

**SOUTHERN PROVINCE CEMENT COMPANY**  
(A Saudi Joint Stock Company)  
**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
For the three-month period ended 31 March 2025  
with  
**INDEPENDENT AUDITORS' REPORT ON REVIEW**



## KPMG Professional Services Company

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

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص. ب. 55078  
جدة 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

## Introduction

We have reviewed the accompanying 31 March 2025 condensed interim financial statements of Southern Province Cement Company (the "Company"), which comprise of:

- the condensed statement of financial position as at 31 March 2025;
- the condensed statements of profit or loss and other comprehensive income for the three-month 31 March 2025;
- the condensed statement of changes in equity for the three-month period ended 31 March 2025;
- the condensed statement of cash flows for the three-months period ended 31 March 2025; 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 International Accounting Standard 34 (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 interim financial information 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 31 March 2025 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 Company

Abdullah Oudah Althagafi  
License No. 455

Jeddah, 20 May 2025  
Corresponding to 22 Dhul Qadah 1446H



KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Commercial Registration of the headquarters in Riyadh is 1010425494.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (110,000,000) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لشركة انجليزية محدودة بضمان. رقم السجل التجاري للمركز الرئيسي في الرياض هو 1010425494.

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


**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

As at 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	<u>Note</u>	<b>31 March 2025 (Unaudited)</b>	31 December 2024 (Audited)
<b><u>Assets</u></b>			
Property, plant and equipment	7	3,276,873,648	3,086,225,242
Intangible assets		877,392	905,957
Investment properties		5,476,376	5,476,376
<b>Net non-current assets</b>		<b>3,283,227,416</b>	<b>3,092,607,575</b>
Inventories	8	969,223,907	959,097,904
Trade receivable		158,936,162	135,832,318
Prepayment and other receivable	9	54,247,102	54,408,314
Cash and cash equivalent	10	233,775,410	186,413,978
<b>Current assets</b>		<b>1,416,182,581</b>	<b>1,335,752,514</b>
<b>Total assets</b>		<b>4,699,409,997</b>	<b>4,428,360,089</b>
<b><u>Shareholder's equity and liabilities</u></b>			
<b><u>Equity:</u></b>			
Share Capital	1	1,400,000,000	1,400,000,000
Statutory reserve		700,000,000	700,000,000
Other comprehensive income		12,551,903	12,551,903
Retained earnings		1,285,747,412	1,258,916,874
<b>Total equity</b>		<b>3,398,299,315</b>	<b>3,371,468,777</b>
<b><u>Liability</u></b>			
Loan and facilities	11	814,007,600	607,550,536
Employees' defined benefit obligation		101,026,138	106,197,155
Quarry rehibition provision		3,947,776	3,944,150
<b>Non-current liabilities</b>		<b>918,981,514</b>	<b>717,691,841</b>
<b>Loan and facilities</b>	11	<b>85,243,450</b>	41,607,924
<b>Accrued expenses and other payables</b>		<b>63,435,161</b>	67,317,554
Trade Payable		73,217,895	74,270,474
Dividend payables	12	126,218,594	128,738,188
Zakat provision	13	34,014,068	27,265,331
<b>Current liabilities</b>		<b>382,129,168</b>	339,199,471
<b>Total liabilities</b>		<b>1,301,110,682</b>	1,056,891,312
<b>Total Shareholders' equity and liabilities</b>		<b>4,699,409,997</b>	<b>4,428,360,089</b>

The attached notes 1 to 18 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 INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UNAUDITED)**

For the three-month period ended 31 March 2025


(Expressed in Saudi Arabian Riyals unless otherwise stated)

	<u>Note</u>	<u>2025</u> <b>(Unaudited)</b>	<u>2024</u> <b>(Unaudited)</b>
Revenues		219,556,574	250,672,819
Cost of revenues		<b>(172,400,522)</b>	<b>(152,300,174)</b>
<b>Gross profit</b>		<b>47,156,052</b>	<b>98,372,645</b>
Selling and distribution expenses		<b>(2,307,466)</b>	<b>(3,173,917)</b>
General and administrative expenses		<b>(13,394,249)</b>	<b>(16,508,353)</b>
Other income		<b>587,522</b>	<b>768,590</b>
<b>Operating income</b>		<b>32,041,859</b>	<b>79,458,965</b>
Finance income		<b>1,384,657</b>	<b>1,151,949</b>
Reversal of loan restructuring cost / (finance cost)	14	<b>152,759</b>	<b>(2,494,325)</b>
<b>Profit before zakat</b>		<b>33,579,275</b>	<b>78,116,589</b>
Zakat	13	<b>(6,748,737)</b>	<b>(6,243,537)</b>
<b>Period profit</b>		<b>26,830,538</b>	<b>71,873,052</b>
<b>Other comprehensive income (“OCI”)</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>Total comprehensive income</b>		<b>26,830,538</b>	<b>71,873,052</b>
<u>Earnings per share to net income for the period (Saudi Riyals):</u>	15		
<b>Basic</b>		<b>0.19</b>	<b>0.51</b>
<b>Diluted</b>		<b>0.19</b>	<b>0.51</b>

The attached notes 1 to 18 of these condensed interim financial statements.

  
Executive Vice President  
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Chief Executive Officer

  
Chairman

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

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

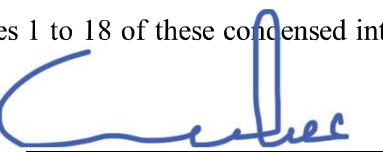
For the three-month period ended 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	<u>Note</u>	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Other comprehensive income</u>	<u>Retained earnings</u>	<u>Total</u>
<b>For the three months ended 31 March 2024</b>						
Balance as at 1 January 2024 (audited)		1,400,000,000	700,000,000	283,831	1,185,920,537	3,286,204,368
Other movement in equity	17				(9,750,000)	(9,750,000)
Profit for the period		--	--	--	71,873,052	71,873,052
Other comprehensive income		--	--	--	--	--
<b>Total comprehensive income for the period</b>		--	--	--	71,873,052	71,873,052
<b>Balance at 31 March 2024 (Unaudited)</b>		<u>1,400,000,000</u>	<u>700,000,000</u>	<u>283,831</u>	<u>1,248,043,589</u>	<u>3,348,327,420</u>
<b>For the three months ended 31 March 2025:</b>						
Balance at 1 January 2025 (audited)		<u>1,400,000,000</u>	<u>700,000,000</u>	<u>12,551,903</u>	<u>1,258,916,874</u>	<u>3,371,468,777</u>
Profit for the period		--	--	--	26,830,538	26,830,538
Other comprehensive income		--	--	--	--	--
<b>Total comprehensive income for the period</b>		--	--	--	26,830,538	26,830,538
<b>Balance as at 31 March 2025 (unaudited)</b>		<u>1,400,000,000</u>	<u>700,000,000</u>	<u>12,551,903</u>	<u>1,285,747,412</u>	<u>3,398,299,315</u>

The attached notes 1 to 18 of these condensed interim financial statements.

  
Executive Vice President  
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Chief Executive Officer

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

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

For the three-month period ended 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Note	<u>2025</u> (Unaudited)	<u>2024</u> (Unaudited)
<b><u>Operating activities:</u></b>			
Profit for the period before Zakat		33,579,275	78,116,589
<b><u>Adjustments:</u></b>			
Other movement in equity	17	--	(9,750,000)
Depreciation on property, plant and equipment	7	46,156,711	51,670,162
Amortization of intangible assets		28,565	--
Reversal of loan restructuring cost	11	(314,847)	(295,894)
Allowance for expected credit loss		118,143	1,609,887
Reversal/ provision for impairment of inventories	8	--	(1,096,842)
Finance cost		162,088	2,790,219
Finance income		(1,382,200)	(1,151,949)
Employee defined benefit obligation charge for the period		2,017,744	2,441,679
		<u>80,365,479</u>	<u>124,333,851</u>
Change in working capital:			
Trade receivables		(23,221,987)	(39,343,732)
Inventories		(10,126,003)	(83,212,106)
Prepayments and other receivables		161,212	(14,216,474)
Trade payables		(1,052,579)	46,658,477
Accrued expense and other payables		(4,040,855)	(11,986,233)
<b>Cash generated from operating activities</b>		<u>42,085,267</u>	<u>22,233,783</u>
Finance costs paid		(7,188,761)	--
Employees defined benefit paid		34,896,506	(4,219,236)
<b>Net cash generated from operating activities</b>		<u>(23,221,987)</u>	<u>18,014,547</u>
<b><u>Investing activities:</u></b>			
Additions of property, plant and equipment	7	(236,805,117)	(105,779,999)
Finance income received		1,382,200	1,151,949
<b>Net cash used in investing activities</b>		<u>(235,422,917)</u>	<u>(104,628,050)</u>
<b><u>Financing activities:</u></b>			
Received from facilities	11	250,407,437	31,250,725
Dividends Paid	12	(2,519,594)	(665,100)
<b>Net cash generated from operating activities</b>		<u>247,887,843</u>	<u>30,585,625</u>
Change in cash and cash equivalents during the period		47,361,432	(56,027,878)
Cash and cash equivalents as at the beginning of the period		186,413,978	363,096,531
<b>Cash and cash equivalents at the end of the period</b>	10	<u>233,775,410</u>	<u>307,068,653</u>
<b><u>Significant non-cash transactions</u></b>			
Transfer from projects in progress to property, plant and equipment	7	--	38,366

The attached notes 1 to 18 of these condensed interim financial statements.

  
Executive Vice President  
of Finance

  
Chief Executive Officer

  
Chairman

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

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

As at 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

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**1. CORPORATE INFORMATION**

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, corresponding to 22 January 1978 in accordance with the provisions of the Companies Law and its implementing regulations issued by the Ministry of Commerce.

The main activity of the Company is the manufacture and production of cement, its derivatives and accessories, and trading in those products, as well as carrying out all businesses directly or indirectly related to this purpose.

As at 31 March 2025, the Company’s authorized, subscribed and fully paid-up capital amounted to SR 1.4 billion (2024: SR 1.4 billion) divided into 140 million ordinary shares (2024: 140 million ordinary shares) of SR 10 each (2024: 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 Company is as follows:

Southern Province Cement Company  
Abha City  
P.O. Box 548  
Jeddah, Kingdom of Saudi Arabia

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

Jazan, Ahad Al Masarihah City  
Aseer, Bisha  
Mecca Region, Al Qunfudhah - Thaloth Emara

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 expiry date</u>
Ahad Al Masarihah - Jazan Area	1397100191146	24 Shawal 1450H, corresponding to 10 March 2029
Bisha - Aseer area	441110123631	24 Rajab 1449H, corresponding to 23 December 2027
Tehama - Makkah area	1424100183192	6 Rabea Al Awal 1451, corresponding to: 18 July 2029

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

As at 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

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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 31 December 2024 (“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 three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the year ending 31 December 2025.

**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 accounting principle and the going concern concept, some comparative figures have been reclassified to be consistent with the current period’s presentation.

**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.

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.

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

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

As at 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

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**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024.

**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 Group 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 Group.

<i><u>Standard / Interpretation</u></i>	<i><u>Description</u></i>	<i><u>Effective date</u></i>
IAS 21	Lack of exchangeability (amendments to IAS 21)	January 01, 2025

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>
IFRS S1	General requirements for disclosure of sustainability-related financial information
IFRS S2	Climate-related disclosures

**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 Group is currently assessing the implications on the Group's condensed interim financial statements on adoption. The Group intends to adopt these standards, where applicable, when they become effective.

<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 9 and IFRS 7	Classification and measurement of financial instruments	January 01, 2026
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

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

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

As at 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

**6. SEGMENT INFORMATION**

The Company has one main product, which is packed and unpacked 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 geographic segments shown below are determined by distinguishing the 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 31 March 2025:</u></b>					
Revenue from selling cement	79,772,981	65,532,104	63,052,114	--	208,357,199
Revenue from selling clinker	11,199,375	--	--	--	11,199,375
Total revenues	90,972,356	65,532,104	63,052,114	--	219,556,574
Depreciation	5,679,467	14,710,584	25,503,811	262,849	46,156,711
Finance income	--	--	--	1,384,657	1,384,657
Reversal of loan restructuring cost / (finance cost)	--	--	--	152,759	152,759
Profit before zakat	13,972,634	16,583,272	15,127,168	(12,103,799)	33,579,275
Zakat expense	--	--	--	6,748,737	6,748,737
Profit for the period	13,972,634	16,583,272	15,127,168	(18,852,536)	26,830,538
	<u>Jazan</u>	<u>Bisha</u>	<u>Tehama</u>	<u>Unallocated</u>	<u>Total</u>

**For the period ended 31 March 2024**

Revenue from selling cement	72,551,448	69,315,136	103,635,735	--	245,502,319
Revenue from selling clinker	5,170,500	--	--	--	5,170,500
Total revenues	77,721,948	69,315,136	103,635,735	--	250,672,819
Depreciation	10,416,108	14,227,726	26,783,325	243,003	51,670,162
Finance income	--	--	--	1,151,949	1,151,949
Finance cost	--	--	--	2,494,325	2,494,325
Profit before zakat	22,425,367	24,836,963	41,398,550	(10,544,291)	78,116,589
Zakat expense	--	--	--	6,243,537	6,243,537
Profit for the period	22,425,367	24,836,963	41,398,550	(16,787,828)	71,873,052

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

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

As at 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

**6. SEGMENT INFORMATION (continued)**

	<u>Jazan</u>	<u>Bisha</u>	<u>Tehama</u>	<u>Unallocated</u>	<u>Total</u>
<b>As at</b>					
<b><u>31 March 2025:</u></b>					
Total assets	<u>1,130,765,990</u>	<u>1,462,918,111</u>	<u>1,853,814,409</u>	<u>251,911,487</u>	<u>4,699,409,997</u>
Total liabilities	<u>957,432,143</u>	<u>80,748,729</u>	<u>102,697,144</u>	<u>160,232,666</u>	<u>1,301,110,682</u>
	<u>Jazan</u>	<u>Bisha</u>	<u>Tehama</u>	<u>Unallocated</u>	<u>Total</u>
<b>As at</b>					
<b><u>31 December 2024</u></b>					
Total assets	<u>1,010,563,264</u>	<u>1,417,052,108</u>	<u>1,807,948,406</u>	<u>192,796,311</u>	<u>4,428,360,089</u>
Total liabilities	<u>733,610,303</u>	<u>73,871,629</u>	<u>95,820,044</u>	<u>153,589,336</u>	<u>1,056,891,312</u>

**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 three-month period is as follows:

	<b><u>31 March</u></b> <b><u>2025</u></b> <b>(Unaudited)</b>	<b><u>31 March</u></b> <b><u>2024</u></b> <b>(Unaudited)</b>
Depreciation on property, plant and equipment	<u>46,156,711</u>	<u>51,670,162</u>
Additions of property, plant and equipment	<u>236,805,117</u>	<u>105,779,999</u>
Transfer from projects in progress to property, plant and equipment	<u>--</u>	<u>38,366</u>

- 2) Company's property, plant and equipment are not pledged against standing loans as at 31 March 2025 and 31 December 2024 (Note 15).

**8. INVENTORIES**

Inventory comprises of the following:

	<b><u>31 March</u></b> <b><u>2025</u></b> <b>(Unaudited)</b>	<b><u>31 December</u></b> <b><u>2024</u></b> <b>(Audited)</b>
Spare parts	<u>256,079,781</u>	<u>266,336,124</u>
Production under processing	<u>687,462,880</u>	<u>671,818,371</u>
Raw, filling and packaging materials	<u>78,095,019</u>	<u>73,357,182</u>
	<u>1,021,637,680</u>	<u>1,011,511,677</u>
Less: inventories impairment	<u>(52,413,773)</u>	<u>(52,413,773)</u>
	<u>969,223,907</u>	<u>959,097,904</u>

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**8. INVENTORIES (continued)**

Movement in the inventory decrease balance:

	<b>31 March 2025 (Unaudited)</b>	31 March <u>2024</u> (Unaudited)	31 December <u>2024</u> (Audited)
Balance at beginning of period/year	52,413,773	55,055,406	55,055,406
Reversal during the period / year	--	(1,096,842)	(2,641,633)
	<u>52,413,773</u>	<u>53,958,564</u>	<u>52,413,773</u>

**9. PREPAYMENTS AND OTHER RECEIVABLES**

The prepayments and other receivables comprise the following:

	<u>Note</u>	<b>31 March 2025 (Unaudited)</b>	31 December <u>2024</u> (Audited)
Payments to suppliers		36,812,951	29,832,978
Prepaid expenses		9,714,958	4,525,189
Other debit balances	9-1	7,719,193	20,050,147
		<u>54,247,102</u>	<u>54,408,314</u>

9.1 Other receivable balances include an amount of SR 7 million deposited with the court in the name of an individual in exchange for a disputed plot of land. The Company has appealed against it. These amounts have been classified under other receivables until the issuance of final decision from the court.

**10. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise of:

	<u>Note</u>	<b>31 March 2025 (Unaudited)</b>	31 December <u>2024</u> (Audited)
Cash at banks - current accounts		123,696,489	106,376,457
Cash in hand		78,921	37,521
		<u>123,775,410</u>	<u>106,413,978</u>
Islamic deposits	10-1	110,000,000	80,000,000
		<u>233,775,410</u>	<u>186,413,978</u>

10.1 At 31 March 2025, the Company had short-term bank deposits with original maturities of less than three months. During the period ended 31 March 2025, the Company realized commission income of SR 1.38 million (31 March 2024: SR 1.15 million) on Islamic Murabaha deposits with a return rate ranging from 5.55% to 5.60%.

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**11. LOANS AND FACILITIES**

The utilized facility balance as at 31 March 2025 amounted to SR 899.2 million (31 December 2024: SR 649.2 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.

The facility agreements with the bank contain certain covenants, which include the following:

- the liquidity ratio should not be less than 1:1 based on the audited annual financial statements,
- the debt coverage ratio (income from the main business / total repayments due from the principal of the facility) is not be less than 1:1.75,
- if the bank's commitment coincides with the dividend distribution date, the bank is paid first,
- the Company undertakes to give the bank the first right to hedge against the volatility of the lending rate or to reject if the bank's offer matches or is higher than the offers of other banks,
- The Company undertakes to provide the expected cash flows for the Jazan Project in line with the bank's requirements and approval.

The Company has complied with all commitments as at 31 March 2025.

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.

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>31 March 2025 (Unaudited)</b>	31 December 2024 (Audited)
Current portion under current liabilities	<b>85,243,450</b>	41,607,924
Non-current portion under non-current liabilities	<b>814,007,600</b>	607,550,536
	<b><u>899,251,050</u></b>	<u>649,158,460</u>

The movement of loans and facilities during the year / period is as follows:

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of period / year	<b>649,158,460</b>	362,376,589	362,376,589
Provided during the period / year	<b>250,407,437</b>	31,250,725	287,993,510
Reversal of loan restructuring cost	<b>(314,847)</b>	(295,894)	(1,211,639)
	<b><u>899,251,050</u></b>	<u>393,331,420</u>	<u>649,158,460</u>

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**12. DIVIDEND PAYABLES**

The movement on the dividends payable as follows:

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	<b>128,738,188</b>	159,375,577	159,375,577
Dividends declared during the period / year	--	--	161,000,000
Dividend payments during the period / year	<b>(2,519,594)</b>	(665,100)	(191,637,389)
	<b><u>126,218,594</u></b>	<u>158,710,477</u>	<u>128,738,188</u>

The Board of Directors, at its meeting held on 26 Ramadan 1446H, corresponding to 26 March 2025, recommended cash dividends of SR 98 million for the second half of the financial year 2024 at SR 0,70 per share. Provided that the dividends are attributable to the shareholders of the Company who own shares on the maturity date registered in the registry of the Company's shareholders' in the Securities Depository Center (Edaa) at the end of the second trading day following the day of the Company's General Assembly meeting, which will be held on 22 Dhu al-Hijjah 1446H, corresponding to 18 June 2025, after taking the necessary approvals.

The Board of Directors, at 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 its meeting on 12 Dhu al-Qi'dah 1445H, corresponding to 20 May 2024.

On 8 August 2024, the Company's Board of Directors decided to distribute cash dividends for the first half of the year 2024 amounting to SR 70 million and 5% of the paid-up capital at the rate of SR 0.50 (First half of 2023: SR 49 million, at a rate of 3.5% of the paid-up capital, at SR 0.35).

**13. ZAKAT**

a) The movement in zakat provision for the year ended 31 December is as follows:

	<b>31 March 2025 (Unaudited)</b>	31 December 2024 (Audited)
Balance at the beginning of the period / year	<b>27,265,331</b>	19,995,347
Provided during the period / year	<b>6,748,737</b>	26,482,386
Paid during the period / year	--	(19,212,402)
Balance at the end of the period / year	<b><u>34,014,068</u></b>	<u>27,265,331</u>

b) Zakat and tax status

The Company submitted its Zakat declaration for the year 2024, paid the Zakat due thereon, and obtained the Zakat certificate valid until 30 April 2026.

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**14. REVERSAL OF LOAN RESTRUCTURING COST / (FINANCE COST)**

The finance cost for the period ended 31 March comprises of as follows:

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)
Finance cost charged on the statement of profit or loss under borrowings	<b>(158,462)</b>	(2,790,219)
Reversal of loan restructuring cost	<b>314,847</b>	295,894
Finance cost charged on the statement of profit or loss under quarry rehabilitation	<b>(3,626)</b>	--
	<b><u>152,759</u></b>	<u>(2,494,325)</u>

**15. 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.

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)
Profit for the period (SR)	<b>26,830,538</b>	71,873,052
Number of shares (weighted average)	<b>140,000,000</b>	140,000,000
Basic earnings per share (SR)	<b>0.19</b>	0.51

**b) Diluted earnings per share**

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.

**16. CAPITAL COMMITMENTS AND CONTINGENCIES**

- a) As at 31 March 2025, the contingent liabilities against issued banking letters of guarantee amounted to SR 67.5 million (31 March 2024: SR 49,2 million).
- b) As at 31 March 2025, the capital contingencies related to projects in progress amounted to SR 1.29 million (31 March 2024: SR 1,3 billion) related to the construction of the third line of the Jizan factory.
- c) There are labor cases filed against the company with a fixed value and other labor cases with an unspecified value that are still pending before the judiciary, and neither the Company's management or its legal advisor cannot reliably anticipate the obligations that may result from them at the present time, and accordingly, no provisions have been made for these lawsuits, as the Company does not expect these lawsuits to have a significant impact on the Company's financial position.

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**17. OTHER MOVEMENT IN EQUITY**

During the year 2024, the Company discovered that it did not recognize the bonus expense using accrual basis in accordance with the International Financial Reporting Standards (IFRS). As a result, the bonus amount of SR 9.75 million was recognised in the statement of profit & loss and other comprehensive income for the period ended March 31 2024 which should have been recognised in the financial statements for the year ended 31 December 2023. The Company has appropriately reflected this by decreasing the cost of revenues, selling and distribution, and general and administrative expenses by SR 5,824,692, SR 191,382, and SR 3,733,926, respectively in the statement of profit or loss and other comprehensive income for the period ended March 31, 2024, and adjusting the retained earnings as at 1 January 2024.

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

The condensed interim financial statements were authorized for issue by the audit committee on 13 May 2025, corresponding to 15 Dhul Qadah 1446H.