

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

**CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the three-month and six-month periods ended 30 June 2022

with

INDEPENDENT AUDITOR'S REPORT



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

كبي بي إم جي للاستشارات المهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص.ب. ٥٥٠٧٨
جدة ٢١٥٣٤
المملكة العربية السعودية
سجل تجاري رقم 4030290792
المركز الرئيسي في الرياض

Independent Auditor's Report on Review of Condensed Interim

Financial Statements

To Shareholders of Tabuk Cement Company
A Saudi Joint Stock Company
Tabuk – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying 30 June 2022 condensed interim financial statements of Tabuk Cement Company (the "Company"), which comprise of:

- the condensed interim statement of financial position as at 30 June 2022;
- the condensed interim statements of profit or loss and other comprehensive income for the three-month period and six-month periods ended 30 June 2022;
- the condensed interim statement of changes in shareholders' equity for the six-months period ended 30 June 2022;
- the condensed interim statement of cash flows for the six-month period ended 30 June 2022; 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 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.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia. With the paid-up capital of (25,000,000) SAR. (Previously known as "KPMG Al-Fozan & Partners Certified Public Accountants") 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.

كبي بي إم جي للاستشارات المهنية شركة مساهمة مغلقة مسجلة في المملكة العربية السعودية، رأس ماله (٢٥.٠٠٠.٠٠٠) ريال سعودي مدفوع بالكامل. التسمية سابقاً "شركة كبي بي إم جي للفوزان وشركاه محاسبين ومدققين قانونيين". وهي عضو غير شريك في شبكة العالمية للشركات كبي بي إم جي المنظمة والشعبة لدى بي إم جي العالمية المحدودة، شركة تجارية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.



Independent Auditor's Report on Review of Condensed Interim Financial Statements (continued)

To Shareholders of Tabuk Cement Company
A Saudi Joint Stock Company
Tabuk – Kingdom of Saudi Arabia

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2022 condensed interim financial statements of Tabuk 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.

KPMG Professional Services

Nasser Ahmed Al Shudairy
License No. 454

Jeddah, 17 August 2022
Corresponding to 19 Muharram 1444H



TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2022
(Expressed in Saudi Arabian Riyals)

	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Assets			
Property, plant and equipment	6	984,045,022	1,007,993,279
Investment properties		72,279,440	72,279,440
Equity investment at Fair Value through Other Comprehensive Income (FVOCI)	7	283,140,949	283,140,949
Intangible assets		4,646,560	4,762,692
Right-of-use assets		775,297	1,705,654
Non-current assets		1,344,887,268	1,369,882,014
Inventories	8	262,704,707	292,949,241
Trade and other receivables		36,373,086	19,218,030
Cash and cash equivalents	9	22,719,162	48,082,531
Current assets		321,796,955	360,249,802
Total assets		1,666,684,223	1,730,131,816
Shareholders' equity and liabilities			
Equity			
Share capital		900,000,000	900,000,000
Statutory reserve		229,521,378	229,521,378
Other reserves		113,792,199	113,792,199
(Accumulated losses) / retained earnings		(2,798,606)	24,133,876
Total equity		1,240,514,971	1,267,447,453
Liabilities			
Long-term loan	10	180,990,826	210,212,689
Employees' defined benefit obligations		17,347,004	15,923,026
Non-current liabilities		198,337,830	226,135,715
Current portion of long-term loan	10	63,470,883	63,470,883
Lease obligations		811,290	1,772,419
Trade and other payables		36,888,165	43,269,097
Dividends payable to shareholders	11	120,919,735	121,079,857
Provision for zakat	12	5,741,349	6,956,392
Current liabilities		227,831,422	236,548,648
Total liabilities		426,169,252	462,684,363
Total equity and liabilities		1,666,684,223	1,730,131,816

These condensed interim financial statements were approved by the Board of Directors on 16 Muharram 1444H, corresponding to 14 August 2022 and are signed on behalf by:


Mansour Ibrahim Al-Habdan
Financial Manager


Ali bin Mohamed Al-Qahtani
CEO


Tariq bin Khaled Al-Anqari
(Authorized) BOD Member



TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

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

For the three-month and six-month periods ended 30 June 2022
(Expressed in Saudi Arabian Riyals)

	Note	For the three-months period ended 30 June		For the six months period ended 30 June	
		2022 (Unaudited)	2021 (Unaudited) (Restated - note 16)	2022 (Unaudited)	2021 (Unaudited)
Revenues		74,248,460	49,256,179	136,428,977	126,211,488
Cost of revenue		(61,161,298)	(39,795,293)	(118,325,171)	(95,796,167)
Gross profit		13,087,162	9,460,886	18,103,806	30,415,321
Selling and marketing expenses		(920,792)	(802,845)	(1,860,931)	(1,649,482)
General and administrative expenses		(5,374,873)	(5,680,707)	(11,944,797)	(11,712,818)
Other income	13	75,436	100,282	94,602	538,065
Operating income		6,866,933	3,077,616	4,392,680	17,591,086
Effect of financial liability cash flows adjustment		(1,203,407)	(1,469,808)	(2,513,579)	(3,052,369)
Financial charges		(2,051,291)	(1,685,557)	(4,066,433)	(3,503,896)
(Loss)/ Profit before zakat		3,612,235	(77,749)	(2,187,332)	11,034,821
Zakat	12	(1,122,575)	(1,050,000)	(2,245,150)	(2,100,000)
(Loss) / profit for the period		2,489,660	(1,127,749)	(4,432,482)	8,934,821
Other Comprehensive income					
<i>Items that will not be reclassified under profit or loss:</i>					
Unrealized gains on investments in equity instruments at FVOCI		--	338,697	--	338,697
Total other comprehensive income		--	338,697	--	338,697
Total comprehensive (loss)/ income		2,489,660	(789,052)	(4,432,482)	9,273,518
Basic and diluted (losses) / earnings per share (SAR)	14	0.028	(0.013)	(0.049)	0.099

These condensed interim financial statements were approved by the Board of Directors on 16 Muharram 1444H, corresponding to 14 August 2022 and are signed on behalf by:


Mansour Ibrahim Al-Habdan
Financial Manager


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CEO


Tariq bin Khaled Al-Anqari
(Authorized) BOD Member



TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

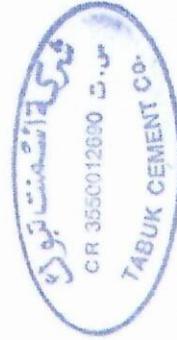
For the six-month period ended June 30, 2022
(Expressed in Saudi Arabian Riyals)

	Note	Share capital	Statutory reserve	Other reserves	(Accumulated losses) / retained earnings	Total
For the six-month period ended June 30, 2022:						
Balance at 1 January 2022 (audited)		900,000,000	229,521,378	113,792,199	24,133,876	1,267,447,453
Loss for the period		--	--	--	(4,432,482)	(4,432,482)
Other comprehensive income		--	--	--	--	--
Total comprehensive loss for the period		--	--	--	(4,432,482)	(4,432,482)
Transactions with shareholders of the Company		--	--	--	--	--
Dividends	11	--	--	--	(22,500,000)	(22,500,000)
Balance at 30 June 2022 (unaudited)		900,000,000	229,521,378	113,792,199	(2,798,606)	1,240,514,971
For the six-month period ended June 30, 2021:						
Balance at 1 January 2021 (audited)		900,000,000	227,745,646	111,939,524	9,342,586	1,249,027,756
Period profit		--	--	--	8,934,821	8,934,821
Other comprehensive income		--	--	338,697	--	338,697
Total comprehensive income for the period		--	--	338,697	8,934,821	9,273,518
Balance at 30 June 2021 (unaudited)		900,000,000	227,745,646	112,278,221	18,277,407	1,258,301,274

These condensed interim financial statements were approved by the Board of Directors on 16 Muharram 1444H, corresponding to 14 August 2022 and are signed on behalf by:


Mansour Ibrahim Al-Habdan
Financial Manager


Tariq bin Khaled Al-Anqari
(Authorized) BOD Member



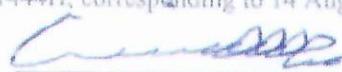
TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended June 30, 2022
(Expressed in Saudi Arabian Riyals)

	Note	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Cash flow from operating activities:			
(Loss) / profit for the period before Zakat		(2,187,332)	11,034,821
Settlements for:			
Depreciation on property, plant and equipment	6	29,553,333	28,975,856
Depreciation on intangible assets		231,790	278,148
Depreciation of right-of-use assets		930,357	930,356
Effect of financial liability cash flows adjustment		2,513,579	3,052,369
Financial charges		4,066,433	3,503,896
Reversal of impairment of trade and other receivables		--	(57,448)
Employee defined benefit obligation charge for the period		1,603,608	2,137,083
		<u>36,711,768</u>	<u>49,855,081</u>
Change in operating assets and liabilities			
Trade and other receivables		(17,155,056)	(12,673,205)
Inventories		30,244,534	3,327,106
Trade and other payables		(6,380,932)	770,942
Employees defined benefit obligations - paid		(179,630)	(857,069)
Zakat paid	12	(3,460,193)	(5,581,242)
Net cash generated from operating activities		<u>39,780,491</u>	<u>34,841,613</u>
Cash flows from investing activities:			
Additions of property, plant and equipment	6	(5,605,076)	(7,031,437)
Addition to intangible assets		(115,658)	(221,034)
Net cash used in investing activities		<u>(5,720,734)</u>	<u>(7,252,471)</u>
Cash flows from financing activity:			
Paid from loans	10	(31,735,442)	(31,735,442)
Payment of lease obligations		(961,129)	(950,752)
Financial charges paid		(4,066,433)	(3,503,896)
Dividends paid	11	(22,660,122)	(308,031)
Net cash used in financing activities		<u>(59,423,126)</u>	<u>(36,498,121)</u>
Change in cash and cash equivalents during the period		(25,363,369)	(8,908,979)
Cash and cash equivalents beginning of the period	9	48,082,531	40,693,362
Cash and cash equivalents at the end of the period		<u>22,719,162</u>	<u>31,784,383</u>

These condensed interim financial statements were approved by the Board of Directors on 16 Muharram 1444H, corresponding to 14 August 2022 and are signed on behalf by:



Mansour Ibrahim Al-Habdan
Financial Manager



Ali bin Mohamed Al-Qahtani
CEO



Tariq bin Khaled Al-Anqari
(Authorized) BOD Member



TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended June 30, 2022

(Expressed in Saudi Arabian Riyals)

1. GENERAL INFORMATION

Tabuk Cement Company (the Company) is a Saudi joint stock company established under the regulations for companies in the Kingdom of Saudi Arabia issued by Royal Decree No. (M/6) dated 30 Jumada Thani 1405H (corresponding to 22 March 1985). The Company is registered in the city of Tabuk under Commercial Registration No. 3550012690 on 25 Saffar 1415H (corresponding to 2 August 1994).

The Company's main activity is as follows:

1. Production of ordinary cement (Portland)
2. Production of salt-resistant cement
3. Production of agglomerated cement (clinker)

The Company operates under industrial license No. 42110217153 issued on 14 Muharram 1442H (corresponding to 1 October 2020) which expires on 16 Rabi' Al-Awwal 1445H (corresponding to 1 October 2023).

As at 30 June 2022, the authorized, subscribed and fully-paid-up share capital 900 million (2021: SR 900 million) divided into 90 million ordinary shares (2021: 90 million shares) of SR 10 each (2021: SR 10).

The registered address of the Company is:
TCC Building, Al-Dhabab area, north of Dhaba city
Beside Dhaba port, near Duba sea port, PO Box 122
Tabuk 71451, Kingdom of Saudi Arabia

2. BASIS OF PREPERATION

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 2021 ("Last Annual Financial Statements"). These financial statements do not include all the information required to prepare a complete set of interim condensed consolidated 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 six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the year ending 31 December 2022.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended June 30, 2022

(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPERATION (continued)

b) Basis of measurement

The accompanying condensed interim financial statements are prepared on the historical cost basis, except for the items of employee defined benefit obligations, which are measured at the present value of future obligations using the projected unit credit method using the accrual basis of accounting and the going concern concept.

c) Functional and presentation currency

These condensed interim financial statements are presented in Saudi Arabian Riyals (SR) which is the functional and presentation currency of the Company.

3. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions 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 define book value 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 made by the management upon the adopting the Company's accounting policies correspond to the disclosed policies in last annual financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021.

The principal accounting policies applied in the preparation of these condensed interim financial statements have been consistently applied to all periods presented.

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED

The accounting policies adopted by the Company in preparing the condensed interim financial statements are consistent with those followed in preparing the annual financial statements of the Company for the year ended 31 December 2021, and there are no new standards that were issued, however, there are a number of amendments to the standards which are effective as of 1 January 2022, which did not have a material impact on the financial statements.

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended June 30, 2022

(Expressed in Saudi Arabian Riyals)

6. PROPERTY, PLANT AND EQUIPMENT

For the purposes of preparing the condensed statement of cash flows, movement in property, plant and equipment is as follows:

	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Depreciation on property, plant and equipment	29,553,333	28,975,856
Additions of property, plant and equipment	5,605,076	7,031,437

7. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

The Company owns 16,934,875 shares in the Industrialization and Energy Services Company (a closed Saudi joint stock company), equivalent to 3,387% of the total share capital.

The nature of this Company's business is power generation, and the investment was recorded at fair value. The investment is pledged against the loan granted to the Company (Note 10).

8. INVENTORIE

Inventories comprise the following:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Production under processing	141,279,954	167,146,303
Spare parts	82,984,576	87,805,156
Raw materials	29,396,091	25,920,685
Finished goods	7,533,986	6,673,413
Goods in transit	2,115,015	6,008,599
	<u>263,309,622</u>	<u>293,554,156</u>
Less: Allowance for slow moving inventory items	(604,915)	(604,915)
	<u>262,704,707</u>	<u>292,949,241</u>

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended June 30, 2022
(Expressed in Saudi Arabian Riyals)

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	<u>Note</u>	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Cash at banks on current accounts		22,719,162	22,882,531
Islamic murabahat	9-1	--	25,200,000
		<u>22,719,162</u>	<u>48,082,531</u>

- 9.1 Islamic Murabaha represent deposits placed with local commercial banks and their original maturity periods not exceeding three months from the date of the original maturity.

10. LOAN

The Company has bank loan with a local bank with a total amount of SR 244,5 million as at 30 June 2022 (31 December 2021: SR 273,7 million). The loan agreement with the bank contains some covenants, which among other things, that the leverage ratio shall not be more than 1:1 and the debt coverage ratio shall not be less than 3:1 based on the annual audited financial statements and it also requires maintaining some financial ratios and 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 30 June 2022.

The loan is stated in the statement of financial position as follows:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Current portion under current liabilities	63,470,883	63,470,883
Non-current portion under non-current liabilities	180,990,826	210,212,689
	<u>244,461,709</u>	<u>273,683,572</u>

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

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the period / year	273,683,572	315,471,536
Effect of financial liability cash flows adjustment	2,513,579	5,815,199
Provided during the period/year	(31,735,442)	(47,603,163)
	<u>244,461,709</u>	<u>273,683,572</u>

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended June 30, 2022
(Expressed in Saudi Arabian Riyals)

10. LOAN (continued)

On 4 October 2021, the facilities were renewed, and the loan rate was modified to become a three-month SIBOR plus 1% instead of a six-month SIBOR plus 1.25%. The payment is due in quarterly installments of SR 15.9 million. The last installment will be paid on 13 March 2026 instead of February 2024.

As a result of rescheduling the loan and modifying the terms, the Company performed a 10% test of the loan commitment in accordance with the requirements of IFRS 9 "Financial Instruments" and this test resulted in a gain of SR 22,758,671. This amount represents the difference between the present value of the loan under the terms before the modification and the present value of future cash payments under the terms of the loan being renegotiated and modified, discounted at the original effective interest rate of the loan. Since the difference is less than 10%, the amendment in the terms is not considered essential, and it is not accounted for as the disposal of the loan obligation and establishment of a new financial obligation. Accordingly, the present value of future cash payments is recognized in accordance with the terms of the modification using the original effective interest rate of the loan, and the difference is recognized as gain from the effect of the modification.

The loan is secured by an investment in the Industrialization and Energy Services Company, note (7). The loan includes financial covenants. The management monitors the fulfillment of commitments on a regular basis, and in the event of a breach expected to occur in the future, the necessary measures are taken to ensure compliance.

11. DIVIDENDS PAYABLE TO SHAREHOLDERS

The movement on dividends payable to shareholders is as follows:

	30 June <u>2022</u> (Unaudited)	31 December <u>2021</u> (Audited)
Balance at 1 January	121,079,857	121,694,374
Dividends distributed during the period / year	22,500,000	--
Dividend payments during the period / year	<u>(22,660,122)</u>	<u>(614,517)</u>
	<u>120,919,735</u>	<u>121,079,857</u>

On March 26, 2022, the Company's Board of Directors recommended distributing cash dividends to shareholders for the second half of 2021 at the rate of SR 0.25 per share, which represents 2.5% of the nominal value of the share and a total amount of SR 22.5 million, which was approved during the thirty-fifth ordinary general assembly meeting dated 21 April 2022.

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended June 30, 2022
(Expressed in Saudi Arabian Riyals)

12. ZAKAT

a) Charge of the period

	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Charged on the period	<u>2,245,150</u>	<u>2,100,000</u>
	<u>2,245,150</u>	<u>2,100,000</u>

b) Provision for zakat

The movement in Zakat payable represented as follows:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Balance at beginning of the period / year	6,956,392	10,156,261
Add: Charge of the period / year	2,245,150	5,046,012
Less: Payments during the period / year	<u>(3,460,193)</u>	<u>(8,245,881)</u>
Balance at end of the period/year	<u>5,741,349</u>	<u>6,956,392</u>

The Company has submitted its Zakat returns to the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia for all years up to the financial year ended 31 December 2021.

The Company received the zakat assessment for the financial years ending on 31 December 2014 until 31 December 2017. The Company paid the full value of the assessment and finalized the zakat status for these years.

The Company received the Zakat assessment for the financial year ended 31 December 2018, with a total zakat difference of SR 2,669,475. The Company agreed on all the terms of the assessment and paid the due zakat in full. Then the Company objected one item of the same assessment, which is the difference in revaluation of investments with a value of SR 2,540,231 at the General Committees for Zakat and Tax Objections, and the Company's objection is still under study by the General Secretariat of Tax and Zakat Committees.

Zakat assessment has not been received for the financial years ended 31 December 2019 until 31 December 2021.

13. OTHER INCOME

	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Deposit profits	94,602	58,722
Provisions no longer required	--	57,448
Other miscellaneous income	--	421,895
	<u>94,602</u>	<u>538,065</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended June 30, 2022

(Expressed in Saudi Arabian Riyals)

14. EARNING 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.

	30 June <u>2022</u> (Unaudited)	30 June <u>2021</u> (Unaudited)
(Loss) / profit for the period	(4,432,482)	8,934,821
Number of shares (weighted average)	<u>90,000,000</u>	<u>90,000,000</u>
Basic (loss) / earning per share (SR)	<u>(0.049)</u>	<u>0.099</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 were no diluted shares, accordingly the diluted earnings per share was the same as the basic.

15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties principally represent transactions with BOD members and key management personnel. The transactions with related parties during the period ended 30 June 2022 and the period ended 30 June 2021 are as follows:

<u>Transactions with</u>	<u>Nature of the transaction</u>	30 June <u>2022</u> (Unaudited)	30 June <u>2021</u> (Unaudited)
Key management personnel	Salaries, wages and equivalents	1,200,000	1,320,000
BOD members	Board of directors' remunerations	<u>1,137,182</u>	<u>--</u>

16. ADJUSTMENTS

During the first quarter of 2022, it became clear to the Company's management that it did not calculate and record the diluted depreciation of some items of property, tools and equipment during the first quarter of 2021 by mistake, amounting to SR 3,016,179, which the Company recognized during the second quarter of 2021. Accordingly, the company's management corrected the depreciation expense and re-presented its data by amending the items of the condensed interim financial statements for the three-month period ended 30 June 2021 that were impacted by this error in line with the requirements of IAS (8) "Change in Accounting Policies, Change in Accounting Estimates and Accounting Errors".

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended June 30, 2022

(Expressed in Saudi Arabian Riyals)

16. ADJUSTMENTS (continued)

The following table summarizes the impact on the condensed interim statements of profit or loss, other comprehensive income and cash flows for the three-month period ended 30 June 2021:

<u>SR</u> <u>STATEMENT OF PROFIT</u> <u>OR LOSS AND OTHER</u> <u>COMPREHENSIVE</u> <u>INCOME</u>	<u>For the three-month period ended June 30, 2021</u>		
	<u>Balance as</u> <u>previously</u> <u>reported</u>	<u>Adjustments</u>	<u>Balance after</u> <u>adjustment</u>
Cost of revenue	(36,779,114)	(3,016,179)	(39,795,293)
Gross profit	12,477,065	(3,016,179)	9,460,886
Operating income	6,093,795	(3,016,179)	3,077,616
(Loss)/ Profit before zakat	2,938,430	(3,016,179)	(77,749)
(Loss) / profit for the period	1,888,430	(3,016,179)	(1,127,749)
Total comprehensive (loss) / income	2,227,127	(3,016,179)	(789,052)
Basic and diluted (loss) / earning per share	0.021	(0,034)	(0.013)

17. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The condensed interim financial statements were authorized for issue by the Board of Directors on 14 August 2022, corresponding to 16 Muharram 1444H.