

TABUK CEMENT COMPANY
(Saudi Joint Stock Company)

**CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the three months and six months periods ended 30 June 2021

with

INDEPENDENT AUDITORS' REVIEW REPORT



KPMG Professional Services

Zahran Business Center
Prince Sultan Street
P.O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Headquarter in Riyadh

Commercial Registration No 4030290792

كي بي إم جي للاستشارات المهنية

مركز الزهران للأعمال
شارع الأمير سلطان
ص.ب 55078
جده 21534
المملكة العربية السعودية
المركز الرئيسي الرياض

سجل تجاري رقم 4030290792

Independent Auditor's Report on Review of Condensed

Interim Financial Statements

To the Shareholders of Tabuk Cement Company
(A Saudi Joint Stock Company)
Tabuk - Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying 30 June 2021 condensed interim financial statements of Tabuk Cement Company (the "Company"), which comprise of:

- The condensed statement of financial position as at 30 June 2021;
- The condensed statements of profit or loss and other comprehensive income for the three months period and six months periods ended 30 June 2021;
- The condensed statement of changes in equity for the six months period ended 30 June 2021;
- the condensed statement of cash flows for the six months period ended 30 June 2021; and
- the notes to the interim condensed financial statements

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of 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 accompanying 30 June 2021 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, a professional closed joint stock company registered in the Kingdom of Saudi Arabia. With the paid-up capital of (15,000,000) 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.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (15,000,000) ريال سعودي منقوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة إنجليزية محدودة بضمان. جميع الحقوق محفوظة

Commercial Registration of the headquarter in Riyadh is 1010425494.



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

To the Shareholders of Tabuk Cement Company
(A Saudi Joint Stock Company)
Tabuk - Kingdom of Saudi Arabia

Other matters

The financial statements of the Company for the three months and six months periods ended 30 June 2020 were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial statements on 12 August 2020. The financial statements of the Company for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 4 March 2021.

KPMG Professional Services

Nasser Ahmed Al Shutairy
License No. 454



Jeddah, 4 Muharram, 1443H
Corresponding to 12 August, 2021

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

(Expressed in Saudi Arabian Riyals)

	Note	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Assets			
Property, plant and equipment	6	1,043,913,699	1,065,784,188
Investment properties		77,464,847	77,464,847
Equity investments at Fair Value through Other			
Comprehensive Income	7	281,626,971	281,288,274
Intangible assets		4,986,568	5,043,683
Right-to-use asset		2,636,010	3,566,366
Non-current assets		1,410,628,095	1,433,147,358
Inventories	8	281,735,991	285,063,097
Trade and other receivables		27,287,094	14,613,889
Cash and cash equivalents	9	31,784,383	40,693,362
Current assets		340,807,468	340,370,348
Total assets		1,751,435,563	1,773,517,706
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital		900,000,000	900,000,000
Statutory reserve		227,745,646	227,745,646
Reserves		112,278,221	111,939,524
Retained earnings		18,277,407	9,342,586
Total equity		1,258,301,274	1,249,027,756
Liabilities			
Non-current portion of long term loan	10	223,317,580	252,000,653
Employees' defined benefit obligations		15,496,417	14,216,404
Non-current portion of lease commitments		838,149	1,772,419
Non-current liabilities		239,652,146	267,989,476
Current portion of long-term loan	10	63,470,883	63,470,883
Current portion of lease commitments		1,881,295	1,881,295
Trade and other payables		60,068,603	59,297,661
Dividends payable to shareholders		121,386,343	121,694,374
Zakat provision		6,675,019	10,156,261
Current liabilities		253,482,143	256,500,474
Total liabilities		493,134,289	524,489,950
Total equity and liabilities		1,751,435,563	1,773,517,706

These financial statements were approved by the board of directors on 11 August, 2021 corresponding to 3 Muharram, 1443H and signed on their behalf by:



Mansour Ibrahim Al-Habdan
Chief Financial Officer




Ali bin Mohamed Al-Oabtani
Chief Executive Officer



Tariq bin Khaled Al-Anqari
(Authorized) BOD Member

The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements

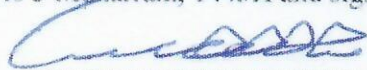
TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months periods ended 30 June 2021
(Expressed in Saudi Arabian Riyals)

	Note	For the three months period ended 30 June		For the six months period ended 30 June	
		2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Revenues		49,256,179	49,989,248	126,211,488	125,410,412
Cost of revenue		(36,779,114)	(40,080,835)	(95,796,167)	(97,976,327)
Total profit		12,477,065	9,908,413	30,415,321	27,434,085
Selling and marketing expenses		(802,845)	(678,983)	(1,649,482)	(1,357,430)
General and administrative expenses		(5,680,707)	(4,576,472)	(11,712,818)	(9,871,007)
Operating income		5,993,513	4,652,958	17,053,021	16,205,648
Other income		100,282	108,350	538,065	510,696
Effect of modifying financial liability cash flows		(1,469,808)	(1,723,703)	(3,052,369)	21,034,968
Finance charges		(1,685,557)	(2,502,490)	(3,503,896)	(6,985,449)
Profit before zakat		2,938,430	535,115	11,034,821	30,765,863
Zakat	11	(1,050,000)	--	(2,100,000)	(1,318,967)
Profit for the period		1,888,430	535,115	8,934,821	29,446,896
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 income		2,227,127	535,115	9,273,518	29,446,896
Basic and diluted earnings per share (Saudi Riyals):					
Basic and diluted	12	0,02	0,006	0,1	0,33

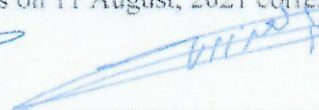
These financial statements were approved by the board of directors on 11 August, 2021 corresponding to 3 Muharram, 1443H and signed on their behalf by:



Mansour Ibrahim Al-Habdan
Chief Financial Officer



Ali bin Mohamed Al-Qahtani
Chief Executive Officer



Tariq bin Khaled Al-Anqari
(Authorized) BOD Member

The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the six months period ended 30 June 2020

(Expressed in Saudi Arabian Riyals)

	Share capital	Statutory reserve	Reserves	Retained earnings	Total
For the six months period ended 30 June 2021:					
Balance at 1 January 2021 (audited)	900,000,000	227,745,646	111,939,524	9,342,586	1,249,027,756
Profit for the period	--	--	--	8,934,821	8,934,821
Other comprehensive income	--	--	338,697	--	338,697
Total comprehensive income for the period				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
For the six months period ended 30 June 2020					
Balance at 1 January 2020 (audited)	900,000,000	222,588,069	101,609,250	(36,703,046)	1,187,494,273
Profit for the period	--	--	--	29,446,896	29,446,896
Other comprehensive income	--	--	--	--	--
Total comprehensive income for the period				29,446,896	29,446,896
Balance at 30 June 2020 (unaudited)	900,000,000	222,588,069	101,609,250	(7,256,150)	1,216,941,169

These financial statements were approved by the board of directors on 11 August, 2021 corresponding to 3 Muharram, 1443H and signed on their behalf by:



Mansour Ibrahim Al-Habdan
Chief Financial Officer



Ali bin Mohamed Al-Qahiani
Chief Executive Officer



Tariq bin Khaled Al-Anqari
(Authorized) BOD Member



The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2020

(Expressed in Saudi Arabian Riyals)

	Note	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
Cash flows from operating activities:			
Profit for the period before Zakat		11,034,821	30,765,864
<i>Adjustments to:</i>	6		
Depreciation on property, plant and equipment		28,975,856	41,784,314
Depreciation of intangible assets		278,148	278,148
Depreciation of right-of-use		930,356	927,360
Effect of financial liability cash flows adjustment		3,052,369	(21,034,968)
Finance costs		3,503,896	6,985,449
Reversal of impairment of trade and other receivables		(57,448)	(108,350)
Employee defined benefit obligation charge for the period		2,137,083	1,133,118
		<u>49,855,081</u>	<u>60,730,935</u>
Change in operating assets and liabilities			
Trade and other receivables		(12,673,205)	(11,667,093)
Inventories		3,327,106	(68,101)
Trade and other payables		770,942	(632,115)
Employees defined benefit obligations - paid		(857,069)	(1,541,522)
Zakat paid	11	(5,581,242)	--
Net cash generated from operating activities		<u>34,841,613</u>	<u>46,822,104</u>
Cash flows from investing activities:			
Additions of property, plant and equipment	6	(7,031,437)	(513,816)
Additions to intangibles assets		(221,034)	(424,974)
Net cash used in investing activities		<u>(7,252,471)</u>	<u>(938,790)</u>
Financing activities:			
Paid from loans	10	(31,735,442)	(39,669,302)
Payment of lease obligations		(950,752)	(940,488)
Finance charges paid		(3,503,896)	(6,985,451)
Dividends paid		(308,031)	(870,558)
Net cash used in financing activities		<u>(36,498,121)</u>	<u>(48,465,799)</u>
Change in cash and cash equivalents during the period			
		(8,908,979)	(2,582,485)
Cash and cash equivalents beginning of the period	9	40,693,362	14,104,701
Cash and cash equivalents at the end of the period		<u>31,784,383</u>	<u>11,522,216</u>

These financial statements were approved by the board of directors on 11 August, 2021 corresponding to 3 Muharram, 1443H and signed on their behalf by:



Mansour Ibrahim Al-Habdan
Chief Financial Officer




Ali bin Mohamed Al-Qahtani
Chief Executive Officer



Tariq bin Khaled Al-Anqari
(Authorized) BOD Member

The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements

TABUK CEMENT COMPANY
(Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

As at 30 June 2021

(Expressed in Saudi Arabian Riyals)

1. GENERAL

Tabuk Cement Company (“the Company”) is a Saudi joint stock company established under the Companies Law in the Kingdom of Saudi Arabia issued by Royal Decree No. (M/6) dated 30 Jumada Thani 1405 AH (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 2021, the authorized, subscribed and fully paid up share capital 900 million (2020: SR 900 million) divided into 90 million ordinary shares (2020: 90 million shares) of SR 10 each (2020: SR 10).

The registered address of the Company is as follows:

TCC Building, Al-Dhabab Area,
North of Dhaba City
Beside Dhaba Port, near Duba Seaport,
P.O. 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 Certified Public 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 2020 (“last annual 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 since the last annual financial statements. In addition, the results for the six-month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the year ending 31 December 2021.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

As at 30 June 2021

(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION (continued)

b) Basis of measurement

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

c) Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS

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.

The depreciation rates of plant and equipment have been adjusted as of 1 January 2021, where the change in the depreciation method has been accounted for as a change in an accounting estimate and the remaining book value of plant and equipment will be depreciated according to the new depreciation rates. The impact of this amendment amounted to SR 6.1 million as an impairment of depreciation during the six months ended 30 June 2021 compared to previous depreciation rates.

4. 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 2020.

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

TABUK CEMENT COMPANY
(Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

As at 30 June 2021

(Expressed in Saudi Arabian Riyals)

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED

5.1 New standards, interpretations and amendments adopted by the Company

There are no new standards issued that apply to the Company, however, there are a number of new amendments to the standards that entered into force on 1 January 2021, and do not have a material impact on the condensed interim financial statements.

5.2 New standards, interpretations and amendments issued but not adopted

There are a number of new standards and amendments that were issued but did not take effect from the date of issuance of the Company's condensed interim financial statements, which were explained in the last annual financial statements. The Company does not expect a material impact on the condensed interim financial statements.

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 <u>2021</u> (Unaudited)	30 June <u>2020</u> (Unaudited)
Depreciation on property, plant and equipment	28,975,856	41,784,314
Additions of property, plant and equipment	7,031,437	513,816

7. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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. INVENTORIES

Inventories comprise the following:

	30 June <u>2021</u> (Unaudited)	31 December <u>2020</u> (Audited)
Work in progress	170,753,966	178,228,989
Spare parts	86,198,540	86,494,176
Raw material	13,089,716	8,635,985
Fuel	2,068,768	1,070,044
Finished goods	5,418,177	6,862,460
Goods in transit	3,379,623	2,586,464
Packaging wrapping materials	827,201	1,184,979
	<u>281,735,991</u>	<u>285,063,097</u>

TABUK CEMENT COMPANY
(Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

As at 30 June 2021

(Expressed in Saudi Arabian Riyals)

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	<u>Note</u>	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Cash at bank		11,784,383	20,693,362
Islamic murabahat	9.1	<u>20,000,000</u>	<u>20,000,000</u>
		<u>31,784,383</u>	<u>40,693,362</u>

9.1 Islamic Murabahat 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 286.8 million as at 30 June 2021 (31 December 2020: SR 315.5 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 2021.

The loan has been presented in statement of financial position as follows:

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Current portion under current assets	63,470,883	63,470,883
Non-current portion shown under non-current liabilities	<u>223,317,580</u>	<u>252,000,653</u>
	<u>286,788,463</u>	<u>315,471,536</u>

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

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Balance at beginning of period/year	315,471,536	404,626,881
Effect of financial liability cash flows adjustment	3,052,369	(17,750,601)
Provided during the period/year	<u>(31,735,442)</u>	<u>(71,404,744)</u>
	<u>286,788,463</u>	<u>315,471,536</u>

TABUK CEMENT COMPANY
(Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

As at 30 June 2021

(Expressed in Saudi Arabian Riyals)

10. LOAN (continued)

On 15 March 2020, the Company signed an agreement to reschedule the loan to be subject to an interest rate of six-months SIBOR and a fixed rate of 1.25% annually instead of 2.5%, and it is payable on 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 a 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. ZAKAT

a) Charge of the period

	30 June <u>2021</u> (Unaudited)	30 June <u>2020</u> (Unaudited)
Charge of the period	<u>2,100,000</u>	<u>1,318,967</u>

b) Zakat provision

The movement in Zakat payable represented as follows:

	30 June <u>2021</u> (Unaudited)	31 December <u>2020</u> (Audited)
Balance at beginning of period/year	10,156,261	4,018,930
Add: Charged on the period/year	2,100,000	8,070,246
Less: Payments during the period/year	(5,581,242)	(1,932,915)
Balance at end of the period/year	<u>6,675,019</u>	<u>10,156,261</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 2020. The Company has a zakat certificate valid until 30 April 2022.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

As at 30 June 2021

(Expressed in Saudi Arabian Riyals)

11. ZAKAT (continued)

b) Zakat provision (continued)

The Company received the zakat assessment for the financial years from the year ended 31 December 2014 until the year ended 31 December 2017, with a total zakat difference of SR 557,949. The Company objected the full assessment value, so the Zakat, Tax and Customs Authority issued an adjusted assessment with a total value of SR 202,995. The Company paid the full value of the adjusted assessment and ended the zakat status for that year.

The company received the zakat assessment for the financial year ended 31 December 2018, with a total value of SR 2,540,231. The Company objected to the entire value of the assessment, and the Company's objection is still under review by the Zakat, Tax and Customs Authority.

Zakat assessment has not been received for the financial years ended 31 December 2019 until 31 December 2020.

12. 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.

	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
Profit for the period	8,934,821	29,446,896
Number of shares (weighted average)	90,000,000	90,000,000
Basic earnings per share (SR)	0.10	0.33

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 were no diluted shares, accordingly the diluted earnings per share was the same as the basic.

13. RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties transactions mainly represent transactions with board of directors members, salaries, allowances and remunerations of senior executives.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Directors and Shareholders (whether executive or otherwise).

TABUK CEMENT COMPANY
(Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

As at 30 June 2021

(Expressed in Saudi Arabian Riyals)

13. RELATED PARTIES BALANCES AND TRANSACTIONS (continued)

<u>Description</u>	<u>Nature of relationship</u>
Key management and senior executives	Other related parties
Board of directors members	Other related parties

The following table shows the amounts of transaction with related party during the period ended in June 30, 2021 and the year ended in December 31, 2020:

		30 June 2021	31 December 2020
	<u>Nature of transactions</u>	(Unaudited)	(Audited)
Key management and senior executives	Salaries, wages and equivalents	1,320,000	1,980,568
Board of directors members	Board of directors rewards	--	1,400,000

14. IMPORTANT MATTERS

In response to the spread of the Corona pandemic (COVID 19) across different geographical areas, which caused disturbances in the economic and commercial sectors in general, and accordingly, the Company's management proactively assessed the impact on its operations and took a series of preventive measures, to ensure the health and safety of its employees and workers. Despite these challenges, the Company's business and operations are currently still largely unaffected. The primary demand from customers for the Company's products has not been affected to a large extent. Based on these factors, the Company's management believes that the Covid-19 pandemic did not have a material impact on the financial results that were reported for the period ending 30 June 2021.

The Company continues to closely monitor the development of the pandemic even though the management at this time is not aware of any expected factors that may change the impact of the pandemic on the Company's operations during or after 2021.

15. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The condensed interim financial statements were approved for issue by the Board of Directors on 3 Muharram, 1443H corresponding to 11 August, 2021.