

**Sharjah Cement and Industrial  
Development Company (PSC)**

**INTERIM CONDENSED FINANCIAL  
STATEMENTS**

**30 SEPTEMBER 2014 (UNAUDITED)**



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## **REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF SHARJAH CEMENT AND INDUSTRIAL DEVELOPMENT COMPANY (PSC)**

### ***Introduction***

We have reviewed the accompanying interim condensed financial statements of Sharjah Cement and Industrial Development Company (PSC) (the "Company") as at 30 September 2014, comprising the interim statement of financial position as at 30 September 2014 and the related interim statements of income and comprehensive income for the three-month and nine-month periods then ended and the related interim statements of cash flows and changes in equity for the nine-month period then ended and explanatory information. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). 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 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 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 IAS 34.

Signed by  
Ashraf Abu Sharkh  
Partner  
Registration No. 690

26 October 2014

Sharjah, United Arab Emirates

# Sharjah Cement and Industrial Development Company (PSC)

## INTERIM STATEMENT OF INCOME

For the nine months ended 30 September 2014 (Unaudited)

	<i>Notes</i>	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
		<i>2014 AED'000</i>	<i>2013 AED'000</i>	<i>2014 AED'000</i>	<i>2013 AED'000</i>
Sales		132,942	141,326	516,099	464,108
Cost of sales		(123,366)	(131,205)	(485,462)	(434,424)
<b>GROSS PROFIT</b>		<b>9,576</b>	<b>10,121</b>	<b>30,637</b>	<b>29,684</b>
General and administration expenses		(3,400)	(3,610)	(10,627)	(11,610)
Selling and distribution costs		(1,182)	(1,205)	(3,485)	(3,445)
Investment income	3	4,860	1,900	30,628	13,554
Miscellaneous (expenses) income, net		92	(522)	2,015	363
Finance costs		(3,221)	(3,867)	(11,085)	(12,420)
<b>PROFIT FOR THE PERIOD</b>		<b>6,725</b>	<b>2,817</b>	<b>38,083</b>	<b>16,126</b>
Basic and diluted earnings per share (AED)	4	<b>0.012</b>	0.005	<b>0.068</b>	0.029

The attached explanatory notes 1 to 14 form part of the interim condensed financial statements.

# Sharjah Cement and Industrial Development Company (PSC)

## INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2014 (Unaudited)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2014 AED'000	2013 AED'000	2014 AED'000	2013 AED'000
<b>Profit for the period</b>		<b>6,725</b>	<b>2,817</b>	<b>38,083</b>	<b>16,126</b>
<b>Other comprehensive income</b>					
<i>Other comprehensive income that could be reclassified to profit or loss in subsequent periods:</i>					
Net increase (decrease) in fair value of available for sale investments	10	49,565	30,511	74,381	84,094
Net realised gain on disposal of available for sale investments transferred to income statement		(3,814)	-	(15,681)	-
Reversal of loss on sale of available for sale investments		(2,304)	-	(7,225)	-
<b>Other comprehensive income for the period</b>		<b>43,447</b>	<b>30,511</b>	<b>51,475</b>	<b>84,094</b>
<b>Total comprehensive income for the period</b>		<b>50,172</b>	<b>33,328</b>	<b>89,558</b>	<b>100,220</b>

The attached explanatory notes 1 to 14 form part of the interim condensed financial statements.

# Sharjah Cement and Industrial Development Company (PSC)

## INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2014 (Unaudited)

		(Audited)	
	Notes	30 September 2014 AED'000	31 December 2013 AED'000
		30 September 2013 AED'000	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		846,801	809,293
Investment properties	5	111,505	112,996
Investment in associate	6	42,125	36,322
Available for sale investments	5	408,803	358,907
		<u>1,409,234</u>	<u>1,317,518</u>
			1,308,339
<b>Current assets</b>			
Inventories		291,914	313,479
Accounts receivable and prepayments		206,121	203,144
Trading securities	5	16,914	12,199
Bank balances and cash	7	49,468	37,474
		<u>564,417</u>	<u>566,296</u>
			536,025
<b>TOTAL ASSETS</b>		<u><u>1,973,651</u></u>	<u><u>1,883,814</u></u>
			1,844,364
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		552,958	552,958
Statutory reserve	8	334,091	334,091
General reserve	9	226,373	226,373
Retained earnings		197,262	171,652
Cumulative changes in fair value	10	167,693	116,218
Proposed cash dividend		-	27,648
		<u>1,478,377</u>	<u>1,428,940</u>
			1,385,164
<b>Non-current liabilities</b>			
Term loan		161,919	44,100
Employees' end of service benefits		24,831	22,968
		<u>186,750</u>	<u>67,068</u>
			66,910
<b>Current liabilities</b>			
Accounts payable and accruals		126,234	140,054
Payable against construction of property, plant and equipment		9,928	11,021
Bank overdrafts	7	108	5,801
Current portion of term loan		47,556	14,700
Short term loans		121,457	216,230
Dividends payable		3,241	-
		<u>308,524</u>	<u>387,806</u>
			392,290
<b>Total liabilities</b>		<u>495,274</u>	<u>454,874</u>
			459,200
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,973,651</u></u>	<u><u>1,883,814</u></u>
			1,844,364

Approved by Board of Directors on 26 October 2014.

  
P J Batavia  
Chief Executive

The attached explanatory notes 1 to 14 form part of the interim condensed financial statements.

# Sharjah Cement and Industrial Development Company (PSC)

## INTERIM STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2014 (Unaudited)

	Notes	Nine months ended 30 September	
		2014 AED '000	2013 AED '000
<b>OPERATING ACTIVITIES</b>			
Profit for the period		38,083	16,126
Adjustments for:			
Depreciation on property, plant and equipment		32,423	35,238
Depreciation on investment properties		1,491	1,491
Provision for employees' end of service benefits		2,177	3,239
Profit on sale of property, plant and equipment		(423)	(54)
Net gain on sale of trading securities	3	(280)	(651)
Net gain on sale of available for sale securities	3	(15,681)	-
Changes in fair values of trading securities	3	(63)	1,054
Dividend and other investment income	3	(14,604)	(13,957)
Interest expense		11,085	12,420
		<u>54,208</u>	<u>54,906</u>
Working capital changes:			
Inventories		21,565	(11,825)
Receivables		(2,977)	(858)
Payables		(14,289)	(3,427)
		<u>58,507</u>	<u>38,796</u>
Cash from operations		58,507	38,796
Employees' end of service benefits paid		(314)	(726)
		<u>58,193</u>	<u>38,070</u>
<b>INVESTING ACTIVITIES</b>			
Net movement in trading securities		(4,372)	(122)
Purchase of property, plant and equipment		(69,931)	(41,112)
Payable against construction of property, plant and equipment		(1,093)	-
Dividend and other investment income	3	14,604	13,957
Purchase of available for sale investments	5	(43,983)	(41,364)
Proceeds from disposal of available for sale investments	5	61,243	27,332
Additional investment in associate	6	(5,803)	-
Proceeds from sale of property, plant and equipment		423	54
		<u>(48,912)</u>	<u>(41,255)</u>
Net cash used in investing activities			
<b>FINANCING ACTIVITIES</b>			
Proceeds from term loans		165,375	73,500
Repayment of term loans		(14,700)	-
Proceeds from new short term loans		220,261	254,268
Short term loans repaid		(315,034)	(298,814)
Dividends paid		(38,231)	(25,851)
Interest paid		(9,265)	(8,647)
		<u>8,406</u>	<u>(5,544)</u>
Net cash from (used in) financing activities			
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u>17,687</u>	<u>(8,729)</u>
Cash and cash equivalents at 1 January		31,673	38,709
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	7	<u>49,360</u>	<u>29,980</u>

The attached explanatory notes 1 to 14 form part of the interim condensed financial statements.

Sharjah Cement and Industrial Development Company (PSC)

INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2014 (Unaudited)

	Share capital AED '000	Statutory reserve AED '000	General reserve AED '000	Retained earnings AED '000	Cumulative changes in fair value AED '000	Proposed cash dividend AED '000	Total AED '000
At 1 January 2014	552,958	334,091	226,373	171,652	116,218	27,648	1,428,940
Profit for the period	-	-	-	38,083	-	-	38,083
Other comprehensive income for the period	-	-	-	-	51,475	-	51,475
Total comprehensive income for the period	-	-	-	38,083	51,475	-	89,558
Dividends payable transferred to current liabilities (Note 14)	-	-	-	(13,824)	-	(27,648)	(41,472)
Reversal of directors' fees *	-	-	-	1,351	-	-	1,351
<b>At 30 September 2014</b>	<b>552,958</b>	<b>334,091</b>	<b>226,373</b>	<b>197,262</b>	<b>167,693</b>	<b>-</b>	<b>1,478,377</b>

\*Due to a revision in the rate of dividends payable, there was a revision in the directors' fees. Accordingly the excess amount was reversed in the current period.

Sharjah Cement and Industrial Development Company (PSC)

INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2014 (Unaudited)

	Share capital AED '000	Statutory reserve AED '000	General reserve AED '000	Retained earnings AED '000	Cumulative changes in fair value AED '000	Proposed cash dividend AED '000	Total AED '000
At 1 January 2013	552,958	334,091	226,373	152,333	19,189	27,648	1,312,592
Profit for the period	-	-	-	16,126	-	-	16,126
Other comprehensive income for the period	-	-	-	-	84,094	-	84,094
Total comprehensive income for the period	-	-	-	16,126	84,094	-	100,220
Dividends payable transferred to current liabilities	-	-	-	-	-	(27,648)	(27,648)
At 30 September 2013	552,958	334,091	226,373	168,459	103,283	-	1,385,164



# Sharjah Cement and Industrial Development Company (PSC)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2014 (Unaudited)

### 1 ACTIVITIES

Sharjah Cement and Industrial Development Company (PSC) (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 under the Commercial Companies Law No. 8 of 1984 (as amended) as a public shareholding company. It is engaged in the manufacture and supply of cement, paper sacks and plastic ropes. The Company invests its surplus funds in investment securities, private equities and properties.

The Company operates from Sharjah, UAE and sells its products in the UAE and certain other countries in the Middle East and Africa. The Company's registered office is at P O Box 2083 Sharjah, UAE. The shares of the Company are traded on the Abu Dhabi Securities Market and the Kuwait Stock Exchange.

### 2 ACCOUNTING POLICIES

The interim condensed financial statements of the Company are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2013 except for the adoption of the new and amended IFRS and IFRIC interpretations which became effective as of 1 January 2014. The adoption of these standards and interpretations did not have an impact on the financial position or performance of the Company during the period.

#### Interim reporting

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual financial statements as of 31 December 2013.

### 3 INVESTMENT INCOME

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<b>Realised gains (losses)</b>				
Net gain (loss) on sale of available for sale securities	3,814	(1)	15,681	-
Net gain on sale of trading securities	56	311	280	651
	<u>3,870</u>	<u>310</u>	<u>15,961</u>	<u>651</u>
<b>Fair value (losses) gains</b>				
Changes in fair value of trading securities	<u>(739)</u>	<u>272</u>	<u>63</u>	<u>(1,054)</u>
<b>Other investment income</b>				
Rental income from investment properties, net of depreciation	694	912	2,160	2,621
Dividend income - available for sale investments	446	240	11,121	10,321
Interest income (expense)	117	(21)	615	383
Profit on funds	472	187	708	632
	<u>1,729</u>	<u>1,318</u>	<u>14,604</u>	<u>13,957</u>
	<u>4,860</u>	<u>1,900</u>	<u>30,628</u>	<u>13,554</u>

### 4 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are computed by dividing the net profit for the period by the weighted average number of shares outstanding during the period of 552,958 thousand shares.

The Company has not issued any instruments which would have an impact on earnings per share when exercised.



## Sharjah Cement and Industrial Development Company (PSC)

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2014 (Unaudited)

#### 5 INVESTMENTS (continued)

Movements in the available for sale investments were as follows:

	<i>Nine months ended 30 September 2014 AED'000</i>	<i>Year ended 31 December 2013 AED'000</i>	<i>Nine months ended 30 September 2013 AED'000</i>
At 1 January	358,907	266,403	266,403
Purchased during the period/year	43,983	54,675	41,364
Changes in fair value	74,381	129,857	84,094
Disposed during the period/year	(61,243)	(76,003)	(27,332)
Reversal of loss on sale of available for sale investments	(7,225)	(16,025)	-
At the end of the period/year	<u>408,803</u>	<u>358,907</u>	<u>364,529</u>

#### 6 INVESTMENT IN ASSOCIATE

	<i>30 September 2014 AED'000</i>	<i>31 December 2013 AED'000</i>	<i>30 September 2013 AED'000</i>
Investment in associate	<u>42,125</u>	<u>36,322</u>	<u>36,322</u>

The investment in associate represents a 34.48% (2013: 30.89%) holding in Auto Line Industrial Parks Limited, which is registered in India. During the period, the company has subscribed for additional shares through a rights issue for a consideration of AED 5.8 million. The investment in Auto Line Industrial Parks Limited is treated as an investment in an associate as the Company does not have the power to govern the financial and operating policies of the investee company.

#### 7 CASH AND CASH EQUIVALENTS

	<i>30 September 2014 AED'000</i>	<i>31 December 2013 AED'000</i>	<i>30 September 2013 AED'000</i>
Bank balances and cash	49,468	37,474	30,204
Bank overdrafts	(108)	(5,801)	(224)
	<u>49,360</u>	<u>31,673</u>	<u>29,980</u>

Bank balances and cash include deposits amounting to AED 5,601 thousand (31 December 2013: AED 6,837 thousand) placed with foreign banks abroad.

#### 8 STATUTORY RESERVE

As required by the UAE Commercial Companies Law and the Company's Articles of Association, at least 10% of the profit for the year is to be transferred to statutory reserve. Such transfers may be discontinued when the reserve totals 50% of the issued share capital. No transfer has been made during the nine months period to 30 September 2014, as this will be based on the results for the year. The reserve is not available for distribution, except in the circumstances stipulated by the law.

# Sharjah Cement and Industrial Development Company (PSC)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2014 (Unaudited)

### 9 GENERAL RESERVE

No transfer has been made to the general reserve during the nine months period to 30 September 2014, as this will be based on the results for the year.

### 10 CUMULATIVE CHANGES IN FAIR VALUE

	<i>30 September 2014 AED'000</i>	<i>31 December 2013 AED'000</i>	<i>30 September 2013 AED'000</i>
<i>Available for sale securities</i>			
At 1 January	116,218	19,189	19,189
Net increase in fair value during the period/year	74,381	129,857	84,094
Less: realised gains during the period/year	(15,681)	(16,803)	-
Reversal of loss on sale of available for sale investments	(7,225)	(16,025)	-
At the end of the period/year	<u>167,693</u>	<u>116,218</u>	<u>103,283</u>

### 11 SEGMENT INFORMATION

#### *Primary segment information*

For management purposes, the Company is organised into two major operating segments as follows:

- Manufacturing segment comprises cement, paper sacks and ropes products.
- Investment segment comprises investment and cash management for the Company's own account.

*Manufacturing segment* is organised into three operating business units as follows:

- Cement division is engaged in the manufacture and supply of cement.
- Paper sacks division is engaged in the manufacture and supply of paper sacks.
- Ropes division is engaged in the manufacture and supply of plastic ropes.

*Investment segment* is organised into two business units as follows:

- Investment and letting out of properties, mainly in the UAE and Kuwait.
- Investment in public and private equities & funds, mainly in the 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 conducted at estimated market rates on an arm's length basis and eliminated on consolidation.

# Sharjah Cement and Industrial Development Company (PSC)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2014 (Unaudited)

### 11 SEGMENT INFORMATION (continued)

Segmental information is presented below:

<i>30 September 2014</i>	<i>Investment AED'000</i>	<i>Cement factory AED'000</i>	<i>Papersuck factory AED'000</i>	<i>Gulf Rope &amp; Plastic Products AED'000</i>	<i>Inter-segment elimination AED'000</i>	<i>Total AED'000</i>
<b>Manufacturing</b>						
Sales	-	436,859	37,633	45,824	(4,217)	516,099
Cost of sales	-	(410,631)	(29,143)	(44,972)	(716)	(485,462)
Gross profit	-	26,228	8,490	852	(4,933)	30,637
Miscellaneous income	-	1,630	45	81	(293)	1,463
Expenses	-	(3,706)	(3,148)	(1,700)	2,000	(6,554)
Net segment results	-	24,152	5,387	(767)	(3,226)	25,546
<b>Investment</b>						
Income from investment in private and public equities and funds	27,853					27,853
Interest income	3,977	25	5	-	(3,392)	615
Miscellaneous income	552	-	-	-	-	552
	32,382	25	5	-	(3,392)	29,020
Income from investment Properties	3,651	-	-	-	-	3,651
Depreciation	(1,491)	-	-	-	-	(1,491)
	2,160	-	-	-	-	2,160
Net segment results	34,542	25	5	-	(3,392)	31,180
<b>Finance costs</b>	(9,656)	(1,159)	(3,461)	(201)	3,392	(11,085)
<b>Unallocated income and expenses-Head office</b>	(10,791)	-	-	-	3,233	(7,558)
<b>Profit (loss) for the period</b>	<b>14,095</b>	<b>23,018</b>	<b>1,931</b>	<b>(968)</b>	<b>7</b>	<b>38,083</b>

# Sharjah Cement and Industrial Development Company (PSC)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2014 (Unaudited)

### 11 SEGMENT INFORMATION (continued)

30 September 2013	<i>Investment AED'000</i>	<i>Cement factory AED'000</i>	<i>Papersack factory AED'000</i>	<i>Gulf Rope &amp; Plastic Products AED'000</i>	<i>Inter-segment elimination AED'000</i>	<i>Total AED'000</i>
<i>Manufacturing</i>						
Sales	-	394,015	37,934	36,217	(4,058)	464,108
Cost of sales	-	(371,807)	(31,969)	(32,824)	2,176	(434,424)
Gross profit	-	22,208	5,965	3,393	(1,882)	29,684
Miscellaneous income	-	2,353	107	20	(1,883)	597
Expenses	-	(4,829)	(3,919)	(2,163)	725	(10,186)
Net segment results	-	19,732	2,153	1,250	(3,040)	20,095
<i>Investment</i>						
Income from investment in private and public equities and funds	10,550	-	-	-	-	10,550
Interest income	3,348	29	1	-	(2,995)	383
Expenses	(234)	-	-	-	-	(234)
	13,664	29	1	-	(2,995)	10,699
Income from investment properties	4,112	-	-	-	-	4,112
Depreciation	(1,491)	-	-	-	-	(1,491)
	2,621	-	-	-	-	2,621
Net segment results	16,285	29	1	-	(2,995)	13,320
<i>Finance costs</i>	(10,188)	(1,863)	(3,122)	(242)	2,995	(12,420)
<i>Unallocated income and expenses-Head office</i>	(7,909)	-	-	-	3,040	(4,869)
Profit (loss) for the period	(1,812)	17,898	(968)	1,008	-	16,126

Sharjah Cement and Industrial Development Company (PSC)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2014 (Unaudited)

11 SEGMENT INFORMATION (continued)

Other segment information

Segmental information in respect of assets and liabilities relating to the Company's operating segments is as follows:

30 September 2014

	Manufacturing					Total AED '000	Investment AED '000	Total AED '000
	Cement Factory AED '000	Paper sack factory AED '000	Gulf Rope & Plastic products AED '000	Unallocated Assets & Liabilities- Head Office AED '000	Total AED '000			
Segment assets	1,178,511	54,140	123,830	20,320	1,356,481	596,850	1,973,651	
Segment liabilities	117,310	5,968	11,592	360,404	134,870	-	495,274	
Depreciation	30,327	159	1,625	312	32,111	1,491	33,914	
Capital expenditure	52,354	353	17,093	131	69,800	-	69,931	

Sharjah Cement and Industrial Development Company (PSC)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2014 (Unaudited)

11 SEGMENT INFORMATION (continued)

Other segment information (continued)

30 September 2013

	Manufacturing						Total AED '000	Investment AED '000	Total AED '000
	Cement Factory AED '000	Paper sack factory AED '000	Gulf Rope & Plastic products AED '000	Total AED '000	Unallocated Assets & Liabilities- Head Office AED '000	Total AED '000			
Segment assets	1,137,631	50,683	81,558	1,269,872	32,518	1,302,390	541,974	1,844,364	
Segment liabilities	122,539	7,769	12,479	142,787	316,413	459,200	-	459,200	
Depreciation	33,774	128	1,018	34,920	318	35,238	1,491	36,729	
Capital expenditure	8,740	470	18,050	27,260	13,852	41,112	-	41,112	



Sharjah Cement and Industrial Development Company (PSC)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2014 (Unaudited)

11 SEGMENT INFORMATION (continued)

*Geographical information*

The following table presents revenue and investment income information regarding geographic segments for the periods ended 30 September 2014 and 30 September 2013.

30 September 2014

	Domestic				International				Grand Total AED'000		
	Cement Factory AED'000	Paper sack factory AED'000	Gulf Rope & Plastic products AED'000	Investment AED'000	Total AED'000	Cement Factory AED'000	Paper sack factory AED'000	Gulf Rope & Plastic products AED'000		Investment AED'000	Total AED'000
Revenue	359,493	4,743	25,395	-	389,631	77,366	28,673	20,429	-	126,468	516,099
Investment income	-	-	-	28,173	28,173	-	-	-	2,455	2,455	30,628
Assets	1,156,101	47,752	120,811	426,385	1,751,049	22,410	6,388	3,019	190,785	222,602	1,973,651
Liabilities	116,047	4,066	5,801	216,348	342,262	1,263	1,902	5,791	144,056	153,012	495,274
Capital expenditure	52,354	353	17,093	131	69,931	-	-	-	-	-	69,931

Sharjah Cement and Industrial Development Company (PSC)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2014 (Unaudited)

11 SEGMENT INFORMATION (continued)

Geographical information (continued)

30 September 2013

	Domestic				International				Grand Total AED '000		
	Cement Factory AED '000	Paper sack factory AED '000	Gulf Rope & Plastic products AED '000	Investment AED '000	Total AED '000	Cement Factory AED '000	Paper sack factory AED '000	Gulf Rope & Plastic products AED '000		Investment AED '000	Total AED '000
Revenue	276,593	5,627	21,604	-	303,824	117,422	28,249	14,613	-	160,284	464,108
Investment income	-	-	-	12,541	12,541	-	-	-	1,013	1,013	13,554
Assets	1,117,715	42,631	80,234	397,645	1,638,225	19,916	8,052	1,325	176,846	206,139	1,844,364
Liabilities	118,324	3,930	4,125	220,203	346,582	4,215	3,839	8,354	96,210	112,618	459,200
Capital expenditure	8,740	470	18,050	13,852	41,112	-	-	-	-	-	41,112

Property, plant and equipment and investment properties are located in the United Arab Emirates. Investment in associate is classified as International.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2014 (Unaudited)

**12 SEASONALITY OF RESULTS**

Investment income (note 3) depends on market conditions, investment activities of the Company and declaration of profits by investee companies, which are of a seasonal nature. Furthermore, sales are affected by construction activities in the region as well as the economic climate and meteorological conditions. Accordingly, results for the period ended 30 September 2014 are not comparable to those relating to the comparative period, and are not indicative of the results that might be expected for the year ending 31 December 2014.

**13 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

**Commitment**

Estimated capital expenditure commitment at the statement of financial position date amounted to AED 13.1 million (31 December 2013: AED 61.5 million).

The Company also has commitments for AED 10.5 million (31 December 2013: AED 11.4 million) on account of investments made in securities and funds. The Company has to pay as and when calls are made by the fund's managers/investee companies.

**Operating lease commitments - Company as lessor**

The Company has entered into various operating lease agreements for investment properties. As at the period end, the future lease minimum payments of AED 1.8 million (31 December 2013: AED 1.5 million) are due within one year from the statement of financial position date under these operating leases.

**Operating lease commitments - Company as lessee**

The Company has entered into an operating lease agreement with the Government of Fujairah for a period of 10 years to extract limestone from a Quarry in the Emirate. The lease rentals are proportional to the quantity of limestone to be extracted from the Quarry.

**Contingent liability**

At 30 September 2014, the Company had contingent liabilities in respect of bank guarantees relating to performance bonds, from which it is anticipated that no material liabilities will arise, amounting to AED 6.8 million (31 December 2013: AED 4 million).

**14 DIVIDENDS**

The Board of Directors had proposed a cash dividend amounting to AED 27,648 thousand at AED 0.05 per share of AED 1 each. No scrip dividend was proposed. Subsequently, the shareholders, at the annual general meeting held on 12 April 2014, approved a cash dividend amounting to AED 41,472 thousand at AED 0.075 per share of AED 1 each.