b>40,000,000</b>	220,000,000
		<b>141,700,499</b>	363,096,531

10.1 Investment in Islamic deposits represents time deposits, placed with commercial bank and has a maturity of three months or less as at the original investment date. and on which a commission is generated according to the prevailing short-term deposit rates.

**11. LOANS AND FACILITIES**

On 8 June 2023, the Company renewed the facilities agreement and rescheduled the bank facilities with a local bank, so that the total amount of the facilities amounted to SR 1.63 billion as at 30 September 2024 (31 December 2023: SR 1.63 billion), resulting in loan rescheduling losses of SR 7.6 million. and the utilized balance of facilities at 30 September 2024 amounted to SR 482.6 million (31 December 2023: SR 362.4 million) to be paid in variable quarterly installments starting on 6 October 2025 until the end of the year 2033. These facilities are secured by promissory note.

Facilitation agreements with banks include certain covenants, which among other things, state that the liquidity ratio should not be less than 1:1 based on the audited annual financial statements, and it also requires maintaining of some ratios and financial indicators.

A breach of these covenants in the future may lead to renegotiation. The management monitors the covenants on a monthly basis, and in case of the existence of a breach that is expected to occur in the future, the management takes the necessary measures to ensure compliance. The Company has fulfilled these covenants as at September 30, 2023.

All banking facilities carry agreed upon commissions according to the commercial rates prevailing in the market.

The facilities are stated in the statement of financial position as follows:

	<b>September 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Current portion under current liabilities	<b>1,269,393</b>	1,211,640
Non-current portion under non-current liabilities	<b>481,346,200</b>	361,164,949
	<b>482,615,593</b>	362,376,589

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

As at September 30, 2024

(Saudi Riyal)

**11. LOANS AND FACILITIES (continued)**

The financing movement during the period / year is as follows:

	<b>September 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Balance at the beginning of the period / year	<b>362,376,589</b>	253,397,000
Provided during the period / year	<b>121,140,645</b>	78,600,000
Losses from loan restructuring	--	--
Amortization of loan rescheduling losses	<b>(901,641)</b>	--
Payments	--	(20,000,000)
	<b><u>482,615,593</u></b>	<u>311,997,000</u>

**12. DIVIDEND PAYABLES**

The movement on the dividends payable as follows:

	<b>September 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Balance at 1 January	<b>159,375,577</b>	160,845,204
Dividends declared during the period / year	<b>161,000,000</b>	119,000,000
Dividend payments during the period / year	<b>(185,455,396)</b>	(120,469,627)
	<b><u>134,920,181</u></b>	<u>159,375,577</u>

The Board of Directors, at its meeting held on 5 Ramadan 1444H, corresponding to 27 March 2023, recommended cash dividends of SR 70 million for the second half of the financial year 2022 at SR 0.5 per share, which was approved by the Company's General Assembly in their meeting dated 10 Dhu al-Qi'dah 1444H, corresponding to 30 May 2023.

On 30 August 2023, the Company's Board of Directors decided to distribute cash dividends for the first half of the year 2023 amounting to SR 49 million and 3.5% of the paid-up capital at the rate of SR 0.35 (First half of 2022: SR 105 million, at a rate of 7.5% of the paid-up capital, at SR 0.75).

The Board of Directors, in its meeting held on 3 Ramadan 1445H, corresponding to 13 March 2024, recommended cash dividends of SR 91 million for the second half of the financial year 2023 at SR 0.65 per share, which was approved by the Company's General Assembly in their meeting dated 12 Dhu al-Qi'dah 1445H, corresponding to 20 May 2024.

On 8 August 2024, the Board of Directors of the Company decided to distribute a cash dividend for the first half of 2024 amounting to SAR 70 million representing 5% of the paid-up capital at a rate of SAR 0.50 (H1 of 2023: SAR 49 million at a rate of 3.5% of the paid-up capital of SAR 0.35).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

As at September 30, 2024

(Saudi Riyal)

**13. ZAKAT**

**Zakat and tax status**

- In the years 2015, 2016 and 2018, the decision of the First Circuit for Settlement of Income Tax Violations and Disputes No. (IR-2023-133942) was issued regarding the appeal of the Company against the zakat assessment for the years referred to, in which the Zakat, Tax and Customs Authority, in its appeal submitted to the General Secretariat of the Zakat, Tax and Customs Committees, demanded the company to pay zakat amounted to SR 40,583,829. However, the appeal decision was upheld on several key points, which resulted in the amount of zakat owed by the company being reduced to 557,793 Saudi riyals.
- At the year 2022 and 2023, the Company filed the zakat declaration and the financial statements and paid the zakat due accordingly, and obtained a certificate valid until 30 April 2024.
- The Company has sufficient allocations to meet any potential zakat obligations that may arise from the final assessments, if any.

**14. EARNINGS PER SHARE**

**a) Basic earnings per share**

The calculation of basic earnings per share has been based the distributable earnings attributable to shareholders of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the financial statements.

	<u>For the three-month period ended</u>		<u>For the nine-month period ended</u>	
	<u>September 30, 2024</u>	<u>September 30, 2023</u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Profit for the period (SR)	<u>53,052,772</u>	<u>53,264,087</u>	<u>145,175,915</u>	<u>121,188,440</u>
Number of shares (weighted average)	<u>140,000,000</u>	<u>140,000,000</u>	<u>140,000,000</u>	<u>140,000,000</u>
basic earnings per share (SR)	<u>0.38</u>	<u>0.38</u>	<u>1.04</u>	<u>0.87</u>

**b) Diluted EPS**

The calculation of diluted earnings per share has been based on the profit distributable to shareholders on ordinary shares and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, if any. During the period there are no factors diluting earnings per share.

**15. OTHER INCOME**

Other income includes compensation amounted to AR 4.88 million as a result of the accident that caused the burning of the coolant of the Bisha plant.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

As at September 30, 2024

(Saudi Riyal)

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**16. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

- a) As at September 30, 2024, the contingent liabilities against issued banking letters of guarantee amounted to SR 45,8 million (September 30, 2023: SR 26,4 million).
- b) As at September 30, 2024, the capital commitments related to projects in progress amounted to SR 1,29 billion (September 30, 2023: SR 1,56 million)
- c) There are cases against the Company that are still pending before the courts, and neither the Company's management nor its legal advisor expects an expected financial obligation to be paid for these cases at the present time, and accordingly no provisions have been made against these cases.

**17. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS**

The condensed interim financial statements were authorized for issue by the audit committee on November 3, 2024, corresponding to Jumada Al Awal 1, 1446H.