

Sharjah Cement and Industrial
Development Co. (PJSC) and its
subsidiary

Condensed consolidated interim financial statements
31 March 2019

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Condensed consolidated interim financial statements

31 March 2019

<i>Contents</i>	<i>Page</i>
Independent auditors' report on review of condensed consolidated interim financial statements	1-2
Condensed consolidated income statement	3
Condensed consolidated statement of profit or loss and other comprehensive income	4
Condensed consolidated statement of financial position	5
Condensed consolidated statement of cash flows	6
Condensed consolidated statement of changes in equity	7-8
Notes to the condensed consolidated interim financial statements	9-19



KPMG Lower Gulf Limited
2002, Al Batha Tower
Buhaira Corniche, Sharjah, UAE
Tel. +971 (6) 517 0700, Fax +971 (6) 572 3773

Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders of Sharjah Cement and Industrial Development Co. (PJSC)

Introduction

We have reviewed the accompanying 31 March 2019 condensed consolidated interim financial statements of Sharjah Cement and Industrial Development Co. (PJSC) ("the Company") and its subsidiary ("the Group"), which comprise:

- the condensed consolidated income statement for the three month period ended 31 March 2019;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three month period ended 31 March 2019;
- the condensed consolidated statement of financial position as at 31 March 2019;
- the condensed consolidated statement of cash flows for the three month period ended 31 March 2019;
- the condensed consolidated statement of changes in equity for the three month period ended 31 March 2019; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

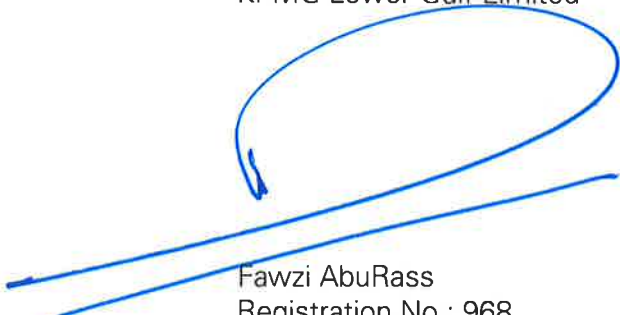
We conducted our review in accordance with the International Standard on Review Engagements 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of the interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 condensed consolidated interim financial statements as at 31 March 2019 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited



Fawzi AbuRass
Registration No.: 968
Sharjah, United Arab Emirates
Date:

1 MAY 2019

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Condensed consolidated income statement (unaudited)

for the three month period ended 31 March 2019

		Three month period ended 31 March	
	<i>Note</i>	2019 AED'000	2018 AED'000
Revenue		153,114	172,665
Cost of sales		(153,988)	(162,925)
Gross (loss) / profit		(874)	9,740
Administrative and general expenses		(3,884)	(4,200)
Selling and distribution expenses		(1,252)	(1,640)
Investment income	5	8,439	9,536
Finance expenses		(2,193)	(1,730)
Other income		566	472
Profit for the period		802	12,178
Profit attributable to:			
Owners of the Company		802	12,178
Earnings per share			
Basic and diluted earnings per share	14	0.001	0.020

The notes on pages 9 to 19 are an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial statements is set out on pages 1 and 2.

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Condensed consolidated statement of profit or loss and other comprehensive income (unaudited)
for the three month period ended 31 March 2019

	<i>Note</i>	Three month period ended 31 March	
		2019 AED'000	2018 AED'000
Profit for the period		802 =====	12,178 =====
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Investments carried at FVOCI – net change in fair value	7.1	(848) -----	(9,980) -----
Other comprehensive loss for the period		(848) -----	(9,980) -----
Total comprehensive (loss) / income for the period		(46) ====	2,198 =====
Total comprehensive (loss) / income attributable to:			
Owners of the Company		(46) ====	2,198 =====

The notes set out on pages 9 to 19 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial statements is set out on pages 1 and 2.

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Condensed consolidated statement of financial position

as at 31 March 2019

		31 March 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)	31 March 2018 AED'000 (Unaudited)
Non-current assets				
Property, plant and equipment		990,474	982,075	889,202
Investment properties	8	207,195	190,207	134,043
Investment in an associate	6	-	-	42,125
Investments carried at FVTOCI	7.1	165,424	166,791	193,133
Long term receivables		12,957	-	-
		<u>1,376,050</u>	<u>1,339,073</u>	<u>1,258,503</u>
Current assets				
Inventories		335,007	315,825	282,713
Trade and other receivables		280,569	273,325	263,959
Investments carried at FVTPL	7.2	23,248	20,904	64,408
Cash in hand and at bank	9	48,453	60,536	26,962
Asset held for sale	6	22,508	22,508	-
		<u>709,785</u>	<u>693,098</u>	<u>638,042</u>
Current liabilities				
Trade and other payables		188,292	140,694	176,701
Short term borrowings	10	344,800	258,205	202,967
		<u>533,092</u>	<u>398,899</u>	<u>379,668</u>
Net current assets		<u>176,693</u>	<u>294,199</u>	<u>258,374</u>
Non-current liabilities				
Long term borrowings	10	(121,455)	(162,691)	(61,416)
Provision for staff terminal benefits		(28,086)	(27,797)	(25,872)
Net assets		<u>1,403,202</u>	<u>1,442,784</u>	<u>1,429,589</u>
Represented by				
Share capital	11	608,254	608,254	608,254
Statutory reserve	12	334,091	334,091	334,091
General reserve	13	226,373	226,373	226,373
Proposed dividend	16	-	39,536	-
Fair value reserve	7.1	13,168	13,996	22,012
Retained earnings		221,316	220,534	238,859
		<u>1,403,202</u>	<u>1,442,784</u>	<u>1,429,589</u>

The notes on pages 9 to 19 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements was approved by the Board of Directors, and authorised for issue on 11.05.2019 and signed on their behalf by:


Vice Chairman


Chief Executive

The independent auditors' report on review of condensed consolidated interim financial statements is set out on pages 1 and 2.

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Condensed consolidated statement of cash flows (unaudited)

for the three month period ended 31 March 2019

	Three month period ended 31 March	
	2019 AED'000	2018 AED'000
Operating activities		
Profit for the period	802	12,178
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	14,371	13,874
Depreciation on investment properties	648	660
Provision for staff terminal benefits	544	547
Gain on disposal of property, plant and equipment	(29)	(4)
Rental income from investment properties	(507)	(1,044)
Gain on change in fair value of investments carried at FVTPL	(2,282)	(3,772)
Dividends and return from investments in securities	(4,400)	(4,516)
Interest expenses	2,169	1,730
	-----	-----
	11,316	19,653
<i>Changes in:</i>		
- inventories	(19,182)	(13,558)
- trade and other receivables	(20,201)	(58,176)
- trade and other payables	8,064	6,114
Staff terminal benefits paid	(255)	(457)
	-----	-----
Net cash used in operating activities	(20,258)	(46,424)
	-----	-----
Investing activities		
Acquisition of property, plant and equipment	(22,769)	(28,823)
Additions to investment properties	(17,637)	-
Proceeds from disposal of property, plant and equipment	29	4
Purchase of investments carried at FVTOCI	(887)	(9,441)
Proceeds from disposal of investments carried at FVTOCI	1,406	236
Dividend and other investment income	4,400	4,516
Rental income from investment properties	507	1,044
Purchase of investment carried at FVTPL	(1,454)	(897)
Proceed from disposal of investments carried at FVTPL	1,392	3,494
	-----	-----
Net cash used in investing activities	(35,013)	(29,867)
	-----	-----
Financing activities		
Repayment of long term bank loans	-	(4,899)
Long term bank loans availed	27,184	13,494
Net movement in short term borrowings	18,173	44,364
Interest paid	(2,169)	(1,730)
	-----	-----
Net cash from financing activities	43,188	51,229
	-----	-----
Net decrease in cash and cash equivalents	(12,083)	(25,062)
	-----	-----
Cash and cash equivalents at the beginning of the period	60,536	52,024
	-----	-----
Cash and cash equivalents at the end of the period	48,453	26,962
	-----	-----
Represented by:		
Cash in hand and at bank	48,453	26,962
	=====	=====

The notes on pages 9 to 19 are an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial statements is set out on pages 1 and 2.

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Condensed consolidated statement of changes in equity (*continued*)

for the three month period ended 31 March 2018

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Proposed dividend AED'000	Fair value reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2018, as previously reported (audited)	608,254	334,091	226,373	48,660	40,580	218,093	1,476,051
Adjustment on initial application of IFRS 9	-	-	-	-	(8,588)	8,588	-
Adjusted balance at 1 January 2018	608,254	334,091	226,373	48,660	31,992	226,681	1,476,051
Total comprehensive income for the period (unaudited)							
Profit for the period	-	-	-	-	-	12,178	12,178
Other comprehensive loss for the period	-	-	-	-	(9,980)	-	(9,980)
<i>Total comprehensive income for the period</i>	-	-	-	-	(9,980)	12,178	2,198
Transactions with owners of the Company (unaudited)							
Dividend declared (refer note 16)	-	-	-	(48,660)	-	-	(48,660)
<i>Total transactions with owners of the Company</i>	-	-	-	(48,660)	-	-	(48,660)
Balance at 31 March 2018 (unaudited)	608,254	334,091	226,373	-	22,012	238,859	1,429,589

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Condensed consolidated statement of changes in equity

for the three month period ended 31 March 2019

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Proposed dividend AED'000	Fair value reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2019 (audited)	608,254	334,091	226,373	39,536	13,996	220,534	1,442,784
Total comprehensive income for the period (unaudited)							
Profit for the period	-	-	-	-	-	802	802
Other comprehensive loss for the period	-	-	-	-	(848)	-	(848)
Total comprehensive loss for the period	-	-	-	-	(848)	802	(46)
Other equity movement (unaudited)							
Transfer of fair value reserve to retained earnings on disposal of investments carried at FVTOCI	-	-	-	-	20	(20)	-
Total other equity movement	-	-	-	-	20	(20)	-
Transactions with owners of the Company (unaudited)							
Dividend declared (refer note 16)	-	-	-	(39,536)	-	-	(39,536)
Total transactions with owners of the Company	-	-	-	(39,536)	-	-	(39,536)
Balance at 31 March 2019 (unaudited)	608,254	334,091	226,373	-	13,168	221,316	1,403,202

The notes set out on pages 9 to 19 are an integral part of these condensed consolidated interim financial statements.

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2019 (*unaudited*)

1 Reporting entity

Sharjah Cement and Industrial Development Co. (PJSC) (“the Company”) was incorporated in Sharjah, United Arab Emirates in 1977 under an Emiri Decree issued by H.H The Ruler of Sharjah and has since been registered as a public joint stock company. The registered office of the Company is P.O. Box 2083 Sharjah, United Arab Emirates. The shares of the Company are listed on Abu Dhabi Securities Market and Kuwait Stock Exchange.

The condensed consolidated interim financial statements (‘interim financial statements’) as at and for the three month period ended 31 March 2019 comprise the Company and its subsidiary (collectively referred to as “the Group”).

The Group is engaged in the manufacture and supply of cement, paper sacks and plastic ropes. The Group invests its surplus funds in investment securities, private equities and properties. The Group operates from Sharjah, United Arab Emirates and sells its products in the UAE and certain other countries in the Middle East, Africa and Asia.

2 Basis of preparation

Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2018 (‘last annual financial statements’). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

This is the first set of the Group’s financial statements in which IFRS 16 has been applied. Changes to significant accounting policies are described in Note 4.

Basis of measurement

These interim financial statements have been presented on the historical cost basis except for investments carried at fair value through other comprehensive income (“FVTOCI”), investments carried at fair value through profit or loss (“FVTPL”) and derivative financial instruments which are measured at fair value.

Functional and presentation currency

These interim financial statements are presented in United Arab Emirates Dirham (“AED”), rounded to nearest thousand except when otherwise indicated, which is the Company’s functional currency.

Accounting estimates and judgments

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for the new significant judgements related to lessee accounting under IFRS 16, which are described in Note 4.

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2019 (*unaudited*)

2 Basis of preparation (*continued*)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The management team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information is used to measure fair values, then the management team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the significant assumptions made in measuring fair values are explained in Group's consolidated financial statements as at and for the year ended 31 December 2018.

3 Significant accounting policies

The accounting policies applied in the preparation of these interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2018, except for change in accounting policy related to the application of IFRS 16, which is described in Note 4.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2019.

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2019 (*unaudited*)

4 Changes in significant accounting policies

The Group has initially adopted IFRS 16 *Leases* from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

4a Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non lease components as a single lease component.

4b As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2019 (*unaudited*)

4 Changes in significant accounting policies (*continued*)

4b As a lessee (*continued*)

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

4c As a lessor

The Group leases out its investment property, including right-of-use assets. The Group has classified these leases as operating leases.

The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. However, when the Group is an intermediate lessor the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. However, the Group has applied IFRS 15 *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component.

Based on management's assessment, the application of IFRS 16 – *Leases* does not have a material impact on the condensed consolidated interim financial statements as a lessor or as a lessee and hence, the Group did not make any adjustments in this regard.

5 Investment income

	Three month period ended 31 March	
	2019	2018
	AED'000	AED'000
	(Unaudited)	(Unaudited)
Gain on change of fair value of investments carried at FVTPL (refer note 7.2)	2,282	3,772
Rental income from investment properties	507	1,044
Dividends and return from investments in securities	4,400	4,516
Others	1,250	204
	-----	-----
	8,439	9,536
	=====	=====

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2019 (*unaudited*)

6 Asset held for sale / Investment in an associate

During 2018, the investment in an associate represents holding in Autoline Industrial Parks Limited ('AIPL'), an entity registered in India was recorded as an equity accounted investee.

During the previous year, the management resolved to divest the investment in AIPL within next twelve months and accordingly classified the investment as held for sale. In December 2018, the Group divested 50% of the investment in AIPL for a total gross consideration of AED 39.08 million which is receivable over 33 months. The net consideration after discounting and deduction of the expected cost to sell is AED 28.4 million resulting in a gain of AED 5.9 million.

Management is currently in active discussion with few potential buyers to sell the remaining investment. In view of the recent sale transaction of part of the investment, management is of the view that fair value less cost to sell is not expected to be lower than the carrying value.

7 Investments

	31 March 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)	31 March 2018 AED'000 (Unaudited)
<i>Investments carried at FVTOCI</i>			
Investment in quoted securities - refer note 7.1	131,867	132,960	160,125
Investment in unquoted securities - refer note 7.1	33,557	33,831	33,008
(i)	165,424	166,791	193,133
<i>Investments carried at FVTPL</i>			
Investment in quoted securities - refer note 7.2	23,248	20,904	64,408
(ii)	23,248	20,904	64,408
(i) + (ii)	188,672	187,695	257,541
<i>Quoted:</i>			
UAE	125,419	125,149	163,493
Outside UAE	29,696	28,715	61,040
<i>Unquoted:</i>			
UAE	5,100	5,100	5,100
Outside UAE	28,457	28,731	27,908
	188,672	187,695	257,541

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2019 (*unaudited*)

7 Investments (*continued*)

7.1 Investments carried at FVTOCI

Movements in investments were as follows:

	31 March 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)	31 March 2018 AED'000 (Unaudited)
Opening balance	166,791	247,938	247,938
Purchase during the period/year	887	16,416	9,441
Change in fair value	(848)	(11,984)	(9,980)
Reclassification to investments carried at FVTPL	-	(54,030)	(54,030)
Disposals during the period/ year	(1,406)	(31,549)	(236)
	-----	-----	-----
Closing balance	165,424	166,791	193,133
	=====	=====	=====

Cumulative changes in fair value of investments carried at FVTOCI

	31 March 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)	31 March 2018 AED'000 (Unaudited)
Opening balance	13,996	40,580	40,580
Change in fair value during the period/year	(848)	(11,984)	(9,980)
Less: transferred to retained earnings upon disposal	20	(6,012)	-
Less: transfer to retained earnings upon initial adoption of IFRS 9	-	(8,588)	(8,588)
	-----	-----	-----
Closing balance	13,168	13,996	22,012
	=====	=====	=====

7.2 Investments carried at FVTPL

Movement during the period/ year is as follows:

	31 March 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)	31 March 2018 AED'000 (Unaudited)
Opening balance	20,904	9,203	9,203
Purchase during the period/year	1,454	5,781	897
Change in fair value (refer note 5)	2,282	3,663	3,772
Reclassification from investments carried at FVTOCI	-	54,030	54,030
Disposals during the period/ year	(1,392)	(51,773)	(3,494)
	-----	-----	-----
Closing balance	23,248	20,904	64,408
	=====	=====	=====

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2019 (*unaudited*)

8 Investment properties

	31 March 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)	31 March 2018 AED'000 (Unaudited)
Lands	96,767	96,767	96,767
Buildings	36,492	37,140	37,276
Properties under development	73,936	56,300	-
	-----	-----	-----
Total	207,195	190,207	134,043
	=====	=====	=====

9 Cash in hand and at bank

	31 March 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)	31 March 2018 AED'000 (Unaudited)
Cash in hand and at bank	48,453	60,536	26,962
	=====	=====	=====

Cash in hand and at bank includes AED 4.8 million (31 December 2018: AED 4.4 million and 31 March 2018: AED 5.8 million) held outside UAE.

10 Bank borrowings

	31 March 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)	31 March 2018 AED'000 (Unaudited)
<i>Long term borrowings:</i>			
Term loans	218,740	191,554	87,764
Less: short term portion of term loans	(97,285)	(28,863)	(26,348)
	-----	-----	-----
Long term portion of loan	121,455	162,691	61,416
	=====	=====	=====
<i>Short term borrowings:</i>			
Short term loans	247,515	229,342	176,619
Current portion of term loans	97,285	28,863	26,348
	-----	-----	-----
	344,800	258,205	202,967
	=====	=====	=====

- (i) All facilities bear interest rates at prevailing market rates.
- (ii) Demand promissory note for AED 320 million is issued in favour of the bank as a security against the bank facilities.

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2019 (*unaudited*)

11 Share capital

	31 March 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)	31 March 2018 AED'000 (Unaudited)
<i>Authorised, issued and paid up</i> 608,253,747 shares of AED 1 each	608,254 =====	608,254 =====	608,254 =====

12 Statutory reserve

In accordance with Article 239 of the UAE Federal Law No. (2) of 2015 and the Company's Articles of Association, a minimum of 10% of the net profit of the Company is allocated every year to a non-distributable statutory reserve. Such allocation may be ceased when the statutory reserve equals half of the paid up share capital of the Company. This reserve is not available for distribution except in circumstances stipulated by the law. The Board of Directors have not proposed any further transfer to the statutory reserve as the reserve is in excess of 50% of the paid up share capital.

13 General reserve

As per Company's Articles of Association, 10% of the profit for the year has to be transferred to general reserve until the reserve reaches 25% of the paid up share capital. This reserve is available for distribution at the recommendation of the directors and approval of shareholders in an ordinary general meeting. The Board of Directors have not proposed any further transfer to the general reserve as the reserve is in excess of 25% of the paid up share capital.

14 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Group and the weighted average number of ordinary shares outstanding as at 31 March 2019, calculated as follows:

	Three month period ended 31 March	
	2019 Unaudited	2018 Unaudited
Earnings per share		
Net profit for the period (AED'000)	802 ====	12,178 =====
Weighted average number of shares ('000)	608,254 =====	608,254 =====
Basic and diluted earnings per share (AED)	0.001 =====	0.020 =====

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2019 (*unaudited*)

15 Contingent liabilities and commitments

As at 31 March 2019, the Group has issued guarantees relating to performance bonds amounting to AED 2.45 million (*31 December 2018: AED 2.6 million*), from which it is anticipated that no material liabilities will arise.

Estimated capital expenditure commitment at the reporting date amounted to AED 83.7 million (*31 December 2018: AED 113.9 million*).

The Group also has commitments of AED 9.2 million (*31 December 2018: AED 9.2 million*) on account of investments made in securities and funds. The Group has to pay as and when calls are made by the fund managers/investee companies.

16 Dividend

At the Annual General Meeting held on 30 March 2019, the shareholders approved cash dividend of AED 39.5 million (*2018: AED 48.66 million*) at AED 0.065 per share (*2018: AED 0.08 per share*), as proposed by the Board of Directors, in respect of the year ended 31 December 2018.

17 Segment reporting

The Group has broadly two major reportable segments as described below, which are the Group's strategic business units. The strategic business units operate in different sectors and are managed separately because they require different strategies. The following summary describes the operation in each of the Group's reportable segments:

Manufacturing segment includes cement, paper sacks and ropes products.

Investment segment includes investment and cash management for the Company's own account.

Investment segment is organised into two business units as follows:

- Investment and letting out properties in UAE.
- Investment in public and private equities and funds, mainly in GCC and Asia.

The above segments are the basis on which the management monitors the operating results of these segments for the purpose of making decisions about resource allocation and performance assessment. Transactions between segments are eliminated on consolidation.

	31 March 2019 AED'000	31 March 2018 AED'000
<i>Manufacturing</i>		
Sales	153,114	172,665
Cost of sales	(153,988)	(162,925)
	-----	-----
Gross profit	(874)	9,740
Miscellaneous expenses	(415)	(1,367)
Expenses	(2,334)	(2,785)
	-----	-----
Net segment results	(3,623)	5,588
	-----	-----

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2019 (*unaudited*)

17 Segment reporting (*continued*)

Investment

	31 March 2019 AED'000	31 March 2018 AED'000
Income from investment in private and public equities and funds	7,882	8,438
Interest income	25	55
	-----	-----
	7,907	8,493
	-----	-----
Income from investment properties	1,002	1,703
Depreciation	(495)	(660)
	-----	-----
	507	1,043
	-----	-----
Net segment results	8,414	9,536
	-----	-----
Finance costs	(2,193)	(1,730)
	-----	-----
Unallocated income and expenses - Head office	(1,796)	(1,216)
	-----	-----
Profit for the period	802	12,178
	-----	-----

Other information

	<u>31 March 2019</u>			<u>31 December 2018</u>		
	<i>Manufacturing AED'000</i>	<i>Investment AED'000</i>	<i>Total AED'000</i>	<i>Manufacturing AED'000</i>	<i>Investment AED'000</i>	<i>Total AED'000</i>
Segment assets	1,637,831	448,004	2,085,835	1,598,944	433,227	2,032,171
	=====	=====	=====	=====	=====	=====
Segment liabilities	682,138	495	682,633	588,297	1,090	589,387
	=====	=====	=====	=====	=====	=====
Depreciation	14,371	648	15,019	56,272	2,662	58,934
	=====	=====	=====	=====	=====	=====
Capital expenditure	22,769	19,306	42,075	168,850	51,604	220,454
	=====	=====	=====	=====	=====	=====

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2019 (unaudited)

17 Segment reporting (*continued*)

Geographical information

The following table presents revenue, asset and liability information regarding geographic segments for the periods ended 31 March 2019 and 31 March 2018.

	<i>31 March 2019</i>			<i>31 March 2018</i>		
	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>
Revenue	130,440	22,674	153,114	149,363	23,302	172,665
Investment income	5,492	2,947	8,439	5,564	3,972	9,536
	<i>31 March 2019</i>			<i>31 December 2018</i>		
	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>
Assets	1,711,550	374,285	2,085,835	1,899,686	132,485	2,032,171
Liabilities	633,076	49,557	682,633	482,053	107,334	589,387
Capital expenditure	42,075	-	42,075	220,454	-	220,454