

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (unaudited)**

30 SEPTEMBER 2022

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SHARJAH CEMENT AND INDUSTRIAL DEVELOPMENT CO. (PJSC)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Sharjah Cement and Industrial Development Co. (PJSC) (the “Company”) and its subsidiary (the “Group”), which comprise the interim consolidated statement of financial position as at 30 September 2022 and the related interim consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended and the related interim consolidated statement of changes in equity and cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

For Ernst & Young



Signed by:
Ashraf Abu Sharkh
Partner
Registration No: 690

9 November 2022

Sharjah, United Arab Emirates

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

INTERIMCONSOLIDATED STATEMENT OF INCOME

For the three month and nine month periods ended 30 September 2022 (unaudited)

	<i>Notes</i>	<i>Three months period ended 30 September</i>		<i>Nine months period ended 30 September</i>	
		<i>2022 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
Revenue		167,623	124,092	468,269	379,436
Cost of sales		(164,099)	(127,230)	(477,306)	(374,802)
Gross profit/(loss)		3,524	(3,138)	(9,037)	4,634
Administrative and general expenses		(5,030)	(4,749)	(15,576)	(15,251)
Selling and distribution expenses		(2,250)	(1,737)	(5,765)	(5,153)
Investment income/(loss)	4	(880)	4,531	4,728	10,977
Finance expenses	15	(4,186)	(3,028)	(11,301)	(9,696)
Other income		274	685	2,376	2,142
Loss for the period		(8,548)	(7,436)	(34,575)	(12,347)
Loss attributable to:					
Equity holders of the parent		(8,548)	(7,436)	(34,575)	(12,347)
Earnings per share					
Basic and diluted earnings per share (AED)	13	(0.014)	(0.012)	(0.057)	(0.020)

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three month and nine month periods ended 30 September 2022 (unaudited)

	Notes	<i>Three months period ended 30 September</i>		<i>Nine month period ended 30 September</i>	
		<i>2022 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
Loss for the period		(8,548)	(7,436)	(34,575)	(12,347)
Other comprehensive income for the period					
<i>Items that will not be reclassified to profit or loss:</i>					
Investments carried at FVTOCI - net change in fair value	6.1	9,189	6,669	6,593	17,176
<i>Items that may be reclassified to profit or loss:</i>					
Change in fair value of interest rate swap	6.1	(83)	265	(62)	989
Other comprehensive income for the period		9,106	6,934	6,531	18,165
Total comprehensive income/(loss) for the period		558	(502)	(28,044)	5,818
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		558	(502)	(28,044)	5,818

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022 (unaudited)

	Notes	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)	30 September 2021 AED'000 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment		908,468	917,023	929,829
Investment properties	7	244,291	250,849	253,176
Investments carried at FVTOCI	6	173,024	164,563	148,512
		<u>1,325,783</u>	<u>1,332,435</u>	<u>1,331,517</u>
Current assets				
Inventories		289,151	220,003	207,123
Trade and other receivables		251,622	185,431	180,076
Investments carried at FVTPL	6	32,730	33,660	32,106
Cash in hand and at bank	8	24,265	13,795	15,373
Assets held for sale	5	47,293	47,293	45,016
		<u>645,061</u>	<u>500,182</u>	<u>479,694</u>
TOTAL ASSETS		<u>1,970,844</u>	<u>1,832,617</u>	<u>1,811,211</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	10	608,254	608,254	608,254
Statutory reserve	11	334,091	334,091	334,091
General reserve	12	226,373	226,373	226,373
Fair value reserve	6	25,768	18,764	5,357
Retained earnings		95,841	130,889	152,344
Total equity		<u>1,290,327</u>	<u>1,318,371</u>	<u>1,326,419</u>
Non-current liabilities				
Long term borrowings	9	101,874	113,876	128,564
Provision for staff terminal benefits		30,705	27,955	27,513
		<u>132,579</u>	<u>141,831</u>	<u>156,077</u>
Current liabilities				
Trade and other payables		217,504	106,394	108,969
Short term borrowings	9	330,434	266,021	219,746
		<u>547,938</u>	<u>372,415</u>	<u>328,715</u>
Total liabilities		<u>680,517</u>	<u>514,246</u>	<u>484,792</u>
TOTAL EQUITY AND LIABILITIES		<u>1,970,844</u>	<u>1,832,617</u>	<u>1,811,211</u>

These interim condensed consolidated financial statements were approved by the Board of Directors, and authorised for issue on 8 November 2022 and signed on their behalf by:

Chairman

Chief Executive

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine month period ended 30 September 2022 (unaudited)

	Notes	Nine month period ended 30 September	
		2022 AED'000	2021 AED'000
OPERATING ACTIVITIES			
Loss for the period		(34,575)	(12,347)
<i>Adjustments for:</i>			
Depreciation on property, plant and equipment		52,972	52,082
Depreciation on investment properties		6,558	6,612
Provision for staff terminal benefits		3,456	1,628
Gain on disposal of property, plant and equipment		-	(3)
Provision for inventory (net off)		(6,628)	(2,000)
Realised loss on disposal of investments carried at FVTPL	4	2,422	295
Gain on change in fair value of investments carried at FVTPL	4	(1,915)	(5,724)
Rental income from investment properties		(6,442)	(3,417)
Dividend income	4	(4,964)	(3,995)
Interest expense		11,301	9,696
		22,185	42,827
<i>Changes in working capital:</i>			
Inventories		(62,520)	31,567
Trade and other receivables		(66,191)	3,667
Trade and other payables		111,047	12,469
		4,521	90,530
Staff terminal benefits paid		(706)	(1,568)
Net cash from operating activities		3,815	88,962
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment (including advances)		(44,417)	(11,268)
Additions to investment properties		-	(124)
Proceeds from disposal of property, plant and equipment		-	3
Purchase of investments carried at FVTOCI	6.1	(2,616)	(7,874)
Proceeds from disposal investments carried at FVTOCI		748	2,152
Dividend income	4	4,964	3,995
Rental income from investment properties		6,442	3,417
Purchase of investment carried at FVTPL	6.2	(4,231)	(7,747)
Proceeds from disposal of investments carried at FVTPL	6.2	4,654	3,721
Net cash used in investing activities		(34,456)	(13,725)
FINANCING ACTIVITIES			
Repayment of long term bank loans	9	(44,067)	(54,742)
Long term bank loans availed	9	30,000	-
Net movement in short term borrowings	9	66,479	(22,069)
Interest paid		(11,301)	(9,696)
Net cash used in financing activities		41,111	(86,507)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		10,470	(11,270)
Cash and cash equivalents at the beginning of the period		13,795	26,643
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8	24,265	15,373
<i>Cash and cash equivalents comprise:</i>			
Cash in hand and at bank	8	24,265	15,373

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2022 (unaudited)

	<i>Attributable to the equity holders of the parent</i>					<i>Total</i>
	<i>Share capital</i>	<i>Statutory reserve</i>	<i>General reserve</i>	<i>Fair value reserve</i>	<i>Retained earnings</i>	
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Balance at 1 January 2022 (audited)	608,254	334,091	226,373	18,764	130,889	1,318,371
<i>Total comprehensive loss for the period (unaudited)</i>						
Loss for the period	-	-	-	-	(34,575)	(34,575)
Other comprehensive income for the period	-	-	-	6,531	-	6,531
Total comprehensive loss for the period (unaudited)	-	-	-	6,531	(34,575)	(28,044)
Other equity movement						
Transfer of realised loss from fair value reserve to retained earnings on disposal of investments carried at FVTOCI (Note 6.1)	-	-	-	473	(473)	-
Total other equity movement	-	-	-	473	(473)	-
Balance at 30 September 2022 (unaudited)	608,254	334,091	226,373	25,768	95,841	1,290,327

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the nine month period ended 30 September 2022 (unaudited)

	<i>Attributable to the equity holders of the parent</i>					<i>Total</i>
	<i>Share capital</i>	<i>Statutory reserve</i>	<i>General reserve</i>	<i>Fair value reserve</i>	<i>Retained earnings</i>	
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Balance at 1 January 2021 (audited)	608,254	334,091	226,373	(12,314)	164,197	1,320,601
<i>Total comprehensive loss for the period (unaudited)</i>						
Loss for the period	-	-	-	-	(12,347)	(12,347)
Other comprehensive income for the period	-	-	-	18,165	-	18,165
Total comprehensive income for the period (unaudited)	608,254	334,091	226,373	18,165	(12,347)	5,818
Other equity movement						
Transfer of realised gain from fair value reserve to retained earnings on disposal of investments carried at FVTOCI (Note 6.1)	-	-	-	(494)	494	-
Total other equity movement	-	-	-	(494)	494	-
Balance at 30 September 2021 (unaudited)	608,254	334,091	226,373	5,357	152,344	1,326,419

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2022 (unaudited)

1 CORPORATE INFORMATION

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 is listed on Abu Dhabi Securities Market.

The interim condensed consolidated financial statements (“interim financial statements”) as at and for the nine month period ended 30 September 2022 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 2021 (“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.

In addition, results for the nine months ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

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.

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.

2 BASIS OF PREPARATION (continued)

Measurement of fair values (continued)

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorized and recognised 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 and recognised in different levels of the fair value hierarchy, then the fair value measurement is categorized and recognised 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 categorized and recognises 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 2021.

2.1 BASIS OF CONSOLIDATION

The Group comprises of the Company and the under-mentioned subsidiary company.

<i>Subsidiary</i>	<i>Principal activity</i>	<i>Country of incorporation</i>	<i>Ownership</i>	
			<i>2022</i>	<i>2021</i>
Gulf Rope & Plastic Products Co. LLC	Rope and plastic products	United Arab Emirates	100%	100%

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 30 September 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2022 (unaudited)

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed consolidated 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 2021.

New standards, interpretations and amendments

The new and revised relevant IFRSs effective in the current period had no significant impact on the amounts reported and disclosures in these interim condensed consolidated financial statements.

4 INVESTMENT INCOME/(LOSS)

	<i>Three months period ended 30 September</i>		<i>Nine month period ended 30 September</i>	
	<i>2022 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
(Loss)/Gain on change of fair value of investments carried at FVTPL (refer Note 6.2)	(873)	1,076	1,915	5,724
Realized loss on disposal of investments carried at FVTPL (refer Note 6.2)	(182)	(21)	(2,422)	(295)
Operating loss from investment properties	(349)	(1,043)	(116)	(3,195)
Dividend income	82	-	4,964	3,995
Profit distribution from funds	-	4,630	-	4,740
Others	442	(111)	387	8
	(880)	4,531	4,728	10,977

5 ASSET HELD FOR SALE

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>	<i>30 September 2021 AED'000 (Unaudited)</i>
Opening balance	47,293	45,016	45,016
Additions made during the period/year - Refer Note (i)	-	2,277	-
Closing balance	47,293	47,293	45,016

- (i) During the year 2021, company paid an amount of AED 2.3 million towards subscription of 858,231 equity shares of AIPL. Allotment of shares was completed in 2021 and the formalities of dematerialisation of shares was completed as on 31st March 2022.
- (ii) The Board of Directors of AIPL has approved a joint development of the land with a reputed developer and the regulatory procedures for the joint development of the land are being completed.
- (iii) Management is in active discussion with potential buyers and expect to sell the investment within next 12 to 15 months. Management is of the view that carrying value is not expected to be higher than the fair value less cost to sell.

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 For the nine month period ended 30 September 2022 (unaudited)

6 INVESTMENTS

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>	<i>30 September 2021 AED'000 (Unaudited)</i>
<i>Investments carried at FVTOCI</i>			
Investment in quoted securities - Refer Note 6.1	142,244	135,561	121,973
Investment in unquoted securities - Refer Note 6.1	30,780	29,002	26,539
(i) - Refer Note 6.1	173,024	164,563	148,512
<i>Investments carried at FVTPL</i>			
Investment in quoted securities - Refer Note 6.2	32,730	33,660	32,106
(ii)	32,730	33,660	32,106
(i) + (ii)	205,754	198,223	180,618

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>	<i>30 September 2021 AED'000 (Unaudited)</i>
<i>Quoted:</i>			
UAE	141,489	138,139	124,828
Outside UAE	33,485	31,082	29,251
<i>Unquoted:</i>			
UAE	1,972	1,972	2,027
Outside UAE	28,808	27,030	24,512
	205,754	198,223	180,618

6.1 Investments carried at FVTOCI

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>	<i>30 September 2021 AED'000 (Unaudited)</i>
Opening balance	164,563	125,614	125,614
Purchase during the period/year	2,616	10,997	7,874
Change in fair value	6,593	30,104	17,176
Disposals during the period/ year	(748)	(2,152)	(2,152)
Closing balance	173,024	164,563	148,512

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 For the nine month period ended 30 September 2022 (unaudited)

6 INVESTMENTS (continued)

6.1 Investments carried at FVTOCI (continued)

Cumulative changes in fair value of investments carried at FVTOCI

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>	<i>30 September 2021 AED'000 (Unaudited)</i>
Opening balance	19,350	(10,260)	(10,260)
Change in fair value during the period/year	6,593	30,104	17,176
Less: transferred to retained earnings upon disposal	473	(494)	(494)
Closing balance (i)	<u>26,416</u>	<u>19,350</u>	<u>6,422</u>

Change in fair value of interest rate swap

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>	<i>30 September 2021 AED'000 (Unaudited)</i>
Opening balance	(586)	(2,054)	(2,054)
Change in fair value during the period/year	(62)	1,468	989
Closing balance (ii)	<u>(648)</u>	<u>(586)</u>	<u>(1,065)</u>
Fair value reserve as on (i) + (ii)	<u>25,768</u>	<u>18,764</u>	<u>5,357</u>

6.2 Investments carried at FVTPL

Movement during the period/ year is as follows:

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>	<i>30 September 2021 AED'000 (Unaudited)</i>
Opening balance	33,660	22,651	22,651
Purchase during the period/year	4,231	11,010	7,747
Change in fair value (Note 4)	1,915	4,965	5,724
Loss on disposal of investments carried at FVTPL (Note 4)	(2,422)	(199)	(295)
Disposals during the period/year	(4,654)	(4,767)	(3,721)
Closing balance	<u>32,730</u>	<u>33,660</u>	<u>32,106</u>

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 For the nine month period ended 30 September 2022 (unaudited)

6 INVESTMENTS (Continued)

6.3 Fair value hierarchy of the investments

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<i>At 30 September 2022</i>				
Investments carried at FVTOCI	142,244	-	30,780	173,024
Investments carried at FVTPL	32,730	-	-	32,730
	174,974	-	30,780	205,754
<i>At 31 December 2021</i>				
Investments carried at FVTOCI	135,561	-	29,002	164,563
Investments carried at FVTPL	33,660	-	-	33,660
	169,221	-	29,002	198,223

There were no transfers between Level 1, Level 2 and Level 3 during the period.

7 INVESTMENT PROPERTIES

	<i>30 September</i> <i>2022</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2021</i> <i>AED'000</i> <i>(Audited)</i>	<i>30 September</i> <i>2021</i> <i>AED'000</i> <i>(Unaudited)</i>
Lands	96,019	96,019	96,019
Buildings	148,272	154,830	157,157
Total	244,291	250,849	253,176

Investment properties are accounted for using the cost model. The fair value of the investment properties as at 31 December 2021 are based on the valuation report issued by an independent valuer. The valuer is registered in the United Arab Emirates. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. Valuations are performed on a periodic basis, at least annually. Fair value of the Company's investment properties are based on unobservable inputs (i.e. Level 3). The fair value of the entire portfolio of investment properties as at 31 December 2021 was AED 397 million.

8 CASH IN HAND AND AT BANK

	<i>30 September</i> <i>2022</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2021</i> <i>AED'000</i> <i>(Audited)</i>	<i>30 September</i> <i>2021</i> <i>AED'000</i> <i>(Unaudited)</i>
Cash in hand and at bank	24,265	13,795	15,373

Cash in hand and at bank includes AED 0.2 million (31 December 2021: AED 1.6 million and 30 September 2021: AED 1.4 million) held outside UAE.

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9 BANK BORROWINGS

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>	<i>30 September 2021 AED'000 (Unaudited)</i>
<i>Long term borrowings:</i>			
Term loans	158,564	172,632	187,320
Less: short term portion of term loans	(56,690)	(58,756)	(58,756)
	<u>101,874</u>	<u>113,876</u>	<u>128,564</u>
<i>Short term borrowings:</i>			
Short term loans	273,744	207,265	160,990
Current portion of term loans	56,690	58,756	58,756
	<u>330,434</u>	<u>266,021</u>	<u>219,746</u>

(i) All facilities bear interest rates at prevailing market rates.

(ii) Bank borrowings are secured by:

- Demand promissory note for AED 296 million in favor of the banks as a security against the bank facilities
- Registered mortgage & assignment of insurance policy over an investment property for an amount of AED 92 million.
- Assignment of insurance policy in favour of one of the banks in UAE for an amount of AED 80 million in respect of plant and machinery on Paari Paasu basis.
- Commercial mortgage over financed captive power plant for an amount of AED 145 million (Non-Notarized) and assignment of insurance policy in respect of captive power plant for an amount of AED 134 million in favour of one of the banks in UAE.
- Registered pledge and assignment of insurance policy over waste heat recovery plant for an amount of AED 30 million in favour of one of the banks in UAE.

(iii) Bank borrowings are also subject to certain financial covenants. Testing for compliance with the financial covenants is done annually on 31 December. As at 31 December 2021, the Group had complied with the financial covenants as specified in the facility letters with the banks.

10 SHARE CAPITAL

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>	<i>30 September 2021 AED'000 (Unaudited)</i>
<i>Authorised, issued and paid up</i> 608,253,747 shares of AED 1 each	<u>608,254</u>	<u>608,254</u>	<u>608,254</u>

11 STATUTORY RESERVE

In accordance with Article 239 of the UAE Federal Law No. (2) of 2015 (as amended) 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.

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12 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.

13 BASIC LOSS 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 30 September 2022, calculated as follows:

	<i>Three months period ended 30 September</i>		<i>Nine month period ended 30 September</i>	
	<i>2022 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
Earnings per share				
Net Loss for the period	<u>(8,548)</u>	<u>(7,436)</u>	<u>(34,575)</u>	<u>(12,347)</u>
Weighted average number of shares outstanding ('000s)	<u>608,254</u>	<u>608,254</u>	<u>608,254</u>	<u>608,254</u>
Basic loss per share (AED)	<u>(0.014)</u>	<u>(0.012)</u>	<u>(0.057)</u>	<u>(0.020)</u>

The Group has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

14 CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 September 2022, the Group has issued guarantees relating to performance bonds amounting to AED 1.9 million (31 December 2021: AED 1.7 million), from which it is anticipated that no material liabilities will arise.

Estimated capital expenditure commitment at the reporting date amounted to AED 6.7 million (31 December 2021: AED 16.3 million).

The Group also has commitments of AED 10.4 million (31 December 2021: AED 4.5 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.

15 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.

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15 SEGMENT REPORTING (continued)

	<i>Three months period ended 30 September</i>		<i>Nine month period ended 30 September</i>	
	<i>2022 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
Manufacturing				
Revenue	167,623	124,092	468,269	379,436
Cost of sales	(164,099)	(127,230)	(477,306)	(374,802)
Gross (loss)/profit	3,524	(3,138)	(9,037)	4,634
Miscellaneous expenses	264	683	2,360	2,167
Expenses	(4,522)	(3,645)	(12,434)	(10,808)
Net segment results	(734)	(6,100)	(19,111)	(4,007)
Investment				
Income from investment in private and public equities and funds	(531)	5,574	4,844	14,172
	(531)	5,574	4,844	14,172
Income from investment properties	1,801	1,161	6,442	3,417
Depreciation	(2,150)	(2,204)	(6,558)	(6,612)
	(349)	(1,043)	(116)	(3,195)
Net segment results	(880)	4,531	4,728	10,977
Finance costs	(4,186)	(3,028)	(11,301)	(9,696)
Unallocated income and expenses-Head office	(2,748)	(2,839)	(8,891)	(9,621)
Loss for the period	(8,548)	(7,436)	(34,575)	(12,347)

Other information

	<i>30 September 2022</i>			<i>31 December 2021</i>		
	<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	1,473,011	497,338	1,970,844	1,336,037	496,580	1,832,617
Segment liabilities	680,336	181	680,517	513,843	403	514,246
Depreciation	52,972	6,558	59,530	69,777	8,815	78,592
Capital expenditure	44,672	2,616	47,288	16,157	13,274	29,431

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15 SEGMENT REPORTING (continued)

Geographical information

The following table presents revenue, asset and liability information regarding geographic segments for the periods ended 30 September 2022 and 30 September 2021.

	<i>30 September 2022</i>			<i>30 September 2021</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	<u>358,352</u>	<u>109,917</u>	<u>468,269</u>	<u>287,480</u>	<u>91,956</u>	<u>379,436</u>
Investment income /(loss)	<u>5,276</u>	<u>(548)</u>	<u>4,728</u>	<u>2,177</u>	<u>8,800</u>	<u>10,977</u>

	<i>30 September 2022</i>			<i>31 December 2021</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	<u>1,829,715</u>	<u>141,129</u>	<u>1,970,844</u>	<u>1,705,809</u>	<u>126,808</u>	<u>1,832,617</u>
Liabilities	<u>577,248</u>	<u>103,269</u>	<u>680,517</u>	<u>402,749</u>	<u>111,497</u>	<u>514,246</u>
Capital expenditure	<u>45,175</u>	<u>2,113</u>	<u>47,288</u>	<u>25,132</u>	<u>4,299</u>	<u>29,431</u>

16 RISK MANAGEMENT

The market environment in the construction sector is being influenced by the negative effects of the Russian / Ukraine conflict and energy, raw material and transport prices have risen considerably, especially in recent months. In this context, uncertainties remain. Global GDP growth is expected to slow down and risk of recession could be amplified by rising interest rates intended to curb inflation.

Management is aware of the political events and sanctions are continually varying across the globe. The extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of authorisation of these interim condensed consolidated financial statements. Management is diligently assessing the rapid developments on a frequent basis to evolve and align the future strategy and operations.

Notwithstanding, these developments above could impact the financial results, cash flows and financial position of the Group subsequent to the period end.