

**SAUDI CEMENT COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2024  
WITH  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**SAUDI CEMENT COMPANY**  
**(A Saudi Joint Stock Company)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2024**

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<b>INDEX</b>	<b>Pages</b>
Independent auditor's report on review of condensed consolidated interim financial statements	-
Condensed consolidated statement of financial position	1
Condensed consolidated statement of profit or loss and other comprehensive income	2
Condensed consolidated statement of changes in equity	3
Condensed consolidated statement of cash flows	4
Notes to the condensed consolidated interim financial statements	5 -13



## KPMG Professional Services

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Kingdom of Saudi Arabia  
Commercial Registration No 2051062328

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

الطابق ١٦، برج البرغش  
٦١٨٩ طريق الأمير تركي، الكورنيش  
ص.ب ٤٨٠٣  
الخبير ٣١٤٦ - ٣٤٤١٢  
المملكة العربية السعودية  
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

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

To the Shareholders of Saudi Cement Company

## Introduction

We have reviewed the accompanying 30 June 2024 condensed consolidated interim financial statements of **Saudi Cement Company** ("the Company") and its subsidiary ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2024; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated 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 consolidated 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 consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards 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.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR 40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") 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. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠٠٠٠٠٠٠٠) ريال سعودي من نوع بالكامل، المسماة سابقاً "شركة كي بي إم جي للفرز وشركاه محاسبين ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لكي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.



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

To the Shareholders of Saudi Cement Company

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed consolidated interim financial statements of Saudi Cement Company and its subsidiary 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

**Nasser Ahmed Al Shutairy**  
License No: 454

Al Khobar, 2 Safar 1446H  
Corresponding to: 6 August 2024G




**SAUDI CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2024

(Expressed in Saudi Riyals in thousands, unless otherwise stated)

	Note	30 June 2024 (Un-Audited)	31 December 2023 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,948,225	2,003,995
Right-of-use assets		39,136	42,354
Intangible assets		10,602	10,889
Investment in an associate	5	50,579	48,497
<b>Total non-current assets</b>		<b>2,048,542</b>	<b>2,105,735</b>
<b>Current assets</b>			
Inventories		574,817	563,670
Trade receivables		437,828	387,366
Prepayments and other current assets		48,009	42,445
Cash and cash equivalents	6	125,900	114,916
<b>Total current assets</b>		<b>1,186,554</b>	<b>1,108,397</b>
<b>Total Assets</b>		<b>3,235,096</b>	<b>3,214,132</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	7	1,530,000	1,530,000
Statutory reserve	8	-	459,000
Retained earnings		486,165	170,311
<b>Total equity</b>		<b>2,016,165</b>	<b>2,159,311</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employees' benefits		127,716	126,331
Lease liabilities		37,257	38,871
Provision for site restoration		6,203	6,049
<b>Total non-current liabilities</b>		<b>171,176</b>	<b>171,251</b>
<b>Current liabilities</b>			
Lease liabilities – current portion		6,033	6,722
Short term loans	9	550,000	400,000
Trade payables		47,961	60,922
Dividend payable	16	228,525	226,090
Accruals and other current liabilities		189,081	141,655
Contract liabilities		14,788	26,699
Provision for Zakat	10	11,367	21,482
<b>Total current liabilities</b>		<b>1,047,755</b>	<b>883,570</b>
<b>Total Liabilities</b>		<b>1,218,931</b>	<b>1,054,821</b>
<b>Total Equity and Liabilities</b>		<b>3,235,096</b>	<b>3,214,132</b>

  
**Designated Member and CEO**  
Mohammed A. AlGarni

  
**Finance Manager**  
Evan Abaza

The accompanying notes from 1 to 19 on pages 5 to 13 form an integral part of these condensed consolidated interim financial statements.

**SAUDI CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the three month and six month periods ended 30 June 2024

(Expressed in Saudi Riyals in thousands, unless otherwise stated)

	Note	Three-month period ended		Six-month period ended	
		30 June 2024 (Un-Audited)	30 June 2023 (Un-Audited)	30 June 2024 (Un-Audited)	30 June 2023 (Un-Audited)
Revenue	11	378,133	356,262	804,654	765,888
Cost of revenue		(234,122)	(211,186)	(485,884)	(445,036)
<b>Gross Profit</b>		<b>144,011</b>	<b>145,076</b>	<b>318,770</b>	<b>320,852</b>
Selling and distribution expenses		(40,973)	(32,245)	(76,657)	(65,313)
General and administrative expenses		(18,982)	(19,086)	(38,734)	(38,051)
<b>Operating profit</b>		<b>84,056</b>	<b>93,745</b>	<b>203,379</b>	<b>217,488</b>
Other income		13,183	3,338	17,458	3,992
Share of profit of investment in an associate		1,232	17	2,082	143
Finance charges		(6,626)	(7,415)	(12,815)	(12,487)
Gain on sale of investment		-	-	-	8,842
<b>Profit before Zakat</b>		<b>91,845</b>	<b>89,685</b>	<b>210,104</b>	<b>217,978</b>
Zakat expense	10	(4,500)	(4,500)	(9,000)	(9,000)
<b>Profit for the period</b>		<b>87,345</b>	<b>85,185</b>	<b>201,104</b>	<b>208,978</b>
<b>Other comprehensive income;</b>					
<i>Item that will not be reclassified to the condensed consolidated statement of profit or loss in subsequent periods:</i>					
Share of other comprehensive loss of investment in an associate		-	-	-	(83)
<b>Total other comprehensive loss</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(83)</b>
<b>Total comprehensive income for the period</b>		<b>87,345</b>	<b>85,185</b>	<b>201,104</b>	<b>208,895</b>
<b>Earnings per share:</b>					
Basic and diluted earnings per share attributable to the shareholders of the Company	17	SR <b>0.57</b>	SR 0.56	SR <b>1.31</b>	SR 1.37



**Designated Member and CEO**  
**Mohammed A. AlGarni**



**Finance Manager**  
**Evan Abaza**

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**SAUDI CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six month period ended 30 June 2024

(Expressed in Saudi Riyals in thousands, unless otherwise stated)

	Attributable to shareholders of the Company				Total equity
	Share capital	Statutory reserve	Fair value reserve	Retained earnings	
Balance at 1 January 2023 (Audited)	1,530,000	459,000	327	303,635	2,292,962
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	208,978	208,978
Transfers	-	-	(327)	327	-
Other comprehensive loss	-	-	-	(83)	(83)
Total comprehensive income for the period	-	-	(327)	209,222	208,895
Dividends (note 16)	-	-	-	(497,250)	(497,250)
Balance at 30 June 2023 (Un-Audited)	1,530,000	459,000	-	15,607	2,004,607
Balance at 1 January 2024 (Audited)	<b>1,530,000</b>	<b>459,000</b>	-	<b>170,311</b>	<b>2,159,311</b>
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	201,104	201,104
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	201,104	201,104
Transfer of statutory reserve to retained earnings (note 8)	-	(459,000)	-	459,000	-
Dividends (note 16)	-	-	-	(344,250)	(344,250)
<b>Balance at 30 June 2024 (Un-Audited)</b>	<b>1,530,000</b>	<b>-</b>	<b>-</b>	<b>486,165</b>	<b>2,016,165</b>

**Designated Member and CEO**

**Mohammed A. AlGarni**

**Finance Manager**

**Evan Abaza**

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**SAUDI CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the six month period ended 30 June 2024  
(Expressed in Saudi Riyals in thousands, unless otherwise stated)

	<b>Note</b>	<b>30 June 2024</b> <b>(Un-Audited)</b>	<b>30 June 2023</b> <b>(Un-Audited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period		201,104	208,978
<i>Adjustments for:</i>			
Depreciation - property, plant and equipment	4	105,041	106,664
Depreciation - right-of-use assets		3,218	2,467
Amortization - intangible assets		287	287
Share of profit of investment in an associate	5	(2,082)	(143)
Zakat expense		9,000	9,000
Provision for employees' benefits		5,957	5,225
Finance charges		12,815	12,487
Provision for slow moving and obsolete inventories		4,477	209
Provision for site restoration		-	2,946
Gain on sale of FVOCI investment		-	(8,842)
Gain on disposal of property, plant and equipment		-	(23)
Provision for allowance for expected credit losses		-	178
		<b>339,817</b>	<b>339,433</b>
<b>Changes in:</b>			
Inventories		(15,624)	(2,795)
Trade receivables		(50,462)	(7,434)
Prepayments and other current assets		(5,564)	3,238
Trade payables		(12,961)	(94,642)
Accruals and other current liabilities		47,447	85,961
Contract liabilities		(11,911)	3,329
<b>Cash generated from operating activities</b>		<b>290,742</b>	<b>327,090</b>
Finance charges paid		(11,747)	(12,008)
Zakat paid		(19,115)	(16,669)
Employees' benefits paid		(4,572)	(4,002)
<b>Net cash from operating activities</b>		<b>255,308</b>	<b>294,411</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment	4	(56,632)	(28,608)
Proceeds from sale of property, plant and equipment		7,361	24
Proceeds from sale of FVOCI investment	15	-	12,029
<b>Net cash used in investing activities</b>		<b>(49,271)</b>	<b>(16,555)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(3,238)	(4,256)
Proceeds from short term loans		300,000	450,000
Repayment of short term loans		(150,000)	(175,000)
Dividend paid		(344,250)	(497,250)
Dividends returned from bank		6,373	4,156
Dividend payment of past due dividends		(3,938)	(3,228)
<b>Net cash used in financing activities</b>		<b>(195,053)</b>	<b>(225,578)</b>
Net change in cash and cash equivalents		10,984	52,278
Cash and cash equivalents at the beginning of the period		114,916	91,476
<b>Cash and cash equivalents at the end of the period</b>		<b>125,900</b>	<b>143,754</b>

**Designated Member and CEO**  
**Mohammed A. AlGarni**

**Finance Manager**  
**Evan Abaza**

The accompanying notes from 1 to 19 on pages 5 to 13 form an integral part of these condensed consolidated interim financial statements.



**SAUDI CEMENT COMPANY**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the three month and six month periods ended 30 June 2024**  
**(Expressed in Saudi Riyals in thousands, unless otherwise stated)**

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**1 CORPORATE INFORMATION**

Saudi Cement Company ("the Company") is a Saudi Joint Stock Company incorporated under Royal Decree number 6/6/10/726 dated 8 Rabi' II 1375 H (corresponding to 23 November 1955) and registered in the Kingdom of Saudi Arabia, in the city of Dammam under Commercial Registration number 2050000602 dated 6 Dhul Qadah 1377 H (corresponding to 24 May 1958). The Company is engaged in manufacturing and selling cement and its related products.

The Company obtained under the Royal Decree number 10/6/6/8500 dated 26 Rajab 1370H corresponding to 3 May 1951, the right of the mining concession for the extraction of limestone, gypsum and clay and all the necessary materials for the manufacture of cement in Al Hassa for 30 years period.

Thereafter, the Company obtained the licenses for the existing quarries under the Royal Decree number M/11 dated 29/04/1405H (corresponding to 22/01/1985) which gives mining concession for the extraction of limestone, gypsum and clay and all the necessary materials for the manufacture of cement for 30 years period.

In the year 1985, a Saudi Bahraini Company obtained the right of the mining concession for the extraction of limestone, gypsum and clay under the Royal Decree number M/12 dated 29/04/1405H (corresponding to 22/01/1985) which was merged with the Saudi Cement Company in 1990. Accordingly, the Ministry of Petroleum and Mineral Resources resolved on 04/01/1412H (corresponding to 15/07/1991) to transfer all quarries and related licenses of Saudi Bahraini Company to the Saudi Cement Company.

In the year 2020, all of the above licenses which have been issued under the Royal Decree numbers M/11 and M/12 dated 29/04/1405H (corresponding to 22/01/1985) were renewed by the Ministry of Industry and Mineral Resources for a period of 30 years started from 29/4/1435 H (corresponding to 01 March 2014) except quarry license for Aba Hamama area in Al-Ahsa region which has been renewed for 10 years started from 11/12/1441 (corresponding to 01 August 2020).

The accompanying condensed consolidated interim financial statements includes the activities of the Company (Parent Company) and its following subsidiary (collectively referred to as "the Group")

Name	Country of incorporation	Percentage of holding	
		30 June 2024 (Un-Audited)	31 December 2023 (Audited)
United Cement Company W.L.L	Kingdom of Bahrain	100%	100%

United Cement Company W.L.L. (UCC) is a limited liability company incorporated in the Kingdom of Bahrain on 15 March 1989 with the Ministry of Industry, Commerce and Tourism under commercial registration number 20906.

The principal activities of UCC include import, export and sale of cement in different forms. The registered office of UCC is situated at Mina Salman Industrial Area, P.O. Box 26719, Mina Salman Industrial Area, Kingdom of Bahrain.

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES**

**2.1 Statement of compliance**

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

**SAUDI CEMENT COMPANY**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the three month and six month periods ended 30 June 2024**  
**(Expressed in Saudi Riyals in thousands, unless otherwise stated)**

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**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**2.1 Statement of compliance (Continued)**

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023 ("Last Annual Financial Statements"). However, changes in accounting policies, if any and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. The results for the interim periods are unaudited, hence interim results may not be an indicator for the full year results.

**2.2 Basis of preparation**

These condensed consolidated interim financial statements are prepared under the historical cost convention, using the accruals basis of accounting, except for certain employees' benefits which are measured at present value of the defined benefit obligation using the projected unit credit method.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management had assessed the impact of the New Companies Law, accordingly amended its By-Laws and obtained approval in annual general meeting that was held in November 2023.

**2.3 Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Saudi Riyals (SR) which is the Company's functional and Group's presentation currency.

**2.4 Use of judgements and estimates**

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements as at 31 December 2023.

**2.5 Material accounting policies**

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

**2.6 Basis of consolidation**

These consolidated financial statements incorporate the financial statements of the Company and its subsidiary as at the reporting date. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the period are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

**SAUDI CEMENT COMPANY**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the three month and six month periods ended 30 June 2024**  
**(Expressed in Saudi Riyals in thousands, unless otherwise stated)**

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**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**2.6 Basis of consolidation (Continued)**

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control over its subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Non-Controlling Interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The Group and its subsidiary have the same reporting periods.

**3 NEW STANDARDS, AMENDMENTS AND INTERPRETATION**

**a) New and revised standards with no material effect on the condensed consolidated interim financial statements**

Following are the recent changes to IFRSs that are required to be adopted in annual periods beginning on 1 January 2024:

- Non-current Liabilities with Covenants (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024
- Classification of liabilities as current or non-current (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024
- Lease liabilities in a Sale and Leaseback (Amendments to IFRS 16), effective for annual periods beginning on or after 1 January 2024
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7), effective for annual periods beginning on or after 1 January 2024

The application of the revised IFRSs did not have any material impact on the amounts reported for current and prior periods.

**b) Standards issued but not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- Lack of exchangeability (Amendments to IAS 21), effective for annual periods beginning on or after 1 January 2025
- IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual periods beginning on or after 1 January 2027
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28), effective date yet to be determined.
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', effective for annual periods beginning on or after 01 January 2026

**SAUDI CEMENT COMPANY**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the three month and six month periods ended 30 June 2024  
(Expressed in Saudi Riyals in thousands, unless otherwise stated)

**3 NEW STANDARDS, AMENDMENTS AND INTERPRETATION (CONTINUED)**

**b) Standards issued but not yet effective (Continued)**

- IFRS 19 'Subsidiaries without Public Accountability: Disclosures', effective for annual periods beginning on or after 01 January 2027

The above-mentioned standards are not expected to have a significant impact on the Group's interim financial statements.

**4 PROPERTY, PLANT AND EQUIPMENT**

The movement of property, plant and equipment is as follows:

	<b>30 June 2024 (Un-Audited)</b>	31 December 2023 (Audited)
Carrying value at the beginning of the period / year	<b>2,003,995</b>	2,137,937
Additions	<b>56,632</b>	80,226
Disposals, net of accumulated depreciation	<b>(7,361)</b>	(151)
Depreciation for the period / year	<b>(105,041)</b>	(214,017)
Carrying value at the end of the period / year	<b>1,948,225</b>	2,003,995

Property, plant and equipment includes construction work in progress which majorly represents the ongoing construction work of a bulk railway loading facility and its railway link (collectively referred to as "the railway project") and other construction projects. Subsequent to the period ended 30 June 2024, on 18 July 2024, the Group signed a contract with an independent contractor to complete the said project in four months from the date of contract with a cost of SR 6.64 million. As at period ended 30 June 2024 and year ended 31 December 2023, majority of the project work has been completed and final connection is remaining.

**5 INVESTMENT IN AN ASSOCIATE**

Investment in an associate represents 33.33% share in Cement Product Industry Company Limited (CPI). CPI is a limited liability company registered and operating in the Kingdom of Saudi Arabia. CPI is engaged in the manufacturing of cement derivative products and other products necessary for manufacturing and packing cement. Share of profit for the period ended 30 June 2024 amounts to SR 2.08 million (30 June 2023: SR 0.14 million)

**6 CASH AND CASH EQUIVALENTS**

	<b>30 June 2024 (Un-Audited)</b>	31 December 2023 (Audited)
Cash in hand	<b>253</b>	250
Murabaha investments (note 6.1)	<b>6,500</b>	10,000
Cash at banks	<b>119,147</b>	104,666
	<b>125,900</b>	114,916

**6.1** Murabaha investments represent placements with banks (related to a subsidiary) having original maturity of less than three months and carry interest rate of 5.7% - 6% per annum (31 December 2023: 5.90% per annum)

**7 SHARE CAPITAL**

The authorized, issued and paid up capital of the Company is SR 1,530 million which is divided into 153 million shares (31 December 2023: 153 million shares) of SR 10 each.

**8 STATUTORY RESERVE**

On 15 Shawal 1445H (corresponding to 24 April 2024 G), the General Assembly approved the transfer of statutory reserve balance amounting to SR 459 million to retained earnings and accordingly retained earnings and statutory reserves balances were adjusted in these condensed consolidated interim financial statements.

**SAUDI CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the three month and six month periods ended 30 June 2024  
(Expressed in Saudi Riyals in thousands, unless otherwise stated)

**9 SHORT TERM LOANS**

Short term loans represent Tawarruq facilities obtained from various local banks to meet the working capital requirements with a total facility limit amount of SR 2,230 million (31 December 2023: SR 2,000 million). The utilized balance as of 30 June 2024 amounted to SR 550 million (31 December 2023: SR 400 million). These facilities carry financial costs at SIBOR plus fixed margin and are consistent with the terms of each facility agreement that are secured by promissory notes issued by the Group and carry charges agreed with the facilities' providers.

The outstanding financing is classified under current liabilities in the condensed consolidated statement of financial position as these are repayable within 12 months from the reporting date.

**10 ZAKAT**

The Company has submitted its zakat returns up to year ended 31 December 2023, settled zakat as per the returns and obtained the required certificates and official receipts. The Company received a final zakat assessment from Zakat, Tax and Customs Authority ("ZATCA") up to year 2020 which has been settled. However, the final assessment for the year 2021, 2022 & 2023 is still under review by ZATCA.

**11 REVENUE**

The Group generates revenue primarily from the sale of cement and clinker.

*Disaggregation of revenue*

In the following table, revenue is disaggregated by primary geographical market and major products. Revenue is recognised at point in time for all products.

	<b>30 June 2024 (Un-Audited)</b>	30 June 2023 (Un-Audited)
<b>Primary geographic markets</b>		
Local	<b>553,924</b>	506,741
Export	<b>250,730</b>	259,147
	<b>804,654</b>	765,888
<b>Major product types</b>		
Cement	<b>669,476</b>	653,197
Clinker	<b>135,178</b>	112,691
	<b>804,654</b>	765,888

The following table provides information about trade receivables and advance from customers.

	<b>30 June 2024 (Un-Audited)</b>	31 December 2023 (Audited)
Trade receivables	<b>437,828</b>	387,366
Contract liabilities*	<b>14,788</b>	26,699

\* Contract liabilities represent advance consideration received from customers for the products to be sold, for which revenue is recognized at point in time. This will be recognized as revenue when the Group deliver the products to the customers and their balances for advances are settled with the revenue made.

**SAUDI CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three month and six month periods ended 30 June 2024

(Expressed in Saudi Riyals in thousands, unless otherwise stated)

**12 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties include Group's shareholders, associated companies and their shareholders, key management personnel, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties. The following table provides the total amount of transactions that have been entered into with related parties during the six-month period ended 30 June 2024 and 30 June 2023 and related parties balances as at 30 June 2024 and 31 December 2023.

Related party	Relationship	Nature of transaction	Six-month period		Ending balance		
			Amount of transaction		30 June	31 December	
			30 June 2024	30 June 2023	2024	2023	
				(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
Cement Product Industry Company Limited	Associate	Purchases of raw materials	15,083	23,808	(463)	-	
Wataniya Insurance Company	Common directorship	Insurance of property, plant and equipment	5,818	7,873	(16)	(31)	

***Terms and conditions of transactions with related parties***

Transactions with related parties are made in the ordinary course of business. Outstanding balances at the period ended 30 June 2024 and 31 December 2023 are unsecured and settled in cash. There have been no guarantees provided to amounts to related parties.

Prices and terms for the above transactions are approved by the Group's management.

Key management personnel	30 June 2024 (Un-Audited)	30 June 2023 (Un-Audited)
Short term employment benefits	8,547	8,570
Post-employment benefits	541	573
	<b>9,088</b>	<b>9,143</b>

**SAUDI CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the three month and six month periods ended 30 June 2024  
(Expressed in Saudi Riyals in thousands, unless otherwise stated)

**13 COMMITMENTS**

- a) As of 30 June 2024, the capital expenditure contracted by the Company but not incurred was approximately SR 84.58 million (31 December 2023: SR 26.64 million).
- b) The Company's bankers have given letter of guarantees, on behalf of the Company amounted to SR 125.57 million (31 December 2023: SR 91.97 million).
- c) UCC's bankers have issued letter of guarantees, on behalf of UCC, in favour of various suppliers against purchase and services obtained in the normal course of business amounted to SR 3.12 million (31 December 2023: SR 2.52 million).

**14 SEGMENT INFORMATION**

A segment is a distinguishable component of the Group that is engaged in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

The Group's operations are related to two operating geographical segments which are Saudi Cement Company operating in the Kingdom of Saudi Arabia and United Cement Company operating in Kingdom of Bahrain. Both segments are engaged in cement manufacturing which is sold to local and foreign customers. Accordingly, segment analysis by geography are presented as follows:

	Kingdom of Saudi Arabia	Kingdom of Bahrain	Elimination	Total
<b>For the six-month period ended 30 June 2024 (Un-Audited)</b>				
External revenue	782,153	22,501	-	804,654
Inter-segment revenue	11,673	-	(11,673)	-
Total revenue	793,826	22,501	(11,673)	804,654
Cost of revenue	(472,412)	(25,145)	11,673	(485,884)
Profit / (loss) for the period	201,104	(5,442)	5,442	201,104
Finance charges	(12,710)	(105)	-	(12,815)
Depreciation	(101,387)	(3,654)	-	(105,041)
Depreciation – right-of-use assets	(3,167)	(51)	-	(3,218)
Amortization – intangible assets	(287)	-	-	(287)
Share of profit of investment in an associate	2,082	-	-	2,082
Zakat expense	(9,000)	-	-	(9,000)
<b>For the six-month period ended 30 June 2023 (Un-audited)</b>				
External revenue	745,930	19,958	-	765,888
Inter-segment revenue	10,760	-	(10,760)	-
Total revenue	756,690	19,958	(10,760)	765,888
Cost of revenue	(433,188)	(22,608)	10,760	(445,036)
Profit for the period	208,978	3,391	(3,391)	208,978
Finance charges	(12,383)	(104)	-	(12,487)
Depreciation	(102,982)	(3,682)	-	(106,664)
Depreciation – right-of-use assets	(2,417)	(50)	-	(2,467)
Amortization – intangible assets	(287)	-	-	(287)
Share of profit of investment in an associate	143	-	-	143
Zakat expense	(9,000)	-	-	(9,000)

**SAUDI CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the three month and six month periods ended 30 June 2024  
(Expressed in Saudi Riyals in thousands, unless otherwise stated)

**14 SEGMENT INFORMATION (CONTINUED)**

	Kingdom of Saudi Arabia	Kingdom of Bahrain	Elimination	Total
<b>As at 30 June 2024 (Un-Audited)</b>				
Total assets	3,224,311	42,032	(31,247)	3,235,096
Total liabilities	1,208,146	16,259	(5,474)	1,218,931
<b>As at 31 December 2023 (Audited)</b>				
Total assets	3,204,347	46,221	(36,436)	3,214,132
Total liabilities	1,045,128	14,543	(4,850)	1,054,821

**15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the condensed consolidated interim financial statements are categorized within the fair value hierarchy.

This is 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.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2. If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying values of other financial assets and liabilities in the condensed consolidated interim statement of financial position approximate to their fair values.

During the period ended 30 June 2023, the investment of SR 3.19 million representing 4.54% equity stake in Banz Group B.S.C. (c) was sold for an amount of SR 12 million and consequently, the investment was derecognized and the gain on disposal of this investment was recognized in the condensed consolidated statement of profit and loss and other comprehensive income for the same period.

**16 DIVIDENDS**

On 15 Shawwal 1445H (corresponding to 24 April 2024), the General Assembly approved the Board of Directors' recommendation to distribute cash dividend amounted to SR 1 per share (SR 153 million in total) for the second half of 2023. Payment of this dividend distribution was commenced on 29 Shawwal 1445H (corresponding to 8 May 2024).

On 15 Shawwal 1445H (corresponding to 24 April 2024), the General Assembly authorized the Board of Directors to distribute interim cash dividend. Accordingly, on 28 Dhu al-Qa'dah 1445H (05 June 2024), the Board of Directors has resolved to distribute interim cash dividend amounting to SR 1.25 per share (SR 191.25 million in total) for the first half of 2024. Payment of this dividend distribution was commenced on 20 Dhul-Hijjah 1445H (corresponding to 26 June 2024).



**SAUDI CEMENT COMPANY**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the three month and six month periods ended 30 June 2024**  
**(Expressed in Saudi Riyals in thousands, unless otherwise stated)**

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**16 DIVIDENDS (CONTINUED)**

On 22 Ramadan 1444H (corresponding to 13 April 2023), the General Assembly approved the Board of Directors' resolution to distribute cash dividend amounted to SR 1.75 per share (SR 267.75 million in total) for the second half of 2022 and SR 1.50 per share (SR 229.50 million in total) for the first half of 2022.

On 22 Ramadan 1444H (corresponding to 13 April 2023), the General Assembly authorized the Board of Directors to distribute interim cash dividend. Accordingly, on 18 Dhu al-Qa'dah 1444 (07 June 2023), the Board of Directors has resolved to distribute interim cash dividend amounting to SR 1.50 per share (SR 229.50 million in total) for the first half of 2023. Payment of this dividend distribution was commenced on 02 Dhul-Hijjah 1444 (20 June 2023).

Dividend payable as at 30 June 2024 amounted to SR 228.52 million (31 December 2023: SR 226.09 million) represents unclaimed dividend for prior years.

**17 EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

The following reflects the profit and share capital data used in the basic and diluted earnings per share computations:

	<b>Three-month period ended</b>		<b>Six-month period ended</b>	
	<b>30 June 2024 (Un-Audited)</b>	<b>30 June 2023 (Un-Audited)</b>	<b>30 June 2024 (Un-Audited)</b>	<b>30 June 2023 (Un-Audited)</b>
Profit attributable to equity holders	<b>87,345</b>	85,185	<b>201,104</b>	208,978
Number of shares outstanding in '000	<b>153,000</b>	153,000	<b>153,000</b>	153,000
Earnings per share in SR	<b>0.57</b>	0.56	<b>1.31</b>	1.37

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

**18 EVENTS AFTER THE REPORTING DATE**

Except as disclosed in these condensed consolidated interim financial statements, there have been no significant subsequent events since the period ended 30 June 2024 till the date of authorization for issuance and approval of these condensed consolidated interim financial statements by the Board of Directors that require either an adjustment or disclosure in these condensed consolidated interim financial statements.

**19 APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

These condensed consolidated interim financial statements were authorized for issue and approved by the Board of Directors on 6 August 2024G corresponding to 2 Safar 1446H.