

**QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)
DOHA – STATE OF QATAR**

**INTERIM CONDENSED FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S
REVIEW REPORT FOR THE
SIX MONTHS ENDED JUNE 30, 2024**

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)
DOHA – STATE OF QATAR

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

To
The Board of Directors
Qatar National Cement Company (Q.P.S.C.)
Doha – State of Qatar

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Qatar National Cement Company (Q.P.S.C.), (the "Company")**, Doha – State of Qatar, as at June 30, 2024 and the related interim condensed statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard-34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim condensed 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 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 interim condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard-34, *Interim Financial Reporting*.

Emphasis of Matter

We draw attention to note 4(b) to these interim condensed financial statements, which describes that the license issued by the Government of Qatar to use the land on which quarries, plants and buildings are situated has been expired in 2015. As of the reporting date, the Company is in the process of negotiating with competent authorities related to terms and conditions of the lease agreement. Our conclusion is not modified in respect of this matter.

Dr. Hashim Al Sayed Accounting and Auditing Office

Dr Hashim Al Sayed

Auditors Registration No 127

Doha, 11 August 2024

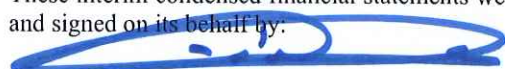
**QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)
DOHA – STATE OF QATAR**

EXHIBIT "A"

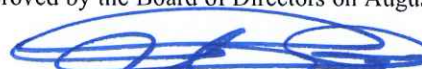
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (REVIEWED)
AS AT JUNE 30, 2024**

| | Note | June 30, 2024 (QR '000) (Reviewed) | Dec. 31, 2023 (QR '000) (Audited) |
|--|---------|--|---|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment and capital work in progress | -4- | 1,508,018 | 1,557,328 |
| Investment properties | -5- | 2,599 | 2,825 |
| Investment in associates | -6- | 39,190 | 48,113 |
| Financial assets at fair value through other comprehensive income-equity instruments | -7- | 224,629 | 229,911 |
| Total Non-Current Assets | | 1,774,436 | 1,838,177 |
| CURRENT ASSETS | | | |
| Non-Current Assets held for sale | -4(c)- | 1,108 | 1,108 |
| Inventories | -8- | 693,980 | 612,847 |
| Accounts and other receivables | -9- | 289,420 | 291,565 |
| Short term fixed deposits | -10- | 291,482 | 265,744 |
| Cash and cash equivalents | -10- | 177,333 | 402,853 |
| Total Current Assets | | 1,453,323 | 1,574,117 |
| Total Assets | | 3,227,759 | 3,412,294 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | -11- | 653,529 | 653,529 |
| Legal reserve | | 326,764 | 326,764 |
| Fair value reserve of financial assets at fair value through other comprehensive income-equity instruments | -12- | (726) | 13,210 |
| Share of fair value reserves of associates | -13- | 7,875 | 7,163 |
| Retained earnings | | 1,973,188 | 2,089,732 |
| Total Equity – Exhibit D | | 2,960,630 | 3,090,398 |
| NON-CURRENT LIABILITIES | | | |
| Employees' end of service benefits | | 11,084 | 11,178 |
| Accounts and other payables – long term | -14(b)- | 43,270 | 78,830 |
| Total Non-Current Liabilities | | 54,354 | 90,008 |
| CURRENT LIABILITIES | | | |
| Accounts and other payables –short term | -14(b)- | 212,775 | 231,888 |
| Total Liabilities | | 267,129 | 321,896 |
| Total Equity and Liabilities | | 3,227,759 | 3,412,294 |

These interim condensed financial statements were approved by the Board of Directors on August 11, 2024 and signed on its behalf by:



Essa Mohammed Ali Kaldari
Chief Executive Officer



Khaled Sultan Al-Rabban
Managing Director

THE ACCOMPANYING NOTES 1 TO 21 CONSTITUTE AN INTEGRAL PART OF THESE INTERIM
CONDENSED FINANCIAL STATEMENTS

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)
DOHA – STATE OF QATAR

EXHIBIT "B"

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2024

| | Note | Six months ended June 30, 2024 (QR '000) (Reviewed) | Six months ended June 30, 2023 (QR '000) (Reviewed) |
|--|------|--|--|
| Revenue | | 197,597 | 233,779 |
| Cost of sales | | (133,311) | (150,877) |
| Gross profit | | 64,286 | 82,902 |
| Other income | -15- | 30,537 | 33,892 |
| Selling and distribution expenses | | (2,508) | (6,515) |
| General and administrative expenses | | (10,756) | (10,664) |
| Share of profit from associates | | 914 | 1,658 |
| Profit for the period – Exhibits C, D&E | | 82,473 | 101,273 |
| | | ===== | ===== |
| Earnings per share | | | |
| Basic earnings per share (QR.) | -16- | 0.13 | 0.15 |
| | | ===== | ===== |
| Diluted earnings per share (QR.) | -16- | 0.13 | 0.15 |
| | | ===== | ===== |

**Dr. HASHIM
ALSAYED**
Accounting and Auditing

THE ACCOMPANYING NOTES 1 TO 21 CONSTITUTE AN INTEGRAL PART OF THESE
INTERIM CONDENSED FINANCIAL STATEMENTS

**QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)
DOHA – STATE OF QATAR**

EXHIBIT "C"

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2024**

| | Six months ended June 30, 2024 (QR '000) (Reviewed) | Six months ended June 30, 2023 (QR '000) (Reviewed) |
|---|--|--|
| Profit for the period – Exhibit B | 82,473 | 101,273 |
| Other comprehensive income: | | |
| <i>Items that will be reclassified subsequently to profit or loss:</i> | | |
| Net changes in share of fair value reserves of associates | 712 | (1,397) |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | |
| Net changes in fair value of financial assets at fair value through other comprehensive income-equity instruments | (16,894) | 2,665 |
| Other comprehensive (loss)/income for the period – Exhibit D | (16,182) | 1,268 |
| Total comprehensive income for the period – Exhibit D | 66,291 | 102,541 |
| | ===== | ===== |


**Dr. HASHIM
ALSAYED**
Accounting and Auditing

THE ACCOMPANYING NOTES 1 TO 21 CONSTITUTE AN INTEGRAL PART OF THESE
INTERIM CONDENSED FINANCIAL STATEMENTS

**QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)
DOHA – STATE OF QATAR**

EXHIBIT "D"

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2024**

| | Share Capital (QR '000) | Legal Reserve (QR '000) | Fair Value Reserve of Financial Assets at FVOCI (QR '000) | Share of Fair Value Reserves of Associates (QR '000) | Retained Earnings (QR '000) | Total (QR '000) |
|---|-------------------------------|-------------------------------|--|--|-----------------------------------|--------------------|
| SIX MONTHS ENDED JUNE 30, 2023 (REVIEWED) | | | | | | |
| Balance as at December 31, 2022- (Audited) | 653,529 | 326,764 | 44,694 | 9,883 | 2,045,483 | 3,080,353 |
| Total comprehensive income for the period | -0- | -0- | -0- | -0- | 101,273 | 101,273 |
| Profit for the period – Exhibit B | | | | | | |
| Other comprehensive income | | | | | | |
| Net changes in share of fair value reserves of associates | -0- | -0- | -0- | (1,397) | -0- | (1,397) |
| Net changes in fair value of financial assets at fair value through other comprehensive income-equity instruments | -0- | -0- | 2,665 | -0- | -0- | 2,665 |
| Other comprehensive income for the period – Exhibit C | -0- | -0- | 2,665 | (1,397) | -0- | 1,268 |
| Total comprehensive income for the period – Exhibit C | -0- | -0- | 2,665 | (1,397) | 101,273 | 102,541 |
| Social and sports fund contribution - Note 26 | -0- | -0- | -0- | -0- | (196,059) | (196,059) |
| Dividend distribution for the year 2022 – Note 17 | -0- | -0- | (575) | -0- | 575 | -0- |
| De-recognition of fair value reserve upon disposals – equity instruments | | | | | | |
| Balance as at June 30, 2023 | <u>653,529</u> | <u>326,764</u> | <u>46,784</u> | <u>8,486</u> | <u>1,951,272</u> | <u>2,986,835</u> |
| SIX MONTHS ENDED JUNE 30, 2024 (REVIEWED) | | | | | | |
| Six Months Ended June 30, 2023 | 653,529 | 326,764 | 13,210 | 7,163 | 2,089,732 | 3,090,398 |
| Balance as at December 31, 2023 – Exhibit A (Audited) | | | | | | |
| Total comprehensive income for the period | -0- | -0- | -0- | -0- | 82,473 | -0- |
| Profit for the period – Exhibit B | | | | | | |
| Other comprehensive income | | | | | | |
| Net changes in share of fair value reserves of associates | -0- | -0- | (16,894) | -0- | -0- | (16,894) |
| Net changes in fair value of financial assets at fair value through other comprehensive income-equity instruments | -0- | -0- | -0- | 712 | -0- | 712 |
| Other comprehensive loss for the period – Exhibit C | -0- | -0- | (16,894) | 712 | -0- | (16,182) |
| Total comprehensive income for the period – Exhibit C | -0- | -0- | (16,894) | 712 | 82,473 | 66,291 |
| De-recognition of fair value reserve upon disposal - Note 12 | | | 2,958 | (2,958) | | |
| Dividend distribution for the year 2023 – Note 17 | -0- | -0- | -0- | -0- | (196,059) | (196,059) |
| Balance as at June 30, 2024 – Exhibit A | <u>653,529</u> | <u>326,764</u> | <u>(726)</u> | <u>7,875</u> | <u>1,973,188</u> | <u>2,960,630</u> |

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)
DOHA – STATE OF QATAR

EXHIBIT "E"

**INTERIM CONDENSED STATEMENT OF CASH FLOWS (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2024**

| | Six months ended June 30, 2024 (QR '000) (Reviewed) | Six months ended June 30, 2023 (QR '000) (Reviewed) |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit for the period – Exhibit B | 82,473 | 101,273 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment and investment properties | 56,070 | 55,770 |
| Dividend income | (10,528) | (10,146) |
| Interest income | (14,848) | (16,496) |
| Share of profit from associates | (914) | (1,658) |
| Rental income | (3,883) | (4,774) |
| Provision for employees' end of service benefits | 687 | 711 |
| Operating profit before working capital changes | 109,057 | 124,680 |
| Changes in operating assets and liabilities | | |
| -Inventories | (81,133) | (144,729) |
| -Accounts and other receivables | 2,145 | 53,443 |
| -Accounts and other payables | (54,673) | (47,112) |
| Cash generated (used in) operations | (24,604) | (13,718) |
| Employees' end of service benefits paid | (781) | (683) |
| Net cash (used in) operating activities | (25,385) | (14,401) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net addition to short term fixed deposits | (25,738) | 39,263 |
| Additions to property, plant and equipment and capital work in progress | (6,534) | (11,298) |
| Additions to financial assets at fair value through other comprehensive income -equity instruments | (39,122) | (5,300) |
| Proceeds from disposals of financial assets at fair value through other comprehensive income – equity instruments | 27,510 | 2,843 |
| Dividend income received from associate | - | 2,477 |
| Dividend income received | 10,528 | 10,146 |
| Rental income received | 3,883 | 4,774 |
| Capital reduction | 10,549 | - |
| Interest income received | 14,848 | 16,496 |
| Net cash (used in) from investing activities | (4,076) | 59,401 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend distribution | (196,059) | (196,059) |
| Net cash (used in) financing activities | (196,059) | (196,059) |
| Net (decrease) increase in cash and cash equivalents | (225,520) | (151,059) |
| Cash and cash equivalents at beginning of the period | 402,853 | 492,886 |
| Cash and cash equivalents at end of the period | 177,333 | 341,827 |
| | ===== | ===== |


**Dr. HASHIM
ALSAYED**
Accounting and Auditing

THE ACCOMPANYING NOTES 1 TO 21 CONSTITUTE AN INTEGRAL PART OF THESE
INTERIM CONDENSED FINANCIAL STATEMENTS

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)
DOHA – STATE OF QATAR

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2024

1) GENERAL INFORMATION

Qatar National Cement Company (Q.P.S.C.) (the “Company”) was incorporated in the State of Qatar as a Qatari Public Shareholding Company, under the Emiri Decree No. 7 of 1965 with Commercial Registration No. of 25. The Company’s head office is located in Doha, State of Qatar and it is a listed company on the Qatar Stock Exchange.

The Company is primarily engaged in the production and sale of cement, washed sand and other related products at its plants located in Umm Bab and Al Rakiyat in the State of Qatar.

These interim condensed financial statements include the assets, liabilities and results of operation of the company and its branch registered under the commercial registration number 25/1.

2) BASIS OF PREPARATION OF INTERIM CONDENSED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The interim condensed financial statements of the Company for the six months ended June 30, 2024 have been prepared in accordance with International Accounting Standard-34, *Interim Financial Reporting* and in conformity with Qatari Commercial Companies Law No.11 of 2015, whose certain provisions were subsequently amended by Law No.8 of 2021.

The interim condensed financial statements do not contain all information and disclosures required for annual financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2023. In addition, results for the six months ended June 30, 2024 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2024.

b) Significant Accounting Policies

i) Amendments and annual improvements to the Standards

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2023 and the notes attached thereto, except for certain new and amendments to the standards that became effective in the current period as described below:

| Amendments to the Standards | | Effective Date |
|------------------------------------|--|-----------------------|
| IAS 1 | Non- Current liabilities with covenants and Classification of Liabilities as Current/Non-current | January 01, 2024 |
| IFRS 16 | Lease liability in a Sale and Leaseback | January 01, 2024 |
| IAS 7 & IFRS 7 | Lease liability in a Sale and Leaseback | January 01, 2024 |

The above new and amendments to the standards have been adopted by the company, where applicable, and which did not have any material impact on the accounting policies, financial position or performance of the Company.

ii) Amendments to IFRSs issued but not yet effective

The following amendments to the standards have been issued but are not yet effective and the company intends to adopt these standards, where applicable, when they become effective;

| Amendments to the Standards | | Effective Date |
|------------------------------------|---|--------------------------|
| IAS 21 | Lack of Exchangeability | January 01, 2025 |
| IAS 28 & IFRS 10 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred Indefinitely |

3) FINANCIAL RISK MANAGEMENT, CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY AND SEGMENT REPORTING

a) Financial Risk Management

The Company's financial risk management objectives are consistent with those disclosed in the annual financial statements for the year ended December 31, 2023.

b) Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements made by the management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the company's annual financial statements for the year ended December 31, 2023.

c) Segment Reporting

The company is organized into two major business segments, which comprises the manufacturing and sale of cement and sand and other by-products. In addition to sale of cement and sand, the company's other activities are classified as "Others" for segmentation purposes. Geographically, the company's entire business operations are concentrated in State of Qatar. The chief operating decision makers evaluate the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. The company has elected to disclose only the results of operating segments in these interim condensed financial statements as management does not maintain and capture segment-wise information about assets and liabilities as it is not required for decision making purposes.

Operating results of each reportable segment are as follows:

For the six months ended June 30, 2024

| Description | Cement (QR '000) | Sand (QR '000) | Others (QR '000) | Total (QR '000) |
|-----------------------------------|---------------------|-------------------|---------------------|--------------------|
| Revenue | 152,591 | 40,739 | 4,267 | 197,597 |
| Cost of sales | (100,282) | (30,555) | (2,474) | (133,311) |
| Gross profit | 52,309 | 10,184 | 1,793 | 64,286 |
| Other income | - | - | 30,537 | 30,537 |
| Selling & distribution expenses | (1,995) | (464) | (49) | (2,508) |
| General & administrative expenses | (8,306) | (2,218) | (232) | (10,756) |
| Share of profit from associates | - | - | 914 | 914 |
| Profit for the period | 42,008 | 7,502 | 32,963 | 82,473 |

For the six months ended June 30, 2023

| Description | Cement (QR '000) | Sand (QR '000) | Others (QR '000) | Total (QR '000) |
|-----------------------------------|---------------------|-------------------|---------------------|--------------------|
| Revenue | 177,333 | 52,210 | 4,236 | 233,779 |
| Cost of sales | (109,613) | (39,158) | (2,106) | (150,877) |
| Gross profit | 67,720 | 13,052 | 2,130 | 82,902 |
| Other income | -0- | -0- | 33,892 | 33,892 |
| Selling & distribution expenses | (5,769) | (690) | (56) | (6,515) |
| General & administrative expenses | (8,090) | (2,382) | (192) | (10,664) |
| Share of profit from associates | -0- | -0- | 1,658 | 1,658 |
| Profit for the period | 53,861 | 9,980 | 37,432 | 101,273 |

4) **PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS**

| a) | Movement during the period/year were as follows: | June 30, 2024 (QR '000) (Reviewed) | Dec. 31, 2023 (QR '000) (Audited) |
|----|---|--|---|
| | Cost | | |
| | Balance at beginning of the period/year | 4,311,698 | 4,363,855 |
| | Additions during the period/year | 6,534 | 15,864 |
| | Written off | - | (5,041) |
| | Reclassification | - | (62,980) |
| | Balance at end of the period/year | 4,318,232 | 4,311,698 |
| | Accumulated Depreciation/Impairment | | |
| | Balance at beginning of the period/year | 2,754,370 | 2,709,210 |
| | Charge for the period/year | 55,844 | 112,073 |
| | On written off | - | (5,041) |
| | Reclassification | - | (44,477) |
| | Reclassification Impair | - | (17,395) |
| | Balance at end of the period/year | 2,810,214 | 2,754,370 |
| | Net book value at end of the period/year – Exhibit A | 1,508,018 | 1,557,328 |

- b) The Company's plants, quarries and buildings including certain housings are constructed on land licensed from the State of Qatar via an Emiri Decree. The license term for the land has been expired in 2015. The Company is currently negotiating the terms and conditions of the lease agreement with competent authorities who has the concession rights for Dukhan area where the land is located. Whilst the negotiations are ongoing, based on the absolute assessment of the management, it has been assessed that no any indication which may impair the occupancy rights of land. Hence, it is continuing operations at the site.

c) Non-current assets held for sale

Non-current assets held for sale amounting to QR.1,108,040 (Exhibit A) as at June 30, 2024 represent the carrying value of property, plant and equipment attached to Plant I. With effective from June 01, 2016, the Cement Plant I had been discontinued and during 2023, the management has firmly contracted with the buyer to sell the above plant I and its integrated inventories at the sale price of QR.10,000,000. Hence, as to compliance with IFRS 5, the carrying value of property, plant and equipment related to Plant I has been reclassified to non-current assets held for sale and measured at lower of carrying value and fair value less costs to sell.

Due to certain underlying conditions and contractual obligations, the Plant I has not been disposed during the year. Hence, the Board of Directors decided to classify as held for sale and the amount collected in advance has been recorded as other payables.

- d)** On June 01, 2024, the management had decided to stop the production of clinker due to availability of sufficient stock to cover the cement demand.

5) INVESTMENT PROPERTIES

| a) Movement during the period/year were as follows: | June 30, 2024 | Dec. 31, 2023 |
|---|----------------------|------------------|
| | (QR '000) | (QR '000) |
| | (Reviewed) | (Audited) |
| Cost | | |
| Balance at beginning of the period/year | 42,557 | 42,557 |
| Balance at end of the period/year | <u>42,557</u> | <u>42,557</u> |
| Accumulated Depreciation | | |
| Balance at beginning of the period/year | 39,732 | 39,278 |
| Charge for the period/year | 226 | 454 |
| Balance at end of the period/year | <u>39,958</u> | <u>39,732</u> |
| Net book value at end of the period/year – Exhibit A | <u>2,599</u> | <u>2,825</u> |
| | ===== | ===== |

- b)** The interim condensed statement of profit or loss includes a sum of QR.3.18 million as rental income from the above investment properties for the six months ended June 30, 2024 (June 30, 2023: QR.3.18 million).

- c)** The fair value of the investment properties amounting to QR.184.97 million as at December 31, 2023 and June 30, 2024 were determined by an accredited independent appraiser. The management of the Company presumes that the fair value of the above investment properties as of December 31, 2023 and June 30, 2024 are not materially differ from the valuation date. The appraiser is an industry specialist in valuing these types of investment properties. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties on valuation date. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

- d)** Land on which the above properties located are integral part of the above investment properties.

6) INVESTMENT IN ASSOCIATES

| a) This item consists of the following: | Share | June 30, 2024 | Dec. 31, 2023 |
|--|--------------|----------------------|------------------|
| | (%) | (QR '000) | (QR '000) |
| | | (Reviewed) | (Audited) |
| Qatar Saudi Gypsum Industries Co. | 33.33 | 32,891 | 31,401 |
| Qatar Quarries & Building Materials Co. | 20.00 | 6,299 | 16,712 |
| Total – Exhibit A & Note 6(b) | | <u>39,190</u> | <u>48,113</u> |
| | | ===== | ===== |

| | | |
|--|---|---|
| b) Movements during the period/year were as follows: | June 30, 2024 (QR '000) (Reviewed) | Dec. 31, 2023 (QR '000) (Audited) |
| Balance at beginning of the period/year | 48,113 | 49,728 |
| Share of profit for the period/year | 914 | 3,604 |
| Dividend received for the period/year | - | (2,499) |
| Net changes in fair value reserves for the period/year | 712 | (2,720) |
| Capital reduction | (10,549) | - |
| Balance at end of the period/year – Note 6(a) | <u>39,190</u> ===== | <u>48,113</u> ===== |

c) The share of net assets of associates were derived based on the investees' latest available financial statements.

7) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME-EQUITY INSTRUMENTS

Financial assets at fair value through other comprehensive income-equity instruments comprise of investments in shares of listed companies in Qatar Exchange. The fair value of the quoted equity shares is determined by reference to published price quotations in Qatar Exchange.

| | | |
|--|---|---|
| Movements during the period/year were as follows: | June 30, 2024 (QR '000) (Reviewed) | Dec. 31, 2023 (QR '000) (Audited) |
| Balance at beginning of the period/year | 229,911 | 219,755 |
| Additions during the period/year | 39,122 | 161,699 |
| Disposals during the period/year | (27,510) | (160,395) |
| Net changes in fair value for the period/year | (16,894) | 8,852 |
| Balance at end of the period/year – Exhibit A | <u>224,629</u> ===== | <u>229,911</u> ===== |

8) INVENTORIES

| | | |
|--|---|---|
| a) This item consists of the following: | June 30, 2024 (QR '000) (Reviewed) | Dec. 31, 2023 (QR '000) (Audited) |
| Work in progress | 457,224 | 396,808 |
| Spare parts | 106,165 | 103,326 |
| Raw materials | 57,675 | 65,061 |
| Finished goods | 83,403 | 68,199 |
| Fuel, oil and lubricants | 805 | 958 |
| Others | 4,117 | 3,358 |
| Sub total | <u>709,389</u> | <u>637,710</u> |
| Provision for obsolete and slow moving inventories-Note 8(b) | (25,701) | (25,701) |
| Net | <u>683,688</u> | <u>612,009</u> |
| Goods in transit | 10,292 | 838 |
| Total – Exhibit A | <u>693,980</u> ===== | <u>612,847</u> ===== |

| | | | |
|------------|--|----------------------|------------------|
| 8) | INVENTORIES (Continued) | | |
| | b) Provision for Obsolete and Slow Moving Inventories | | |
| | Movements during the period/year were as follows: | June 30, 2024 | Dec. 31, 2023 |
| | | (QR '000) | (QR '000) |
| | | (Reviewed) | (Audited) |
| | Balance at beginning of the period/year | 25,701 | 25,519 |
| | Provision for the year | - | 182 |
| | | <hr/> | <hr/> |
| | Balance at end of the period/year – Note 8(a) | 25,701 | 25,701 |
| | | ===== | ===== |
| 9) | ACCOUNTS AND OTHER RECEIVABLES | | |
| | a) This item consists of the following: | June 30, 2024 | Dec. 31, 2023 |
| | | (QR '000) | (QR '000) |
| | | (Reviewed) | (Audited) |
| | Accounts receivable | 249,774 | 281,189 |
| | Less: Provision for expected credit losses –Note 9(b) | (5,214) | (5,214) |
| | | <hr/> | <hr/> |
| | Net accounts receivable | 244,560 | 275,975 |
| | Advances to suppliers | 20,554 | 6,399 |
| | Prepayments and other receivables | 24,306 | 9,191 |
| | | <hr/> | <hr/> |
| | Total – Exhibit A | 289,420 | 291,565 |
| | | ===== | ===== |
| | b) Provision for Expected Credit Losses | | |
| | Movements during the period/year were as follows: | June 30, 2024 | Dec. 31, 2023 |
| | | (QR '000) | (QR '000) |
| | | (Reviewed) | (Audited) |
| | Balance at beginning of the period/year | 5,214 | 4,801 |
| | Increase in loss allowance during the period/year | - | 413 |
| | | <hr/> | <hr/> |
| | Balance at end of the period/year – Note 9(a) | 5,214 | 5,214 |
| | | ===== | ===== |
| 10) | CASH AND CASH EQUIVALENTS | | |
| | This item consists of the following: | June 30, 2024 | Dec. 31, 2023 |
| | | (QR '000) | (QR '000) |
| | | (Reviewed) | (Audited) |
| | Cash in hand | 475 | 85 |
| | Cash at current and call accounts | 15,064 | 59,479 |
| | Short term fixed deposits (maturity within 90 days) | 161,794 | 343,289 |
| | | <hr/> | <hr/> |
| | Total – Exhibits A | 177,333 | 402,853 |
| | Short term fixed deposits (maturity over 90 days) | | |
| | -Exhibit A | 291,482 | 265,744 |
| | | <hr/> | <hr/> |
| | Total | 468,815 | 668,597 |
| | | ===== | ===== |
| 11) | SHARE CAPITAL | | |
| | This item consists of the following: | June 30, 2024 | Dec. 31, 2023 |
| | | (Reviewed) | (Audited) |
| | Authorized, issued and fully paid up capital with a par value of QR.1 each (QR '000) – Exhibit A | 653,529 | 653,529 |
| | | <hr/> | <hr/> |
| | Authorized, issued and fully paid up capital – Number of shares ('000) | 653,529 | 653,529 |
| | | <hr/> | <hr/> |
| | | ===== | ===== |

12) **FAIR VALUE RESERVE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME-EQUITY INSTRUMENTS**

| Movements during the period/year were as follows: | June 30, 2024 (QR '000) (Reviewed) | Dec. 31, 2023 (QR '000) (Audited) |
|--|--|---|
| Balance at beginning of the period/ year | 13,210 | 44,694 |
| Net changes in fair value for the period/year | (16,894) | 8,851 |
| De-recognition of fair value reserve upon disposals | 2,958 | (40,335) |
| Balance at end of the period/year – Exhibit A | (726) | 13,210 |
| | ===== | ===== |

13) **SHARE OF FAIR VALUE RESERVES OF ASSOCIATES**

| Movements during the period/year were as follows: | June 30, 2024 (QR '000) (Reviewed) | Dec. 31, 2023 (QR '000) (Audited) |
|--|--|---|
| Balance at beginning of the period/year | 7,163 | 9,883 |
| Net changes in fair value for the period/year | 712 | (2,720) |
| Balance at end of the period/year – Exhibit A | 7,875 | 7,163 |
| | ===== | ===== |

14) **ACCOUNTS AND OTHER PAYABLES**

| a) This item consists of the following: | June 30, 2024 (QR '000) (Reviewed) | Dec. 31, 2023 (QR '000) (Audited) |
|---|--|---|
| Accruals against energy suppliers –Note 14(c) | 79,002 | 116,151 |
| Dividends payable | 100,201 | 100,648 |
| Amicable legal claims payable – Note 14(f) | 6,897 | 13,795 |
| Accruals and provisions | 32,341 | 16,291 |
| Accounts payable | 17,491 | 28,296 |
| Advance received against non- current asset held for sale | 10,016 | 10,000 |
| Advances from customers | 4,841 | 7,647 |
| Retention payable | 574 | 574 |
| Directors' remuneration payable | - | 8,304 |
| Provision for social and sports fund contribution | - | 5,128 |
| Other payables | 4,682 | 3,884 |
| Total – Note 14(b) | 256,045 | 310,718 |
| | ===== | ===== |

b) Based on the maturities, accounts and other payable are classified in the interim condensed statement of financial position as follows;

| | June 30, 2024 (QR '000) (Reviewed) | Dec. 31, 2023 (QR '000) (Audited) |
|--------------------------------|--|---|
| Long term portion – Exhibit A | 43,270 | 78,830 |
| Short term portion – Exhibit A | 212,775 | 231,888 |
| Total – Note 14(a) | 256,045 | 310,718 |
| | ===== | ===== |

- c) Pursuant to the Gas Sales and Purchase Agreement with Government based entity (M/s. Qatar Energy) and Power Supply Agreement with another Government based entity (M/s. Qatar General Electricity & Water Corporation) hereinafter referred as “Energy Suppliers”, the company has agreed with the energy suppliers to purchase minimum quantities of the energy for the operation of the Cement Plants.

The above dues are measured and accounted as per the terms of the contractual arrangements with the energy suppliers as follows:

| | June 30, 2024 (QR ‘000) (Reviewed) | Dec. 31, 2023 (QR ‘000) (Audited) |
|---|---|---|
| M/s. Qatar General Electricity & Water Corporation- Note 14(d) | 79,002 | 103,811 |
| M/s. Qatar Energy- Note 14(e) | - | 12,340 |
| Total – Note 14(a) | 79,002 ===== | 116,151 ===== |

d) **Power Supply Agreements with M/s. Qatar General Electricity & Water Corporation (Kahramaa)**

- The company has signed three separate Power Supply Agreements (for plants III, IV&V) for the use of electricity where it is obligated to pay the claims related to the utilization of electricity and differences between actual and minimum energy utilization as stipulated in the agreements.
- During the year 2021, the company entered addendums to the above Power Supply Agreements for plants III, IV & V to obtain certain concessions such as tariff and reduction in maximum demand quantities applied in the computation of take-or-pay claims mentioned in the previous agreements.
- Reference to the letter received from the Minister of State for Energy Affairs in the first half of 2019 informing the Company that the reduction in the take-or-pay rates (from 85% to 65%) will take effect from the date of the amendment to the agreement, rather than being applied with retroactive impact from 2009 which was previously communicated by the Minister. During 2021, the company agreed to settle all outstanding take-or-pay charges amounting to QR.172,034,073 from 2009 to 2020 in 6 yearly installments with effective from January 01, 2022 and waived off the respective penalties for the delay in payment of take-or-pay charges. Consequently, the board of directors of the company decided to record a sum of QR.76,025,117 take-or-pay charges from 2009 to 2017 in the books of accounts on retrospective basis during 2021.
- The contractual obligation of the company reference to above agreements with Kahramaa are as follows:

| | June 30, 2024 (QR ‘000) (Reviewed) | Dec. 31, 2023 (QR ‘000) (Audited) |
|----------------------------------|---|---|
| Take-or-pay claims from supplier | 78,286 | 100,817 |
| Utilization claims from supplier | 716 | 2,994 |
| Total – Note 14(c) | 79,002 ===== | 103,811 ===== |

e) **Gas Sales and Purchase Agreements with M/s. Qatar Energy**

- The company had signed two separate agreements (one for plants I, II & III signed during 2006 and the other one for plants IV&V signed during 2017) for the use of gas where it obligated to pay differences between actual and minimum energy utilization as stipulated in those agreements.
- In addition to the initial agreements, during 2021 (sanctioned on June 13, 2022), the company entered into latest “Gas Sale and Purchase Agreement” which supersedes the previous agreements. As per latest agreement, numerous changes to the contracts were placed including the contract price which resulted the followings;
 - The rates for energy usage have been changed,
 - Obtained waived off take-or-pay claims for the plants IV and V for the minimum quantities utilization during the year 2020,
 - The take-or-pay quantity have been changed.

- On a prudence basis and in compliance with contractual arrangements, all the payable obligation related to gas consumption have been recorded as of 30 June 2024 and the company intends to finalize the settlement plan with “Qatar Energy” after netting of advance payments, if any.

f) Amicable Legal Claims - Ministry of Municipality and Environment

With reference to the lawsuit filed by the Ministry of Municipality and Environment of State of Qatar during 2017 against the company for extracting raw materials used in cement industry from outside the designated areas during the period from 2008 to 2011, the company entered into amicable decision with the respective party on March 31, 2021 which is subsequently sanctioned at the Court. In accordance with the outcome of the Court Verdict dated May 27, 2021 related to the above case, the company has agreed to settle a sum of QR.34,487,332 in 5 equal annual installments commencing from June 01, 2021.

The financial obligations to the Ministry of Municipality and Environment are classified in the interim condensed statement of financial position as short and long term based on the maturities.

15) OTHER INCOME

| | | |
|--|-------------------------|-------------------|
| a) This item consists of the following: | Six months ended | Six months ended |
| | June 30, 2024 | June 30, 2023 |
| | (QR '000) | (QR '000) |
| | (Reviewed) | (Reviewed) |
| Dividend income | 10,528 | 10,146 |
| Interest income | 14,848 | 16,496 |
| Rental income from investment properties –Note 15(b) | 3,883 | 4,774 |
| Transportation income | 732 | 462 |
| Others | 546 | 2,014 |
| Total – Exhibit B | 30,537 | 33,892 |
| | ===== | ===== |

16) EARNINGS PER SHARE

a) Basic Earnings Per Share

The basic earnings per share is computed by dividing the profit for the period attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period as follows:

| | | |
|--|-------------------------|-------------------|
| | Six months ended | Six months ended |
| | June 30, 2024 | June 30, 2023 |
| | (Reviewed) | (Reviewed) |
| Profit attributable to ordinary shareholders of the Company (QR'000) | 82,473 | 101,273 |
| | ===== | ===== |
| Weighted average number of ordinary shares outstanding ('000) | 653,529 | 653,529 |
| | ===== | ===== |
| Basic earnings per share (QR.) – Exhibit B | 0.13 | 0.15 |
| | ===== | ===== |

b) Diluted Earnings Per Share

No separate diluted earnings per share was calculated since the diluted earnings per share was equal to basic earnings per share.

17) DIVIDENDS

Following the approval of the Annual General Assembly held on February 18, 2024, it was decided a cash dividend distribution of 30% of the paid up capital totaling QR. 196,058,682 relating to the year ended December 31, 2023 (December 31, 2022: cash dividend distribution of 30% of the paid up capital totaling QR.196,058,682 relating to the year ended December 31, 2022).

18) RELATED PARTY TRANSACTIONS

a) Transactions with Government of Qatar and its agencies

The various Government based entities together hold about 46% of the Company's share capital. In the normal course of business, the Company supplies its commodities to various Government and semi Government agencies and companies in the State of Qatar. The Company also avails of various services from Government and semi Government agencies and companies in the State of Qatar, in particular from Qatar Energy for natural gas and Kahramaa for power supply.

The rental income includes a sum of QR.2.5 million for the six months ended June 30, 2024 (June 30, 2023: QR.2.5 million) from the Government of Qatar.

b) Transactions with key management personnel

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company.

During the six months ended June 30, 2024, the Company has paid a sum of QR.8.9 million (June 30, 2023: QR.8.3 million) to the members of the Board of Directors on account of remuneration, and salaries, retirement and other benefits incurred (paid and provided) to key members of management amounted to QR. 2.94 million (June 30, 2023: QR.2.98 million).

19) COMMITMENTS, CONTINGENCIES AND LITIGATIONS

a) The following summarizes the significant contractual commitments and contingencies:

| | June 30, 2024 (QR '000) (Reviewed) | Dec. 31, 2023 (QR '000) (Audited) |
|---------------------------------|---|---|
| Letters of credit and guarantee | 3,029 | 2,555 |
| | ===== | ===== |

b) Litigation

There were no reportable legal litigations against or in favor of the company as of reporting date which would require adjustments to the reported balances as of reporting date.

20) COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the presentation of the current period. Those reclassifications do not affect previously reported profit or equity.

21) GENERAL

Figures in the interim condensed financial statements have been presented in Qatari Riyals rounded to the nearest thousands except in certain supplementary disclosures.